By:  Springer H.B. No. 4477

A BILL TO BE ENTITLED

AN ACT

relating to Public Utility Commission to ensure compliance and rate regulation.

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

SECTION 1.  Sec. 13.181. POWER TO ENSURE COMPLIANCE; RATE REGULATION. (a) Except for the provisions of Section 13.192, this subchapter shall apply only to a utility and shall not be applied to municipalities, counties, districts, or water supply or sewer service corporations.

(b)  Subject to this chapter, the utility commission has all authority and power of the state to ensure compliance with the obligations of utilities under this chapter. For this purpose the regulatory authority may fix and regulate rates of utilities, including rules and regulations for determining the classification of customers and services and for determining the applicability of rates. A rule or order of the regulatory authority may not conflict with the rulings of any federal regulatory body. The utility commission may adopt rules which authorize a utility which is permitted under Section 13.242(c) to provide service without a certificate of public convenience and necessity to request or implement a rate increase and operate according to rules, regulations, and standards of service other than those otherwise required under this chapter provided that rates are just and reasonable for customers and the utility and that service is safe, adequate, efficient, and reasonable.

(C)  Every water and sewer utility shall provide a $5 million dollar bond held in trust by the Commission.

(1)  The Commission may draw down money from the bond, if and when the water or sewer utility fails within a reasonable time, as determined by the PUC, to furnish service, instrumentalities, and facilities that are safe, adequate, efficient, and reasonable.

(2)  The commission shall use the proceeds of the bond to make any necessary improvements to the bring the water or sewer utility back into compliance to ensure that the service, instrumentalities, and facilities are safe, adequate, efficient, and reasonable.

(3)  The commission may charge the water or sewer utility the amount that was required to make the necessary repairs to replenish the bond of the utility back up to a $5 million dollar threshold.

SECTION 2.  This Act takes effect September 1, 2019.