

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 26, 2007

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1386 by King, Phil (Relating to regulation of the decommissioning costs of certain nuclear-powered commercial electric generation units.), **Conference Committee Report**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Utilities Code relating to regulation of the decommissioning of certain nuclear-powered commercial electric generating units by requiring the Public Utility Commission (PUC) to establish the amount of annual decommissioning funding necessary to meet certain decommissioning obligations for a nuclear generating unit. PUC would be required to conduct a proceeding at least once in a three-year period to review a power generation company's cost of decommissioning study and other available information. PUC would be required to take certain actions relating to each nuclear decommissioning trust.

PUC would be required, by rule, to establish the acceptable forms of financial assurance necessary for compliance with certain provisions of this bill. PUC would also be required to determine the manner in which any shortfall in the cost of decommissioning a nuclear generating unit would be recovered. The PUC would be required to investigate a mechanism to ensure funds for decommissioning will be obtained when necessary and file legislative recommendations regarding any changes in law that may be necessary to carry out the certain provisions of this bill prior to January 15, 2009. The PUC would be required to adopt certain rules relating to the provisions of this bill.

Based on the analysis of the PUC, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

This bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JOB, JRO, TGI