

AN ACT

relating to authorizing a regulatory authority to establish reduced water utility rates funded by donations for the benefit of certain elderly customers.

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

SECTION 1. Section 13.182, Water Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Except as provided by Subsection (b-1), rates may ~~shall~~ not be unreasonably preferential, prejudicial, or discriminatory but shall be sufficient, equitable, and consistent in application to each class of consumers.

(b-1) In establishing a utility's rates, the regulatory authority may authorize the utility to establish reduced rates for a minimal level of service to be provided solely to a class of elderly customers 65 years of age or older to ensure that those customers receive that level of service at more affordable rates. The regulatory authority shall allow a utility to establish a fund to receive donations to recover the costs of providing the reduced rates. A utility may not recover those costs through charges to the utility's other customer classes.

SECTION 2. Section 13.189, Water Code, is amended by adding Subsection (c) to read as follows:

(c) For purposes of this section, a reduced rate authorized

1 under Section 13.182(b-1) does not:

2 (1) make or grant an unreasonable preference or
3 advantage to any corporation or person;

4 (2) subject a corporation or person to an unreasonable
5 prejudice or disadvantage; or

6 (3) constitute an unreasonable difference as to rates
7 of service between classes of service.

8 SECTION 3. (a) The changes in law made by this Act apply
9 only to proceedings before a regulatory authority regarding water
10 utility rates concerning an application filed on or after January
11 1, 2018. Proceedings before a regulatory authority regarding water
12 utility rates concerning an application filed before January 1,
13 2018, are governed by the law in effect when the application was
14 filed, and the former law is continued in effect for that purpose.

15 (b) The Public Utility Commission of Texas and other
16 regulatory authorities shall adopt rules as necessary to implement
17 the changes in law made by this Act not later than December 31,
18 2017.

19 SECTION 4. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 1083 was passed by the House on April 20, 2017, by the following vote: Yeas 130, Nays 12, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1083 was passed by the Senate on May 19, 2017, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor