

Amend HB 1535 on third reading as follows:

(1) In the SECTION of the bill adding Section 36.112, Utilities Code, strike added Subsections 36.112(e) and (f) and substitute the following:

(e) An electric utility that makes an election under Subsection (b) is not precluded from proposing known and measurable adjustments to the utility's historical rate information as permitted by this title and regulatory authority rules.

(f) Without limiting the availability of known and measurable adjustments described by Subsection (e), the regulatory authority shall allow an affected electric utility to make a known and measurable adjustment to include in the utility's rates the prudent capital investment, a reasonable return on such capital investment, depreciation expense, reasonable and necessary operating expenses, and all attendant impacts, including any offsetting revenue, as determined by the regulatory authority, associated with a newly constructed or acquired natural gas-fired generation facility. 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.

(2) Strike the SECTION of the bill adding Section 36.157, Utilities Code.

(3) In the SECTION of the bill adding Section 36.211, Utilities Code, strike added Subsections 36.211(b) and (c) and substitute the following:

(b) In a rate proceeding under Subchapter D, or 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), 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 rate-filing package 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 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 rate-filing package is filed is less than the money that would have been collected under the rate finally ordered.

(4) In the SECTION of the bill adding Section 36.211, Utilities Code, in added Section 36.211(d), strike "Subsection (b)" and substitute "Subsection (c)".

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

SECTION _____. Subchapter E, Chapter 36, Utilities Code, is amended by adding Section 36.212 to read as follows:

Sec. 36.212. 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 make the filings with regulatory authorities required by Subchapter B, Chapter 33, and to file a rate-filing package under Subchapter D with the commission to initiate a comprehensive base rate proceeding before all of the utility's regulatory authorities:

(1) 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

(2) if, before the anniversary described by Subdivision (1), 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 make the filings described by Subsection (b) 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)(1) 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 Subchapter D.

(g) This section expires September 1, 2023.