

BILL ANALYSIS

H.B. 474
By: West, George "Buddy"
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, utilities that participate in a sale, transfer, or merger which values at \$1 million or more are required to report the transaction to the Railroad Commission within a reasonable time.

The vagueness of the term "reasonable time" makes it difficult for the Commission to track and keep adequate records of these transactions. Review of the transaction by Committee staff, opening of a docket, requests to the utility for any additional information, opportunity for hearing are potentially at risk for a timely handling.

House Bill 474 provides a specified date that the utility must report to the Commission to allow for more efficiency and timeliness of the review.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1, Section 102.051(a) Utilities Code:

Requires a gas utility to report to the Railroad Commission no later than the 60th day the transaction takes effect a:

- (1) sale, acquisition, or lease of a plant as an operating unit or system in this state for a total consideration of more than \$1 million, or
- (2) a merger or consolidation with another gas utility operating in this state.

EFFECTIVE DATE

September 1, 2005