

By: Watson

S.B. No. 555

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of LP-gas 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 LP-gas 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 (7-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 an LP-gas 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, unless the person or river authority is an LP-gas
8 utility as defined by this section; or

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

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

13 (i) sells natural gas or LP-gas for use as
14 vehicle fuel;

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

18 (iii) owns or operates equipment or
19 facilities to sell or transport natural gas or LP-gas for ultimate
20 use as vehicle fuel;

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

25 (E) a person excluded from being considered a gas
26 utility under Section 121.007.

27 (7-a) "LP-gas utility" means a person that owns or

1 operates for compensation in this state equipment and facilities
2 connected to a contiguous piping system through which LP-gas is
3 supplied to residential and commercial end users. The term
4 includes a lessee, trustee, or receiver of an LP-gas utility. The
5 term does not include a person not otherwise an LP-gas utility who
6 furnishes LP-gas service only to itself, its employees, or its
7 tenants as an incident of employment or tenancy, if the LP-gas
8 service is not resold or used by others.

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

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

13 (1) that distributes natural gas, LP-gas, or synthetic
14 natural gas in:

15 (A) areas outside a municipality; and

16 (B) areas inside a municipality that surrenders
17 its jurisdiction to the railroad commission under Section 103.003;
18 and

19 (2) that transmits, transports, delivers, or sells
20 natural gas, LP-gas, or synthetic natural gas to a gas utility that
21 distributes the gas to the public.

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

24 (e) This section does not apply to an LP-gas utility.

25 SECTION 5. Section 104.258, Utilities Code, is amended to
26 read as follows:

27 Sec. 104.258. DISCONNECTION OF NATURAL GAS OR LP-GAS [~~GAS~~]

1 SERVICE. (a) In this section:

2 (1) "Extreme weather emergency" means a period during
3 which the previous day's highest temperature did not exceed 32
4 degrees Fahrenheit and the temperature is predicted to remain at or
5 below that level for the next 24 hours according to the nearest
6 National Weather Service reports.

7 (2) "Provider" means:

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

10 (B) an LP-gas utility, as defined by Section
11 101.003; and

12 (C) an owner, operator, or manager of a mobile
13 home park or apartment who purchases natural gas or LP-gas through a
14 master meter for delivery to a dwelling unit in a mobile home park
15 or apartment house under Chapter 124.

16 (b) A provider may not disconnect natural gas or LP-gas
17 service to a residential customer on a weekend day unless personnel
18 of the provider are available on that day to take payments and
19 reconnect service.

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

26 SECTION 6. This Act takes effect September 1, 2011.