

By: Chisum

H.B. No. 989

A BILL TO BE ENTITLED

AN ACT

relating to electric utility rates and riders to provide for recovery of certain transmission investments.

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 NON-ERCOT UTILITIES OF TRANSMISSION IMPROVEMENT COSTS. The commission by rule shall establish a procedure to ensure that an electric utility operated solely outside of ERCOT that owns or operates transmission facilities may timely and periodically recover transmission infrastructure improvement costs through a rate rider mechanism. A rate proceeding under this chapter is not necessary to implement the rider.

SECTION 3. The Public Utility Commission of Texas shall adopt rules as necessary to implement Section 36.209, Utilities Code, as added by this Act, not later than the 90th day after the

1 effective date of this Act.

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