

By: King of Parker

H.B. No. 896

Substitute the following for H.B. No. 896:

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C.S.H.B. No. 896

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the members and employees of the Public Utility
3 Commission of Texas.

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

5 SECTION 1. Section 12.051(a), Utilities Code, is amended to
6 read as follows:

7 (a) The commission is composed of five [~~three~~]
8 commissioners appointed by the governor with the advice and consent
9 of the senate.

10 SECTION 2. Section 12.053(b), Utilities Code, is amended to
11 read as follows:

12 (b) A person is not eligible for appointment as a
13 commissioner if the person:

14 (1) at any time during the two years preceding
15 appointment[+]

16 [~~(A)~~] personally served as an officer, director,
17 owner, employee, or partner [~~, or legal representative~~] of a public
18 utility, affiliate, or direct competitor of a public utility [~~, or~~

19 [~~(B) owned or controlled, directly or~~
20 ~~indirectly, stocks or bonds of any class with a value of \$10,000 or~~
21 ~~more in a public utility, affiliate, or direct competitor of a~~
22 ~~public utility]; or~~

23 (2) is not qualified to serve under Section 12.151,
24 12.152, or 12.153.

1 SECTION 3. Section 12.152(a), Utilities Code, is amended to
2 read as follows:

3 (a) A person is not eligible for appointment as a
4 commissioner or executive director of the commission if:

5 (1) the person serves on the board of directors of a
6 company that supplies fuel, utility-related services, or
7 utility-related products to regulated or unregulated electric or
8 telecommunications utilities; or

9 (2) the person or the person's spouse:

10 (A) is employed by or participates in the
11 management of a business entity or other organization that is
12 regulated by or receives funds from the commission;

13 (B) directly or indirectly owns or controls more
14 than a 10 percent interest or a pecuniary interest, including
15 stocks and bonds, with a value exceeding \$10,000 in:

16 (i) a business entity or other organization
17 that is regulated by or receives funds from the commission; or

18 (ii) a utility competitor, utility
19 supplier, or other entity affected by a commission decision in a
20 manner other than by the setting of rates for that class of
21 customer;

22 (C) uses or receives a substantial amount of
23 tangible goods, services, or funds from the commission, other than
24 compensation or reimbursement authorized by law for commission
25 membership, attendance, or expenses; or

26 (D) notwithstanding Paragraph (B), has an
27 interest in a mutual fund or retirement fund in which more than 10

1 percent of the fund's holdings at the time of appointment is in a
2 single utility, utility competitor, or utility supplier in this
3 state and the person does not disclose this information to the
4 governor, senate, commission, or other entity, as appropriate.

5 SECTION 4. Promptly after this Act takes effect, the
6 governor shall appoint two additional members to the Public Utility
7 Commission of Texas. Of those members, the governor shall
8 designate one to serve a term expiring September 1, 2011, and one to
9 serve a term expiring September 1, 2013. Until all appointees have
10 taken office, a quorum of the commission is a majority of the number
11 of members who are qualified.

12 SECTION 5. The change in law made by this Act relating to
13 qualifications and eligibility to serve as a commissioner or to be
14 employed with the Public Utility Commission of Texas applies only
15 to a commissioner or employee appointed or employed after the
16 effective date of this Act. A commissioner or employee of the
17 Public Utility Commission of Texas who is serving or employed on the
18 effective date of this Act is governed by the law as it existed
19 immediately before the effective date of this Act, and the former
20 law is continued in effect for that purpose.

21 SECTION 6. This Act takes effect September 1, 2007.