

By: Gooden

H.B. No. 1457

A BILL TO BE ENTITLED

AN ACT

1
2 relating to expenses considered to determine net income for
3 purposes of a rate proceeding for an investor-owned water and sewer
4 utility.

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

6 SECTION 1. Section 13.185, Water Code, is amended by
7 amending Subsection (d) and adding Subsection (h-1) to read as
8 follows:

9 (d) Except as provided by Subsection (h-1), net [~~Net~~] income
10 is the total revenues of the utility less all reasonable and
11 necessary expenses as determined by the regulatory authority. The
12 regulatory authority shall determine expenses and revenues in a
13 manner consistent with Subsections (e) through (h-1) [~~(h) of this~~
14 ~~section~~].

15 (h-1) The regulatory authority may include for ratemaking
16 purposes only 50 percent of the reasonable and necessary rate case
17 expenses of an investor-owned utility.

18 SECTION 2. The changes in law made by this Act apply only to
19 a rate proceeding before the Texas Commission on Environmental
20 Quality that commences on or after the effective date of this Act.
21 A rate proceeding before the Texas Commission on Environmental
22 Quality that commenced before the effective date of this Act is
23 governed by the law in effect on the date the proceeding commenced,
24 and that law is continued in effect for that purpose.

1 SECTION 3. This Act takes effect September 1, 2013.