

1-1 By: King S.B. No. 1016
 1-2 (In the Senate - Filed February 17, 2023; March 3, 2023,
 1-3 read first time and referred to Committee on Business & Commerce;
 1-4 March 27, 2023, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 11, Nays 0; March 27, 2023,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1016 By: King

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the consideration of employee compensation and benefits
 1-24 in establishing the rates of electric utilities.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subchapter B, Chapter 36, Utilities Code, is
 1-27 amended by adding Section 36.067 to read as follows:

1-28 Sec. 36.067. CONSIDERATION OF COMPENSATION AND BENEFIT
 1-29 EXPENSES. (a) In this section, "employee compensation and
 1-30 benefits" includes base salaries, wages, incentive compensation,
 1-31 and benefits. The term does not include:

1-32 (1) pension or other postemployment benefits; or
 1-33 (2) incentive compensation for an officer of an
 1-34 electric utility related to attaining:

1-35 (A) financial metrics; or
 1-36 (B) metrics adverse to customers' interests as
 1-37 determined by the commission.

1-38 (b) When establishing an electric utility's rates, the
 1-39 regulatory authority shall presume that employee compensation and
 1-40 benefits expenses are reasonable and necessary if the expenses are
 1-41 consistent with market compensation studies issued not earlier than
 1-42 three years before the initiation of the proceeding to establish
 1-43 the rates.

1-44 SECTION 2. (a) Section 36.067, Utilities Code, as added by
 1-45 this Act, applies only to a proceeding for the establishment of
 1-46 rates for which the regulatory authority has not issued a final
 1-47 order or decision before the effective date of this Act.

1-48 (b) A proceeding for which the regulatory authority has
 1-49 issued a final order or decision before the effective date of this
 1-50 Act is governed by the law in effect immediately before that date,
 1-51 and that law is continued in effect for that purpose.

1-52 SECTION 3. This Act takes effect immediately if it receives
 1-53 a vote of two-thirds of all the members elected to each house, as
 1-54 provided by Section 39, Article III, Texas Constitution. If this
 1-55 Act does not receive the vote necessary for immediate effect, this
 1-56 Act takes effect September 1, 2023.

1-57 * * * * *