

## **BILL ANALYSIS**

H.B. 1456  
By: Gooden  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties contend that customers of private, investor-owned utilities often are charged high water and sewer rates and that many of these customers, most of whom reside in rural, unincorporated areas, lack the resources to be able to participate in rate proceedings of private companies. The interested parties further contend that rate proceedings are complicated affairs and require the utilization of experts in regulatory accounting, depreciation studies, cost of capital, and a host of other disciplines. The parties assert that a county often is the only governmental agency that can act as an advocate for rural customers of private water companies and that through the utilization of specialized advocates and experts, a county can level the playing field in a rate proceeding and provide effective representation on behalf of rural customers. H.B. 1456 seeks to address this issue by expanding the number of counties that can participate in water and sewer utility ratemaking proceedings.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1456 amends the Water Code to authorize a county to intervene as a party in a water rate proceeding before a regulatory authority if the utility in the proceeding either seeks to increase the rates of ratepayers who reside in the county by more than 25 percent or serves more than 3,000 ratepayers who reside in the county. The bill requires a regulatory authority that receives a complaint before the 91st day after the effective date of a rate change from a county authorized by the bill to intervene in a rate proceeding to set the matter for hearing. The bill includes the commissioners court of a county authorized by the bill to intervene in a rate proceeding among the governing bodies that have the right to select and engage certain experts to conduct investigations, present evidence, advise and represent the respective governing body, and assist with litigation on water and sewer utility ratemaking proceedings.

### **EFFECTIVE DATE**

September 1, 2013.