

BILL ANALYSIS

H.B. 1753
By: Gallego
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

For the past few decades, public utilities in Texas have been reporting to the Public Utilities Commission any sale, acquisition, or lease of a plant as an operating unit or system in the state that has a cost of more than \$100,000. Included in this amount is not only the cost of the plant itself, but also the cost of capital investments such as electric equipment, capital costs, wires, and poles. However, the electric infrastructure in the state has expanded exponentially, and a \$100,000 threshold is no longer adequate.

To address this inadequacy, H.B. 1753 proposes to increase the threshold amount for reporting a sale to \$10 million, thereby reducing administrative costs that are passed on to ratepayers, modernizing the state's administrative filings, and aligning reporting in Texas with federal standards, which is especially important for utilities that are under the jurisdiction of the Federal Energy Reliability Council. Public utilities will continue to report major transactions that exceed \$10 million.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1753 amends the Utilities Code, in a provision relating to the amount of consideration over which a public utility is prohibited from selling, acquiring, or leasing a plant as an operating unit or system unless it reports the transaction to the Public Utility Commission of Texas within a reasonable time, to increase the maximum allowable consideration from \$100,000 to \$10 million.

EFFECTIVE DATE

September 1, 2011.