

BILL ANALYSIS

Senate Research Center
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S.B. 636
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Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under existing law, a water or sewer utility can consolidate one or more systems under one tariff if the utility proves the systems are substantially similar in terms of facilities, quality of service, and cost of service.

Recent Texas Commission on Environmental Quality rulings have led to some ambiguity as to when the systems must be proven substantially similar. S.B. 636 clarifies the intent of existing law to state that a utility must prove that the systems are substantially similar at the time the utility applies for a consolidated tariff.

As proposed, S.B. 636 amends current law relating to the consolidation of more than one water or sewer system under a single tariff by an investor-owned utility.

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 13.145(a), Water Code, as follows:

- (a) Authorizes a utility to consolidate more than one system under a single tariff only if:
 - (1) the regulatory authority finds that at the time the utility applies for a uniform tariff, all of the systems under the tariff are substantially similar in terms of facilities, quality of service, and cost of service; and
 - (2) the tariff provides for rates that promote water conservation for single-family residences and landscape irrigation.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2011.