

Amend CSHB 3309 (committee printing version) by adding the following appropriately numbers new SECTIONS and renumber the subsequent SECTIONS accordingly:

"SECTION \_\_\_\_\_. Section 39.107(h), Utilities Code, is amended to read as follows:

(h) The commission shall establish a nonbypassable surcharge for an electric utility or transmission and distribution utility to use to recover reasonable and necessary costs incurred in deploying advanced metering and meter information networks to residential customers and nonresidential customers other than those required by the independent system operator to have an interval data recorder meter. The commission shall ensure that the nonbypassable surcharge reflects a deployment of advanced meters that is no more than one-third of the utility's total meters over each calendar year and shall ensure that the nonbypassable surcharge does not result in the utility recovering more than its actual, fully allocated meter and meter information network costs. The expenses must be allocated to the customer classes receiving the services, based on the electric utility's most recently approved tariffs. An electric utility or transmission and distribution utility that deploys advanced metering and meter information networks shall, to the extent practicable, obtain grants, loans, and loan guarantees available from the federal government specifically for that purpose, and other available revenue that would reduce the utility's cost of deployment. The commission shall reflect the revenue obtained when establishing the amount of a surcharge under this subsection and may reduce the amount of a surcharge approved before the utility received the revenue, if necessary.

SECTION \_\_\_\_\_. Section 39.904, Utilities Code, is amended by adding Subsection (h-1) to read as follows:

(h-1) An electric utility, transmission and distribution utility, or river authority that has been designated by the commission to construct transmission capacity under Subsection (g) shall, to the extent practicable, obtain grants, loans, and loan guarantees available from the federal government specifically for that purpose, and other available revenue to reduce the utility's

or authority's cost of construction. The commission shall reflect the revenue obtained when establishing or modifying the rates of the utility or authority and may propose a rate reduction under Subchapter D, Chapter 36, if necessary."