

BILL ANALYSIS

Senate Research Center
78R5750 CBH-D

S.B. 1438
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Natural Resources
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DIGEST AND PURPOSE

Under current law, intrastate gas pipeline companies are allowed to recoup costs incurred as a result of contested regulatory cases before the Texas Railroad Commission (RRC). However, persons who buy and produce gas are not allowed to do so. As proposed, S.B. 1438 allows certain persons to recover reasonable costs in relation to certain complaints filed with the RRC against gas utilities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 105, Utilities Code, by adding Section 105.052, as follows:

Sec. 105.052. REIMBURSEMENT OF REASONABLE COSTS. (a) Requires a gas utility, to the extent the regulatory authority determines the costs are reasonable, to reimburse the costs of an affected person or a municipality that is a party to a proceeding that results from a complaint filed against the utility under Section 105.051 if the affected person or party is wholly or partially successful in prosecuting the complaint before a regulatory authority or a court.

(b) Provides that costs for which an affected person or a municipality may receive reimbursement under this section include any reasonable expenses related to the investigation, preparation, and prosecution of the complaint, including the reasonable costs of consultants, accountants, auditors, attorneys, and engineers.

(c) Authorizes an affected person or a municipality, for purposes of this section, to recover reasonable costs not yet paid because payment has been deferred pending a determination of reasonableness by the regulatory authority.

(d) Prohibits a gas utility from recovering any amounts paid as reimbursement under this section as or through a charge to the utility's customers, notwithstanding any other provision of this subtitle.

SECTION 2. Effective date: September 1, 2003.
Makes application of this Act prospective.