

Amend CSHB 1535 (house committee report) as follows:

(1) On page 1, line 18, strike "or" and substitute "and".

(2) On page 2, line 10, strike "other".

(3) On page 2, lines 12 through 14, strike ", including all attendant impacts on the utility's cost of service as determined by the commission".

(4) On page 2, line 22, strike "applicable load growth" and substitute "offsetting revenue".

(5) On page 2, line 24, through page 3, line 1, strike "The regulatory authority is only required to allow the adjustment if the facility is in service before the date new rates begin to be billed to the customers of the utility, regardless of whether the investment is less than 10 percent of the utility's rate base before the date of the adjustment." and substitute "The regulatory authority is required to allow the adjustment only if the facility is in service before the effective date of new rates. The adjustment may be made regardless of whether the investment is less than 10 percent of the utility's rate base before the date of the adjustment.".

(6) On page 3, strike lines 2 through 23, substitute the following new subsection, appropriately lettered, and reletter subsections of Section 36.112, Utilities Code, and cross-references to those subsections, accordingly:

() This section expires September 1, 2023.

(7) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter D, Chapter 36, Utilities Code, is amended by adding Section 36.157 to read as follows:

Sec. 36.157. RATE CASE REQUIREMENT FOR CERTAIN NON-ERCOT UTILITIES. (a) This section applies only to an electric utility that operates solely outside of ERCOT.

(b) The commission shall require an electric utility to file a rate filing package under this subchapter to initiate a comprehensive base rate proceeding on or before the fourth anniversary of the date of the final order in the electric utility's most recent comprehensive base rate proceeding or if, before that anniversary, the electric utility earns materially more than the

utility's authorized rate of return on investment, on a weather-normalized basis, in the utility's two most recent consecutive commission earnings monitoring reports.

(c) The electric utility must file the rate filing package not later than the 120th day after the date the commission notifies the utility of the requirement described by Subsection (b). The 120-day period may be extended in the manner provided by Section 36.153(b).

(d) The commission may extend the time period described by Subsection (b) and set a new deadline if the commission determines that a comprehensive base rate case would not result in materially different rates. The commission shall give interested parties a reasonable opportunity to present materials and argument before making a determination under this subsection.

(e) The commission shall adopt rules implementing this section, including appropriate notice and scheduling requirements.

(f) This section does not limit the authority of a regulatory authority under this subchapter.

(g) This section expires September 1, 2023.

SECTION _____. Subchapter E, Chapter 36, Utilities Code, is amended by adding Section 36.211 to read as follows:

Sec. 36.211. RELATION BACK OF RATES FOR CERTAIN NON-ERCOT UTILITIES. (a) This section applies only to an electric utility that operates solely outside of ERCOT.

(b) If requested by an electric utility in the utility's statement of intent initiating a rate proceeding under Subchapter C, notwithstanding Section 36.109(a), or in a rate proceeding under Subchapter D, the final rate set in the proceeding, whether a rate increase or rate decrease, shall be made effective for consumption on and after the 155th day after the date the statement of intent or rate filing package, as applicable, is filed.

(c) The regulatory authority shall:

(1) require the electric utility to refund to customers money collected in excess of the rate finally ordered on or after the 155th day after the date the statement of intent or rate filing package is filed; or

(2) authorize the electric utility to surcharge bills

to recover the amount by which the money collected on or after the 155th day after the date the statement of intent or rate filing package is filed is less than the money that would have been collected under the rate finally ordered.

(d) The regulatory authority may require refunds or surcharges of amounts determined under Subsection (b) over a period not to exceed 18 months, along with appropriate carrying costs. The regulatory authority shall make any adjustments necessary to prevent over-recovery of amounts reflected in riders in effect for the electric utility during the pendency of the rate proceeding.

(e) A utility may not assess more than one surcharge authorized by Subsection (c)(2) at the same time.

(f) This section expires September 1, 2023.