

Amend **CSSB 408** by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. Subchapter E, Chapter 39, Utilities Code, is amended by adding Section 39.2025 to read as follows:

Sec. 39.2025. FUEL FACTOR ADJUSTMENTS. (a) An affiliated retail electric provider may request the commission to increase the provider's fuel factor originally established under Section 39.202(b) not more than twice a year. To obtain an increase under this subsection, the provider must demonstrate that the fuel factor does not adequately reflect significant changes in purchased energy costs incurred in serving the customers to whom the provider is required to offer the price to beat under Section 39.202.

(b) The commission may decrease a fuel factor originally established under Section 39.202(b) on the request of an affiliated retail electric provider, a regulatory authority, an affected customer, or the office of public utility counsel.

(c) An affiliated retail electric provider may recover only eligible fuel expenses through the fuel factor originally established under Section 39.202(b). This section does not authorize an affiliated retail electric provider to recover through that fuel factor generation costs that are otherwise recoverable through the provider's base rates.

SECTION \_\_\_\_\_. Section 39.202(1), Utilities Code, is repealed.