

BILL ANALYSIS

Senate Research Center
79R5058 CBH-D

S.B. 1064
By: Staples
Natural Resources
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Rate increases for water or sewer utilities are usually effective before a final decision is issued. Customers may pay increases which are later determined to be unfair.

Currently, rate increases for water and sewer utilities are effective after the utilities fulfill certain notice requirements described in Chapter 13, Water Code. The appropriate regulatory authority is authorized to suspend or impose an interim rate until final rates are determined.

As proposed, S.B. 1064 delays implementation of a rate increase until a final decision is issued by the appropriate regulatory authority.

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 Section 13.182, Water Code, by adding Subsection (e) to prohibit a water or sewer utility, except as provided by Section 13.4133 (Emergency Rate Increase in Certain Circumstances), from implementing a rate change concerning which a hearing is set under Section 13.187 (Statement of Intent to Change Rates; Hearing; Determination of Rate Level) until the date on which the regulatory authority (either the Texas Commission on Environmental Quality or the governing body of a municipality) issues a final decision on the change.

SECTION 2. Amends Sections 13.187(a), (d), (e), (f), and (k), Water Code, as follows:

(a) Provides that a water or sewer utility may not make changes in its rates except by delivering a statement of intent to each taxpayer and with the regulatory authority having original jurisdiction at least 120, rather than 60, days before the proposed effective date of the proposed change, rather than before the effective date of the proposed change. Makes a conforming change.

(d) Makes conforming changes.

(e) Requires the regulatory authority to hold a hearing on the proposed rate increase, rather than set the matter for hearing, if, before the 91st day after the date the statement of intent was provided to the authority under Subsection (a), rather than before the 91st day after the effective date of the rate change, the regulatory authority receives a certain complaint.

(f) Makes a conforming change.

(k) Requires the regulatory authority, if the regulatory authority sets the matter for hearing, to suspend the date the rate change would otherwise be effective until the date the regulatory authority issues a final decision. Deletes the provision that the regulatory authority is authorized to suspend the date of the rate change provided it receives a certain number of complaints. Deletes the limitations on how long the proposed rate may be suspended.

SECTION 3. Repealer: Sections 13.187(i), (j), (l), (m), (n), and (o) (Statement of Intent to Change Rates; Hearing; Determination of Rate Level), Water Code.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2005.