

BILL ANALYSIS

Senate Research Center

H.B. 1083
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Agriculture, Water & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, not all individuals have access to affordable water rates. This can be particularly difficult for senior citizens on a fixed income. Investor-owned utilities, also known as IOUs, can help address this issue by subsidizing water rates for the elderly via voluntary donations.

H.B. 1083 authorizes IOUs to voluntarily establish reduced rates for a minimal level of service to be provided solely to elderly customers aged 65 years or older. IOUs may establish a fund to receive donations to recover the costs of providing the reduced rates. The IOU may not recover those costs through charges to the utility's other customer classes.

H.B. 1083 amends current law relating to authorizing a regulatory authority to establish reduced water utility rates funded by donations for the benefit of certain elderly customers.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas and other regulatory authorities in SECTION 3 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 13.182, Water Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Provides that Subsection (b-1) is an exception to this subsection.

(b-1) Authorizes the regulatory agency, in establishing a utility's rates, to authorize the utility to establish reduced rates for a minimal level of service to be provided solely to a class of elderly customers 65 years of age or older to ensure that those customers receive that same level of service at more affordable rates. Requires the regulatory authority to allow a utility to establish a fund to receive donations to recover the costs of providing the reduced rates. Prohibits a utility from recovering those costs through charges to the utility's other customer classes.

SECTION 2. Amends Section 13.189, Water Code, by adding Subsection (c), as follows:

(c) Provides that, for purposes of this section (Unreasonable Preference or Prejudice as to Rates or Services), a reduced rate authorized under Section 13.182(b-1) does not make or grant an unreasonable preference or advantage to any corporation or person, subject a corporation or person to an unreasonable prejudice or disadvantage, or constitute an unreasonable difference as to rates of service between classes of service.

SECTION 3. (a) Makes application of this Act prospective to January 1, 2018.

(b) Requires the Public Utility Commission of Texas and other regulatory authorities to adopt rules as necessary to implement the changes in law made by this Act not later than December 31, 2017.

SECTION 4. Effective date: September 1, 2017.