

1-1 By: Murphy, et al. H.B. No. 1767  
 1-2 (Senate Sponsor - Birdwell, Bettencourt)  
 1-3 (In the Senate - Received from the House April 16, 2019;  
 1-4 April 16, 2019, read first time and referred to Committee on  
 1-5 Natural Resources & Economic Development; May 9, 2019, reported  
 1-6 adversely, with favorable Committee Substitute by the following  
 1-7 vote: Yeas 11, Nays 0; May 9, 2019, sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			

1-21 COMMITTEE SUBSTITUTE FOR H.B. No. 1767 By: Birdwell

1-22 A BILL TO BE ENTITLED  
 1-23 AN ACT

1-24 relating to the consideration of employee compensation and benefits  
 1-25 in establishing the rates of gas utilities.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. Subchapter B, Chapter 104, Utilities Code, is  
 1-28 amended by adding Section 104.060 to read as follows:

1-29 Sec. 104.060. CONSIDERATION OF COMPENSATION AND BENEFIT  
 1-30 EXPENSES. (a) In this section, "employee compensation and  
 1-31 benefits" includes base salaries, wages, incentive compensation,  
 1-32 and benefits. The term does not include:

1-33 (1) pension or other postemployment benefits; and  
 1-34 (2) incentive compensation related to attaining  
 1-35 financial metrics for an executive officer whose compensation is  
 1-36 required to be disclosed under 17 C.F.R. Section 229.402(a).

1-37 (b) When establishing a gas utility's rates, the regulatory  
 1-38 authority shall presume that employee compensation and benefits  
 1-39 expenses are reasonable and necessary if the expenses are  
 1-40 consistent with recent market compensation studies.

1-41 SECTION 2. (a) Section 104.060, Utilities Code, as added by  
 1-42 this Act, applies only to a proceeding for the establishment of  
 1-43 rates for which the regulatory authority has not issued a final  
 1-44 order or decision before the effective date of this Act.

1-45 (b) A proceeding for which the regulatory authority has  
 1-46 issued a final order or decision before the effective date of this  
 1-47 Act is governed by the law in effect immediately before that date,  
 1-48 and that law is continued in effect for that purpose.

1-49 SECTION 3. This Act takes effect immediately if it receives  
 1-50 a vote of two-thirds of all the members elected to each house, as  
 1-51 provided by Section 39, Article III, Texas Constitution. If this  
 1-52 Act does not receive the vote necessary for immediate effect, this  
 1-53 Act takes effect September 1, 2019.

1-54 \* \* \* \* \*