

By: Estes

S.B. No. 1668

A BILL TO BE ENTITLED

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AN ACT

relating to the affiliate burden of proof applicable to electric utilities.

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

SECTION 1. Section 36.058(c), Utilities Code, is amended to read as follows:

(c) A finding under Subsection (b) must include:

(1) a specific finding of the reasonableness and necessity of each item or class of items allowed; and

(2) a finding that the price to the electric utility is not higher than the prices charged by the supplying affiliate ~~to its other affiliates or divisions or to a nonaffiliated person~~ for the same item or class of items to: (A) its other affiliates or divisions; or (B) a nonaffiliated person within the same market area or having the same market conditions.

SECTION 2. Section 36.058, Utilities Code, is amended by adding the following subsection (f):

(f) If the commission finds that the affiliate expense for the test period is unreasonable, the commission shall:

(1) determine the reasonable level of the expense; and

(2) include that expense in determining the utility's cost of service.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2005.