

**SUBJECT:** Prohibiting dwelling unit base charges for nonsubmetered utility services

**COMMITTEE:** Natural Resources — committee substitute recommended

**VOTE:** 11 ayes — Larson, Metcalf, Dominguez, Farrar, Harris, T. King, Lang, Nevárez, Oliverson, Price, Ramos

0 nays

**WITNESSES:** For — Gary Gates, Gatesco, Inc.; (*Registered, but did not testify:* Kyle Jackson, Texas Apartment Association)

Against — (*Registered, but did not testify:* Ty Embrey, City of Garland)

**BACKGROUND:** Water Code ch. 13, subch. M defines "nonsubmetered master metered utility service" as water utility service that is master metered for the apartment house but not submetered, and wastewater utility service based on master metered water utility service.

Concerns have been raised about the transparency and fairness of practices relating to nonsubmetered master metered utility service, including dwelling unit base charges imposed by municipally owned utilities for such services.

**DIGEST:** CSHB 4246 would prohibit a municipally owned utility from charging a dwelling unit base charge for nonsubmetered master metered utility service. A utility also could not impose different per-meter base charges on residential and commercial customers.

A person could appeal a charge that did not comply with the bill by filing a petition with the Public Utility Commission. The commission would have to hear the appeal de novo, and the municipality would have the burden of proof to establish that the charge complied with the bill.

The bill would require each municipally owned utility that billed for nonsubmetered master metered utility service to make publicly available

for each billed entity a statement that included:

- a current copy of the municipally owned utility's rate structure applicable to the billed service; and
- a list of fees and charges applicable to the billed service.

The requirement for this statement would not authorize or require a municipally owned utility to make an entity's bill publicly available.

The bill would take effect September 1, 2019.