

By: Springer

H.B. No. 4477

A BILL TO BE ENTITLED

AN ACT

1
2 relating to Public Utility Commission to ensure compliance and rate
3 regulation.

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

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

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

1 adequate, efficient, and reasonable.

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

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

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

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

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