

By: Hancock  
(Murphy)

S.B. No. 1002

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to accounting principles applicable to pension and other  
3 postemployment benefit expenses for electric utilities.

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

5 SECTION 1. Section 36.065(b), Utilities Code, is amended to  
6 read as follows:

7 (b) An [~~Effective January 1, 2005, an~~] electric utility may  
8 establish one or more reserve accounts for expenses for pension and  
9 other postemployment benefits. An electric utility shall  
10 periodically record in the reserve account any difference between:

11 (1) the annual amount of pension and other  
12 postemployment benefits approved as an [~~operating~~] expense in the  
13 electric utility's last general rate proceeding or, if that amount  
14 cannot be determined from the regulatory authority's order, the  
15 amount recorded for pension and other postemployment benefits under  
16 generally accepted accounting principles during the first year that  
17 rates from the electric utility's last general rate proceeding are  
18 in effect; and

19 (2) the annual amount of pension and other  
20 postemployment benefits as determined by actuarial or other similar  
21 studies that are chargeable to the electric utility's [~~operating~~]  
22 expense.

23 SECTION 2. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2017.