

## CHAPTER 205

## S.B. No. 344

## AN ACT

relating to the obligations of a gas utility to serve and to maintain the capacity to serve a customer who has chosen to purchase from a competitor.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 1, Article 6053, Revised Statutes, as amended, is amended to read as follows:

Sec. 1. (a) The Commission after due notice shall fix and establish and enforce the adequate and reasonable price of gas and fair and reasonable rates of charges and regulations for transporting, producing, distributing, buying, selling, and delivering gas by such pipe lines in this State; and shall establish fair and equitable rules and regulations for the full control and supervision of said gas pipe lines and all their holdings pertaining to the gas business in all their relations to the public, as the Commission may from time to time deem proper; and establish a fair and equitable division of the proceeds of the sale of gas between the companies transporting or producing the gas and the companies distributing or selling it; and prescribe and enforce rules and regulations for the government and control of such pipe lines in respect to their gas pipe lines and producing, receiving, transporting, and distributing facilities; and regulate and apportion the supply of gas between towns, cities, and corporations, and when the supply of gas controlled by any gas pipe line shall be inadequate, the Commission shall prescribe fair and reasonable rules and regulations requiring such gas pipe lines to augment their supply of gas, when in the judgment of the Commission it is practicable to do so; and it shall exercise its power, whether upon its own motion or upon petition by any person, corporation, municipal corporation, county, or Commissioners precinct showing a substantial interest in the subject, or upon petition of the Attorney General, or of any County or District Attorney in any county wherein such business or any part thereof may be carried on.

(b) *If any transportation, industrial, or other similar large-volume contract customer who is an end-use customer of a gas utility (i) reduces or ceases purchases of natural gas or of natural gas service from the gas utility and (ii) purchases natural gas or natural gas service from another supplier or purchases an alternate form of energy, then the gas utility thereafter shall have no obligation to serve or to maintain the gas supply or the physical capacity to serve such customer, except to the extent that such customer continues to purchase natural gas or natural gas service of any class from the gas utility or to the extent the gas utility has a written contract to provide natural gas or natural gas service of any class to the customer. Nothing herein shall prevent the Railroad Commission from requiring that utilities comply with all orders of the Railroad Commission in apportioning gas under curtailment plans and orders.*

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on March 16, 1987, by a viva-voce vote. Passed the House on May 15, 1987, by a non-record vote.