

BILL ANALYSIS

Senate Research Center
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S.B. 1567
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current statute requires that a public utility report any sale, acquisition, or lease of a plant as an operating unit or system in Texas with a cost of more than \$100,000. This reporting requirement not only applies to a plant, but also to capital investments including electric equipment, capital costs, wires, and poles. The language was written 35 years ago, and electric infrastructure in the state has expanded exponentially. Therefore, increasing the filing threshold is an important tool to modernizing our administrative filings.

S.B. 1567 would change the Utilities Code to state that unless a public utility reports the transaction to the Public Utility Commission of Texas (PUC) within a reasonable time, the public utility may not sell, acquire, or lease a plant as an operating unit or system in this state for a total consideration of more than \$10 million. Increasing the threshold to \$10 million would reduce administrative costs that are passed on to ratepayers, align reporting in Texas with federal approval—especially important for utilities that are Federal Energy Regulatory Commission jurisdictional, and ensure major transactions exceeding \$10 million continue to require filings.

S.B. 1567 amends the Utilities Code by changing the threshold for reporting the sale, acquisition, or lease of a plant as an operating unit or system from \$100,000 to \$10 million.

As proposed, S.B. 1567 amends current law relating to the threshold amount at which public utilities are required to report a transaction.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 14.101(a), Utilities Code, to prohibit a public utility, unless the public utility reports the transaction to the Public Utility Commission of Texas within a reasonable time, from selling, acquiring, or leasing a plant as an operating unit or system in this state for a total consideration of more than \$10 million, rather than \$100,000, or merging or consolidating with another public utility operating in this state.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2011.