

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 19, 2009

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: SB769 by Williams (relating to methods for the recovery of system restoration costs incurred by electric utilities following hurricanes, tropical storms, ice or snow storms, floods, and other weather-related events and natural disasters.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The 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: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel, 212 Office of Court Administration, Texas Judicial Council

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