

By: Burnam

H.B. No. 1937

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the compensation of certain executive officers of
3 certain electric utilities and affiliated retail electric
4 providers.

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

6 SECTION 1. Subchapter A, Chapter 17, Utilities Code, is
7 amended by adding Section 17.010 to read as follows:

8 Sec. 17.010. LIMITATION ON COMPENSATION OF CERTAIN
9 EXECUTIVES OF CERTAIN UTILITIES AND AFFILIATED RETAIL ELECTRIC
10 PROVIDERS. (a) In this section, "compensation" includes:

11 (1) annual compensation, including salary and bonus
12 pay;

13 (2) other long-term compensation, awards, and
14 payouts; and

15 (3) personal use of company aircraft.

16 (b) An electric utility regulated under Chapter 36 or an
17 affiliated retail electric provider regulated under Chapter 39 may
18 not contract to provide compensation to its corporate executives in
19 an annual amount that exceeds the federal minimum wage for a
20 full-time employee if the utility or provider has a market share of
21 50 percent or greater of available retail customers and:

22 (1) the utility offers retail electric service at a
23 rate that exceeds 125 percent of the average national rate for
24 residential retail electric service; or

1 (2) the affiliated retail electric provider offers, to
2 a residential customer who has never switched the customer's retail
3 electric provider, retail electric service at a rate that exceeds
4 125 percent of the average national rate for residential electric
5 services.

6 (c) An electric utility or affiliated retail electric
7 provider that violates this section is subject to an administrative
8 penalty as provided by Chapter 15. Notwithstanding Section 15.023,
9 the commission may impose an administrative penalty in an amount
10 equal to the compensation paid in violation of this section.

11 (d) An administrative penalty collected under this section
12 shall be deposited to the credit of the system benefit fund and may
13 be appropriated only for the purposes of the commission's programs
14 under Sections 39.903(f)(2) and (h).

15 SECTION 2. Section 17.010, Utilities Code, as added by this
16 Act, applies only to a contract executed on or after September 1,
17 2007, and to compensation paid or provided under a contract
18 executed on or after September 1, 2007.

19 SECTION 3. This Act takes effect September 1, 2007.