

AN ACT

relating to procedures for imposing certain administrative penalties or disgorgement orders by the Public Utility Commission of Texas.

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

SECTION 1. Section 15.024, Utilities Code, is amended by amending Subsections (b), (e), and (f) and adding Subsection (b-1) to read as follows:

(b) Not later than the 14th day after the date the report is issued, the executive director shall give written notice of the report to the person against whom the penalty may be assessed. The notice may be given by regular or certified mail. The notice must:

- (1) include a brief summary of the alleged violation;
- (2) state the amount of the recommended penalty; and
- (3) inform the person that the person has a right to a hearing on the occurrence of the violation, the amount of the penalty, or both the occurrence of the violation and the amount of the penalty.

(b-1) If the commission sends written notice to a person by mail addressed to the person's mailing address as maintained in the commission's records, the person is deemed to have received notice:

- (1) on the fifth day after the date that the commission sent the written notice, for notice sent by regular mail; or
- (2) on the date the written notice is received or

delivery is refused, for notice sent by certified mail.

(e) If the person accepts the executive director's determination and recommended penalty or fails to timely respond to the notice, the commission by order shall approve the determination and impose the recommended penalty or order a hearing on the determination and the recommended penalty.

(f) If the person requests a hearing or the commission orders a hearing under Subsection (e) ~~[fails to timely respond to the notice]~~, the commission ~~[executive director]~~ shall refer the matter to the State Office of Administrative Hearings for ~~[set]~~ a hearing and give notice of the referral ~~[hearing]~~ to the person. The parties to a proceeding under this subchapter shall be limited to the person and the commission, including the independent market monitor. The hearing shall be held by an administrative law judge of the State Office of Administrative Hearings and notice of the hearing must be provided in accordance with Chapter 2001, Government Code. The administrative law judge shall make findings of fact and conclusions of law and promptly issue to the commission a proposal for a decision about the occurrence of the violation and the amount of a proposed penalty. Based on the findings of fact, conclusions of law, and proposal for a decision, the commission by order may find that a violation has occurred and impose a penalty or disgorgement order or may find that no violation occurred.

SECTION 2. The changes in law made by this Act apply only to the procedures for an administrative penalty or disgorgement order for which a written notice is given under Section [15.024\(b\)](#), Utilities Code, on or after the effective date of this Act. Those

1 procedures for a penalty or order for which a written notice is
2 given before the effective date of this Act are governed by the law
3 in effect on the date the notice is given, and the former law is
4 continued in effect for that purpose.

5 SECTION 3. This Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1358 passed the Senate on
April 11, 2019, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

I hereby certify that S.B. No. 1358 passed the House on
May 3, 2019, by the following vote: Yeas 140, Nays 0, two present
not voting.

Chief Clerk of the House

Approved:

Date

Governor