

By: Chisum

H.B. No. 989

Substitute the following for H.B. No. 989:

By: Baxter

C.S.H.B. No. 989

A BILL TO BE ENTITLED

AN ACT

relating to a mechanism to provided for recovery of certain transmission investments of electric utilities.

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

SECTION 1. Section 36.201, Utilities Code, is amended to read as follows:

Sec. 36.201. AUTOMATIC ADJUSTMENT FOR CHANGES IN COSTS. Except as permitted by Section 36.204 or 36.209, the commission may not establish a rate or tariff that authorizes an electric utility to automatically adjust and pass through to the utility's customers a change in the utility's fuel or other costs.

SECTION 2. 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 not included in the Southeastern Electric Reliability Council on January 1, 2005, and that owns or operates transmission facilities.

(b) The commission may establish a mechanism to permit an electric utility to which this section applies to timely and periodically recover transmission infrastructure improvement costs and changes in wholesale transmission charges to the electric utility under a tariff approved by a federal regulatory authority.

1 A mechanism adopted under this subsection may allow the utility to  
2 recover only the costs allocable to retail customers in this state  
3 and may not allow the utility to over-recover costs.

4         SECTION 3. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2005.