

By: Dukes

H.B. No. 1194

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of propane utility companies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 101.002(b), Utilities Code, is amended to read as follows:

(b) Gas utilities, including propane utilities, are by definition monopolies in the areas they serve. As a result, the normal forces of competition that regulate prices in a free enterprise society do not operate. Public agencies regulate utility rates, operations, and services as a substitute for competition.

SECTION 2. Section 101.003, Utilities Code, is amended by amending Subdivision (7) and adding Subdivision (11-a) to read as follows:

(7) "Gas utility" includes a person or river authority that owns or operates for compensation in this state equipment or facilities to transmit or distribute combustible hydrocarbon natural gas or synthetic natural gas for sale or resale in a manner not subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act (15 U.S.C. Section 717 et seq.). The term includes a lessee, trustee, or receiver of a gas utility. The term includes a propane utility. The term does not include:

(A) a municipal corporation;

1 (B) a person or river authority to the extent the
2 person or river authority:

3 (i) produces, gathers, transports, or sells
4 natural gas or synthetic natural gas under Section 121.004 or
5 121.005;

6 (ii) distributes or sells liquefied
7 petroleum gas; or

8 (iii) transports, delivers, or sells
9 natural gas for fuel for irrigation wells or any other direct
10 agricultural use;

11 (C) a person to the extent the person:

12 (i) sells natural gas for use as vehicle
13 fuel;

14 (ii) sells natural gas to a person who later
15 sells the natural gas for use as vehicle fuel; or

16 (iii) owns or operates equipment or
17 facilities to sell or transport natural gas for ultimate use as
18 vehicle fuel;

19 (D) a person not otherwise a gas utility who
20 furnishes gas or gas service only to itself, its employees, or its
21 tenants as an incident of employment or tenancy, if the gas or gas
22 service is not resold to or used by others; or

23 (E) a person excluded from being considered a gas
24 utility under Section 121.007.

25 (11-a) "Propane utility" means a person that owns or
26 operates for compensation in this state equipment or facilities to
27 transmit, store, or distribute propane gas for sale or resale. The

1 term includes a lessee, trustee, or receiver of a propane utility.
2 The term does not include a person not otherwise a propane utility
3 who furnishes propane gas service only to itself, its employees, or
4 its tenants as an incident of employment or tenancy, if the propane
5 gas service is not resold or used by others.

6 SECTION 3. Section 102.001(a), Utilities Code, is amended
7 to read as follows:

8 (a) The railroad commission has exclusive original
9 jurisdiction over the rates and services of a gas utility:

10 (1) that distributes natural gas, propane gas, or
11 synthetic natural gas in:

12 (A) areas outside a municipality; and

13 (B) areas inside a municipality that surrenders
14 its jurisdiction to the railroad commission under Section 103.003;
15 and

16 (2) that transmits, transports, delivers, or sells
17 natural gas, propane gas, or synthetic natural gas to a gas utility
18 that distributes the gas to the public.

19 SECTION 4. Section 104.2545, Utilities Code, is amended by
20 adding Subsection (e) to read as follows:

21 (e) This section does not apply to a propane utility.

22 SECTION 5. Section 104.258, Utilities Code, is amended to
23 read as follows:

24 Sec. 104.258. DISCONNECTION OF NATURAL GAS OR PROPANE GAS
25 SERVICE. (a) In this section:

26 (1) "Extreme weather emergency" means a period during
27 which the previous day's highest temperature did not exceed 32

1 degrees Fahrenheit and the temperature is predicted to remain at or
2 below that level for the next 24 hours according to the nearest
3 National Weather Service reports.

4 (2) "Provider" means:

5 (A) a gas utility, as defined by Sections 101.003
6 and 121.001; ~~and~~

7 (A-1) a propane utility, as defined by Section
8 101.003; and

9 (B) an owner, operator, or manager of a mobile
10 home park or apartment who purchases natural gas or propane gas
11 through a master meter for delivery to a dwelling unit in a mobile
12 home park or apartment house under Chapter 124.

13 (b) A provider may not disconnect natural gas or propane gas
14 service to a residential customer on a weekend day unless personnel
15 of the provider are available on that day to take payments and
16 reconnect service.

17 (c) A provider may not disconnect natural gas or propane gas
18 service to a residential customer during an extreme weather
19 emergency. The provider shall defer collection of the full payment
20 of bills that are due during an extreme weather emergency until
21 after the emergency is over and shall work with customers to
22 establish a pay schedule for deferred bills.

23 SECTION 6. This Act takes effect September 1, 2009.