

1-1 By: Estes S.B. No. 1668
1-2 (In the Senate - Filed March 11, 2005; March 30, 2005, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 April 11, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 11, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1668 By: Estes

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

1-10 relating to the consideration of payments to an affiliate in
1-11 computing rates for electric utilities.

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

1-13 SECTION 1. Section 36.058, Utilities Code, is amended by
1-14 amending Subsection (c) and adding Subsection (f) to read as
1-15 follows:

1-16 (c) A finding under Subsection (b) must include:

1-17 (1) a specific finding of the reasonableness and
1-18 necessity of each item or class of items allowed; and

1-19 (2) a finding that the price to the electric utility is
1-20 not higher than the prices charged by the supplying affiliate [~~to~~
1-21 ~~its other affiliates or divisions or to a nonaffiliated person~~] for
1-22 the same item or class of items to:

1-23 (A) its other affiliates or divisions; or

1-24 (B) a nonaffiliated person within the same market
1-25 area or having the same market conditions.

1-26 (f) If the regulatory authority finds that an affiliate
1-27 expense for the test period is unreasonable, the regulatory
1-28 authority shall:

1-29 (1) determine the reasonable level of the expense; and

1-30 (2) include that expense in determining the electric
1-31 utility's cost of service.

1-32 SECTION 2. This Act takes effect immediately if it receives
1-33 a vote of two-thirds of all the members elected to each house, as
1-34 provided by Section 39, Article III, Texas Constitution. If this
1-35 Act does not receive the vote necessary for immediate effect, this
1-36 Act takes effect September 1, 2005.

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