

BILL ANALYSIS

C.S.H.B. 2558
By: Isaac
Energy Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that currently certain propane gas providers can bill a customer for a period longer than the number of days in a month. The parties contend that this may provide for the allowable markup and allowable spot price averages to increase, resulting in higher rates to be paid by customers. C.S.H.B. 2558 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 2558 amends the Utilities Code to prohibit the bill of a retail customer of propane gas purchased from and delivered by a distribution system retailer through a propane gas system from including charges for a period of more than 32 days for a billing month in which the majority of days in the billing month occur in December, January, or February or for a period of more than 31 days for a billing month in which the majority of days in the billing month occur in any other month. The bill authorizes a billing month in which the majority of days occur in December, January, or February and during which an extreme condition occurs or continues on or after the 29th day to be extended by the number of days the extreme condition occurs. The bill specifies that extreme conditions include iced, flooded, closed, or otherwise impassable roads in the county in which the customer resides; a natural disaster, including an earthquake, a hurricane, a tornado, or winds of more than 60 miles per hour; and civil disruption, including war, riot, or labor disruption or stoppage.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2558 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

HOUSE COMMITTEE SUBSTITUTE

84R 26350

15.118.738

Substitute Document Number: 84R 25238

SECTION 1. Section 141.003(a), Utilities Code, is amended to read as follows:

(a) In each billing month, a distribution system retailer shall charge a customer a just and reasonable rate for propane gas provided through a propane gas system to the customer. For the purposes of this section, a just and reasonable rate charged monthly for propane gas is a rate for propane gas provided through a propane gas system to the customer if it is less than or equal to the allowable spot price plus the allowable markup. For a customer's bill that contains days in more than one month, the month with the most days covered by the bill shall be considered the billing month. A customer's bill may not include charges for a period of more than 31 days. The price per gallon shall be converted to the cubic foot rate by dividing the price per gallon by 36.4.

No equivalent provision. (But see SECTION 1 above.)

SECTION 2. The change in law made by this Act applies only to a billing **period** that begins on or after the effective date of this Act. A billing **period** that begins before the

No equivalent provision. (But see SECTION 1 below.)

SECTION 1. Chapter 141, Utilities Code, is amended by adding Section 141.0031 to read as follows:

Sec. 141.0031. DAYS IN BILLING MONTH. (a) A customer's bill may not include charges for a period of more than:

(1) 32 days for a billing month in which the majority of days in the billing month occur in December, January, or February; or
(2) 31 days for a billing month in which the majority of days in the billing month occur in any other month.

(b) If an extreme condition occurs or continues on or after the 29th day of a billing month described by Subsection (a)(1), the billing month may be extended by the number of days the extreme condition occurs. Extreme conditions include:

(1) iced, flooded, closed, or otherwise impassable roads in the county in which the customer resides;

(2) a natural disaster, including an earthquake, a hurricane, a tornado, or winds of more than 60 miles per hour; and

(3) civil disruption, including war, riot, or labor disruption or stoppage.

SECTION 2. The change in law made by this Act applies only to a billing **month** that begins on or after the effective date of this Act. A billing **month** that begins before the

effective date of this Act is governed by the law in effect at the time the billing **period** began, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2015.

effective date of this Act is governed by the law in effect at the time the billing **month** began, and the former law is continued in effect for that purpose.

SECTION 3. Same as introduced version.