

1-1 By: Chisum (Senate Sponsor - Seliger) H.B. No. 989
1-2 (In the Senate - Received from the House May 2, 2005;
1-3 May 3, 2005, read first time and referred to Committee on Business
1-4 and Commerce; May 17, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;
1-6 May 17, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 989 By: Carona

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to recovery of certain transmission investments of
1-11 electric utilities.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter E, Chapter 36, Utilities Code, is
1-14 amended by adding Section 36.209 to read as follows:

1-15 Sec. 36.209. RECOVERY BY CERTAIN NON-ERCOT UTILITIES OF
1-16 CERTAIN TRANSMISSION COSTS. (a) This section applies only to an
1-17 electric utility that operates solely outside of ERCOT in areas of
1-18 this state included in the Southwest Power Pool or the Western
1-19 Electricity Coordinating Council and that owns or operates
1-20 transmission facilities.

1-21 (b) The commission, after notice and hearing, may allow an
1-22 electric utility to recover on an annual basis its reasonable and
1-23 necessary expenditures for transmission infrastructure improvement
1-24 costs and changes in wholesale transmission charges to the electric
1-25 utility under a tariff approved by a federal regulatory authority
1-26 to the extent that the costs or charges have not otherwise been
1-27 recovered. The commission may allow the electric utility to
1-28 recover only the costs allocable to retail customers in the state
1-29 and may not allow the electric utility to over-recover costs.

1-30 SECTION 2. This Act takes effect immediately if it receives
1-31 a vote of two-thirds of all the members elected to each house, as
1-32 provided by Section 39, Article III, Texas Constitution. If this
1-33 Act does not receive the vote necessary for immediate effect, this
1-34 Act takes effect September 1, 2005.

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