

By: Phelan, Metcalf, Paddie, Price, Moody,
et al.

H.B. No. 1397

Substitute the following for H.B. No. 1397:

By: Deshotel

C.S.H.B. No. 1397

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment of rates for certain non-ERCOT
3 utilities.

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

5 SECTION 1. Section 36.112(g), Utilities Code, is amended to
6 read as follows:

7 (g) This section expires September 1, 2031 [~~2023~~].

8 SECTION 2. Section 36.211(f), Utilities Code, is amended to
9 read as follows:

10 (f) This section expires September 1, 2031 [~~2023~~].

11 SECTION 3. Section 36.212(g), Utilities Code, is amended to
12 read as follows:

13 (g) This section expires September 1, 2031 [~~2023~~].

14 SECTION 4. Subchapter E, Chapter 36, Utilities Code, is
15 amended by adding Section 36.213 to read as follows:

16 Sec. 36.213. RECOVERY OF GENERATION INVESTMENT BY NON-ERCOT
17 UTILITIES. (a) This section applies only to an electric utility
18 that operates solely outside of ERCOT.

19 (b) To encourage generation investment, an electric utility
20 may file, and the commission may approve, an application for a rider
21 to recover the electric utility's reasonable and necessary power
22 generation investment and costs associated with that investment.

23 (c) To enable full and timely recovery, an application under
24 Subsection (b) may be filed by the electric utility and approved by

1 the commission before the electric utility places the power
2 generation investment in service.

3 (d) Any rider approved under Subsection (b) shall take
4 effect on the date the power generation investment begins providing
5 service to the electric utility's customers.

6 (e) If a rider approved under Subsection (b) includes
7 incremental generation investment greater than \$200 million on a
8 Texas jurisdictional basis, the electric utility that filed the
9 rider shall initiate a comprehensive base rate proceeding at the
10 commission not later than eighteen months after the date the rider
11 takes effect.

12 (f) A rider approved under Subsection (b) shall account for
13 changes in the number of an electric utility's customers and the
14 effects, on a weather-normalized basis, that energy consumption and
15 energy demand have on the amount of revenue recovered through the
16 electric utility's base rates.

17 (g) The commission shall adopt rules as necessary to
18 implement this section.

19 SECTION 5. Not later than September 1, 2020, the Public
20 Utility Commission of Texas shall adopt rules required by Section
21 36.213(g), Utilities Code, as added by this Act.

22 SECTION 6. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2019.