

By: Goodwin

H.B. No. 3943

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the auditing of an electric cooperative or municipally
3 owned electric utility by an independent third party auditor after
4 a power outage.

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

6 SECTION 1. Subchapter C, Chapter 38, Utilities Code, is
7 amended by adding Section 38.053 to read as follows:

8 Sec. 38.053. ELECTRIC COOPERATIVE; AUDIT REQUIRED. (a) In
9 this section, "extended power outage" means a power outage lasting
10 five days or more.

11 (b) The resiliency of the system of an electric cooperative
12 must be audited by an independent third party auditor if an extended
13 power outage affects 10 percent or more of its retail customers.

14 (c) The board of directors of an electric cooperative shall
15 contract with an independent third party auditor that meets the
16 professional certifications established by the commission under
17 Subsection (d) to perform the audit described by Subsection (b).

18 (d) The commission by rule shall establish the professional
19 certifications an independent third party auditor must have to
20 perform the audit described by Subsection (b) and the information
21 the audit must examine.

22 (e) After an audit under this section is completed, the
23 electric cooperative shall make the audit report publicly
24 available.

1 SECTION 2. Subchapter 2, Chapter 552, Local Government
2 Code, is amended by adding Section 552.9021 to read as follows:

3 Sec. 552.9021. MUNICIPALLY OWNED ELECTRIC UTILITY; AUDIT
4 REQUIRED. (a) In this section:

5 (1) "Extended power outage" means a power outage
6 lasting five days or more.

7 (2) "Retail customer" has the meaning assigned by
8 Section 31.002, Utilities Code.

9 (b) The resiliency of a municipally owned electric utility
10 system must be audited by an independent third party auditor if an
11 extended power outage affects 10 percent or more of its retail
12 customers.

13 (c) The governing body of the municipality that owns the
14 utility shall contract with an independent third party auditor to
15 perform the audit described by Subsection (b).

16 (d) The independent third party auditor must have the
17 professional certifications required under and perform the audit in
18 the manner required under Section 38.053(d), Utilities Code.

19 (e) After an audit under this section is completed, the
20 municipality that owns the utility shall make the audit report
21 publicly available.

22 SECTION 3. This Act takes effect September 1, 2023.