

By: Fraser
(Thompson of Harris)

S.B. No. 774

A BILL TO BE ENTITLED

AN ACT

relating to studies on the rates of electric utilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 36.210, Utilities Code, is amended by amending Subsections (h) and (i) and adding Subsection (h-1) to read as follows:

(h) The commission shall undertake a study and conduct a report analyzing any periodic rate adjustment established under this section. The study shall be available for the legislature's review by January 31, 2019 [~~2017~~], so that the legislature may properly be informed as to the need to continue the commission's authority to allow periodic rate adjustments. The report shall contain but shall not be limited to:

(1) an analysis of all periodic rate adjustments approved by the commission;

(2) an analysis of the amounts in real dollars and percentages of the approved amounts by the commission and the effects on all classes of ratepayers;

(3) the costs savings, if any, realized by all parties by utilizing periodic rate adjustment as opposed to ratemaking proceedings;

(4) an analysis on distribution costs included in periodic rate adjustments, and their appropriateness for inclusion in periodic rate adjustments; and

1 (5) an analysis submitted by the office on the effects
2 of periodic rate adjustments.

3 (h-1) The commission shall conduct a study and make a report
4 analyzing alternative ratemaking mechanisms adopted by other
5 states and shall make recommendations regarding appropriate
6 reforms to the ratemaking process in this state. The commission
7 shall include in the report an analysis that demonstrates how the
8 commission's recommended reforms would improve the efficiency and
9 effectiveness of the oversight of electric utilities and ensure
10 that electric rates are just and reasonable, as required by this
11 chapter. The commission may retain an independent consultant, at
12 the expense of electric utilities, to conduct the study. The
13 commission shall provide the report to the legislature not later
14 than January 15, 2017.

15 (i) This section expires September [~~January~~] 1, 2019
16 [~~2017~~].

17 SECTION 2. This Act takes effect September 1, 2015.