

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 9, 2009**

**TO:** Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

**IN RE: HB1378** by Thompson (Relating to the recovery by an electric utility of certain expenses relating to weather-related events or natural disasters.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

This bill would authorize the Public Utility Commission (PUC) to adopt rules regarding the form of an application for a utility to recover costs of system restoration and self-insurance reserves in the case of a weather-related event or natural disaster. The PUC would be required to issue, no later than the 150th day after the date an electric utility files an application for cost recovery, an order that states the recoverable amounts. The PUC would also be required to consider any true-up cost reconciliations, insurance proceeds or governmental grants, and tax offsets and obligations in future base rate proceedings for a utility.

The bill also specifies the review procedure by the courts of related PUC orders.

The PUC and the Office of Court Administration estimate that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 473 Public Utility Commission of Texas

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