

By: Gallegos

S.B. No. 396

A BILL TO BE ENTITLED

AN ACT

relating to the factors the Public Utility Commission of Texas must consider in determining an electric utility's rate of return.

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

SECTION 1. Section 36.052, Utilities Code, is amended to read as follows:

Sec. 36.052. ESTABLISHING REASONABLE RETURN. In establishing a reasonable return on invested capital, the regulatory authority shall consider applicable factors, including:

(1) the efforts and achievements of the utility in conserving resources;

(2) the quality of the utility's services;

(3) the efficiency of the utility's operations; ~~and~~

(4) the quality of the utility's management;

(5) the utility's effective use of competitive procurement methods; and

(6) the utility's good faith effort to use historically underutilized businesses.

SECTION 2. The change in law made by this Act applies only to a final order establishing an electric utility's rates that is issued by the Public Utility Commission of Texas on or after the effective date of this Act. A final order issued before the effective date of this Act is governed by the law in effect when the order was issued, and the former law is continued in effect for that

1 purpose.

2 SECTION 3. This Act takes effect September 1, 2009.