

Amend CSHB 725 by adding the following section to the bill, numbered appropriately:

SECTION _____. Subchapter H, Chapter 49, Water Code, is amended to add Section 49.239 to read as follows:

Sec. 49.239. WATER RATES. (a) In this section "utility" means any person or entity or any combination of persons or entities, other than a district, a water supply corporation that has adopted and is operating in accordance with by-laws or articles of incorporation which ensure that it is member-owned and member-controlled, or a political subdivision of the state, or their lessees, trustees, and receivers, providing potable water service to a district or to the residents of such district.

(b) Notwithstanding the provisions of any agreement, a district may appeal the rate it is charged by a utility for potable water service by filing a petition with the commission. The commission shall hear the appeal de novo and the utility shall have the burden of proof to establish that the rate is just and reasonable and does not adversely affect the public interest. The commission shall presume that the rate adversely affects the public interest if the rate the utility charges at the time the petition is filed is at least 200 percent higher than the rate charged at any time during the 36-month period before the date of the petition. The commission shall fix the rates to be charged by the utility and the utility may not increase such rates without the approval of the commission.