

By: Murphy

H.B. No. 1768

A BILL TO BE ENTITLED

AN ACT

relating to the consideration of employee compensation and benefits  
in establishing the rates of electric and gas utilities.

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

SECTION 1. Subchapter B, Chapter 36, Utilities Code, is  
amended by adding Section 36.066 to read as follows:

Sec. 36.066. CONSIDERATION OF COMPENSATION AND BENEFIT  
EXPENSES. (a) In this section, "employee compensation and  
benefits" includes base salaries, wages, incentive compensation,  
and benefits. The term does not include pension and other  
postemployment benefits.

(b) When establishing an electric utility's rates, the  
regulatory authority shall presume that employee compensation and  
benefits expenses are reasonable and necessary if the expenses are  
consistent with recent market compensation studies.

SECTION 2. Subchapter B, Chapter 104, Utilities Code, is  
amended by adding Section 104.060 to read as follows:

Sec. 104.060. CONSIDERATION OF COMPENSATION AND BENEFIT  
EXPENSES. (a) In this section, "employee compensation and  
benefits" includes base salaries, wages, incentive compensation,  
and benefits. The term does not include pension and other  
postemployment benefits.

(b) When establishing a gas utility's rates, the regulatory  
authority shall presume that employee compensation and benefits

1 expenses are reasonable and necessary if the expenses are  
2 consistent with recent market compensation studies.

3 SECTION 3. (a) Sections 36.066 and 104.060, Utilities Code,  
4 as added by this Act, apply only to a proceeding for the  
5 establishment of rates for which the regulatory authority has not  
6 issued a final order or decision before the effective date of this  
7 Act.

8 (b) A proceeding for which the regulatory authority has  
9 issued a final order or decision before the effective date of this  
10 Act is governed by the law in effect immediately before that date,  
11 and that law is continued in effect for that purpose.

12 SECTION 4. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2019.