

By: Miller of Comal

H.B. No. 3610

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to rates and methods of depreciation applied to a retired  
3 class of property for regulated water utilities.

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

5 SECTION 1. Section 13.131, Water Code, is amended by  
6 amending Subsection (c) to read as follows:

7 (c) The commission shall fix proper and adequate rates and  
8 methods of depreciation, amortization, or depletion of the several  
9 classes of property of each utility and shall require every utility  
10 to carry a proper and adequate depreciation account in accordance  
11 with those rates and methods and with any other rules the commission  
12 prescribes. The commission shall also require the book cost less  
13 net salvage of depreciable utility plant retired be charged in its  
14 entirety to the accumulated depreciation account, consistent with  
15 accounting treatment for other TCEQ and Texas PUC regulated  
16 electric and gas utilities. Those rates, methods, and accounts  
17 shall be utilized uniformly and consistently throughout the  
18 rate-setting and appeal proceedings.

19 SECTION 2. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2009.