

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 11, 2011

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

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

IN RE: SB403 by Eltife (Relating to the consideration of pension and other postemployment benefits in establishing the rates of a gas utility.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would authorize the Railroad Commission to allow expenses for pension and other postemployment benefits, as determined by actuarial or other similar studies in accordance with generally accepted accounting principles, in determining amounts the agency finds reasonable and necessary in establishing the rates of a gas utility. The bill also would require a gas utility to establish separate reserve accounts for pension and postemployment benefits and to use the same cost allocation method used in the utility's last rate case to allocate pension and post-employment costs between capital investments and expenses. The bill's passage is not expected to have a significant impact on the Railroad Commission's workload.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 455 Railroad Commission

LBB Staff: JOB, KJG, SZ, TL