

## **BILL ANALYSIS**

S.B. 1153  
By: Williams  
State Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, several operating companies coordinate with each other with regard to certain proceedings before the Federal Energy Regulatory Commission (FERC). There is concern that the coordination agreement among the operating companies is likely to break down in the near future and that a system agreement may not be reached. In the absence of such an agreement, it has been suggested that the Public Utility Commission of Texas (PUC) should represent Texas electric utility interests in such proceedings. S.B. 1153 seeks to address these issues by establishing the authority of the PUC to hire outside counsel, consultants, and experts with FERC expertise to represent the PUC in certain proceedings before FERC, among other provisions.

### **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**

S.B. 1153 amends the Utilities Code to add a temporary provision authorizing the Public Utility Commission of Texas (PUC) to retain any consultant, accountant, auditor, engineer, or attorney that the PUC considers necessary to represent the PUC in a proceeding before the Federal Energy Regulatory Commission, or before a court reviewing proceedings of that federal commission, related to the relationship of an investor-owned electric utility operating solely outside of the Electric Reliability Council of Texas in areas of Texas that were included in the Southeastern Electric Reliability Council on January 1, 2005, to a power region, regional transmission organization, or independent system operator or related to the approval of an agreement among the electric utility and the electric utility's affiliates concerning the coordination of the operations of the electric utility and the electric utility's affiliates.

S.B. 1153 authorizes the assistance for which a consultant, accountant, auditor, engineer, or attorney may be retained in such a proceeding to include conducting a study, conducting an investigation, presenting evidence, advising the PUC, or representing the PUC. The bill requires the electric utility to pay timely the reasonable costs of the services of a person who provides such assistance, as determined by the PUC, and prohibits the total costs an electric utility is required to pay from exceeding \$1.5 million in a 12-month period.

S.B. 1153 requires the PUC to allow the electric utility to recover both the total costs the electric utility paid for such services and the carrying charges for those costs through a rider established annually to recover the costs paid and carrying charges incurred during the preceding calendar year. The bill prohibits the rider from being implemented before the rider is reviewed and approved by the PUC.

S.B. 1153 requires the PUC to consult the attorney general before the PUC retains a consultant, accountant, auditor, or engineer to provide the assistance. The bill makes the retention of an

attorney under the bill's provisions subject to the approval of the attorney general as required by provisions of law relating to the provision of legal services by outside counsel.

S.B. 1153 sets these provisions to expire December 31, 2017.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.