

AN ACT

relating to recovery of certain transmission investments of electric utilities.

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

SECTION 1. Subchapter E, Chapter 36, Utilities Code, is amended by adding Section 36.209 to read as follows:

Sec. 36.209. RECOVERY BY CERTAIN NON-ERCOT UTILITIES OF CERTAIN TRANSMISSION COSTS. (a) This section applies only to an electric utility that operates solely outside of ERCOT in areas of this state included in the Southwest Power Pool or the Western Electricity Coordinating Council and that owns or operates transmission facilities.

(b) The commission, after notice and hearing, may allow an electric utility to recover on an annual basis its reasonable and necessary expenditures for transmission infrastructure improvement costs and changes in wholesale transmission charges to the electric utility under a tariff approved by a federal regulatory authority to the extent that the costs or charges have not otherwise been recovered. The commission may allow the electric utility to recover only the costs allocable to retail customers in the state and may not allow the electric utility to over-recover costs.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this

H.B. No. 989

- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 989 was passed by the House on April 29, 2005, by the following vote: Yeas 137, Nays 4, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 989 on May 26, 2005, by the following vote: Yeas 138, Nays 6, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 989 was passed by the Senate, with amendments, on May 24, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor