

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

MAY 19, 2009  
Date

Honorable David Dewhurst  
President of the Senate

Honorable Joe Straus  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on SB 2306 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Jimmy Williams  
Senator Jimmy Williams, Chair

Doug Miller  
Representative Doug Miller, Chair

Kip Averitt  
Senator Kip Averitt

Ange Chen  
Representative Ange Chen

Wendy Davis  
Senator Wendy Davis

Jodie Laubenberg  
Representative Jodie Laubenberg

Kevin Eltife  
Senator Kevin Eltife

Frey Martinez-Fischer  
Representative Frey Martinez-Fischer

Juan 'Chuy' Hinojosa  
On the part of the Senate  
Senator Juan 'Chuy' Hinojosa

Allan Ritter  
On the part of the House  
Representative Allan Ritter

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

S.B. No. 2306

A BILL TO BE ENTITLED

AN ACT

relating to rates and methods of depreciation applied to a retired class of property for regulated water utilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (c), Section 13.131, Water Code, is amended to read as follows:

(c) The commission shall fix proper and adequate rates and methods of depreciation, amortization, or depletion of the several classes of property of each utility and shall require every utility to carry a proper and adequate depreciation account in accordance with those rates and methods and with any other rules the commission prescribes. Rules adopted under this subsection must require the book cost less net salvage of depreciable utility plant retired to be charged in its entirety to the accumulated depreciation account in a manner consistent with accounting treatment of regulated electric and gas utilities in this state. Those rates, methods, and accounts shall be utilized uniformly and consistently throughout the rate-setting and appeal proceedings.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

**Senate Bill 2306**  
Conference Committee Report  
Section-by-Section Analysis

SENATE VERSION

HOUSE VERSION

CONFERENCE

SECTION 1. Section 13.131(c), Water Code, relating to rates and methods of depreciation for water utilities, is amended.

Same as Senate version.

Same as Senate version.

No equivalent provision.

SECTION \_\_. Section 13.145(a), Water Code, relating to allowing a utility to consolidate more than one system under a single tariff, is amended to establish that the regulatory authority must find that at the time the utility applies for a uniform tariff, the conditions specified in statute are met.

Same as Senate version.

No equivalent provision.

SECTION \_\_. Saving provision relating to uniform tariff.

Same as Senate version.

SECTION 2. Effective date.

Same as Senate version.

Same as Senate version.

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 20, 2009

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: SB2306** by Williams (Relating to rates and methods of depreciation applied to a retired class of property for regulated water utilities.), **Conference Committee Report**

**No significant fiscal implication to the State is anticipated.**

The bill would require that water utilities use the book cost less net salvage of depreciable utility plant retired to be charged in its entirety to the accumulated depreciation account of a utility, consistent with accounting treatment for other electric and gas utilities regulated by the Commission on Environmental Quality and the Public Utility Commission. The bill would thus allow a utility to account for the cost of salvaging an asset in book value if there is a loss on the salvage rather than a gain.

The bill's passage is not expected to have a significant fiscal impact on the state.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

Local governments that own utilities would benefit from increasing the amount of utility plant eligible for return and depreciation expense.

**Source Agencies:** 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality

**LBB Staff:** JOB, SD, SZ, TL

## Certification of Compliance with Rule 13, Section 6(b), House Rules of Procedure

Rule 13, Section 6(b), House Rules of Procedure, requires that a copy of a conference committee report signed by a majority of each committee of the conference must be furnished to each member of the committee in person or if unable to deliver in person by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Section 10(a) of this rule. The paper copies of the report submitted to the chief clerk under Section 10(b) of this rule must contain a certificate that the requirement of this subsection has been satisfied, and that certificate must be attached to the printed copy of the report furnished to each member under Section 10(d) of this rule. Failure to comply with this subsection is not a sustainable point of order under this rule.

I certify that a copy of the conference committee report on S. B. 2306 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Section 10(b), Rule 13, House Rules of Procedure.

Doug Miller  
(name)

05-19-09  
(date)