

SENATE AMENDMENTS

2nd Printing

By: Murphy, King of Parker, Deshotel,
Hernandez, Darby

H.B. No. 1767

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

SECTION 3. This Act takes effect immediately if it receives

H.B. No. 1767

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2019.

ADOPTED

MAY 14 2019

Letty Spaw
Secretary of the Senate

By: *Brian Sindwell*

H.B. No. 1767

Substitute the following for ___ B. No. ____:

By: *Brian Sindwell*

C.S. __. B. No. ____

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. 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:

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

(b) When establishing a gas 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. (a) Section 104.060, Utilities Code, as added by
this Act, applies only to a proceeding for the establishment of
rates for which the regulatory authority has not issued a final
order or decision before the effective date of this Act.

(b) A proceeding for which the regulatory authority has
issued a final order or decision before the effective date of this

1 Act is governed by the law in effect immediately before that date,
2 and that law is continued in effect for that purpose.

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

ADOPTED

MAY 14 2019

Letay Spaul
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Jose Rodriguez*

1 Amend C.S.H.B. No. 1767 (senate committee printing) in
2 SECTION 1 of the bill, in added Section 104.060, Utilities Code
3 (page 1, line 40), by striking "recent market compensation
4 studies." and substituting "market compensation studies issued not
5 earlier than three years before the initiation of the proceeding to
6 establish the rates.".

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 15, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1767 by Murphy (Relating to the consideration of employee compensation and benefits in establishing the rates of gas utilities.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

It is anticipated that any additional workload at the Railroad Commission would be absorbed using existing resources.

Local Government Impact

According to the Texas Association of Counties, no significant fiscal implication to counties is anticipated.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: WP, SZ, CMa, SGr, MB, AF, TBo

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 9, 2019

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1767 by Murphy (Relating to the consideration of employee compensation and benefits in establishing the rates of gas utilities.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

It is anticipated that any additional workload at the Railroad Commission would be absorbed using existing resources.

Local Government Impact

According to the Texas Association of Counties, no significant fiscal implication to counties is anticipated.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: WP, SZ, CMa, SGr, MB, AF, TBo

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 18, 2019

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1767 by Murphy (Relating to the consideration of employee compensation and benefits in establishing the rates of gas utilities.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

It is anticipated that any additional workload at the Railroad Commission would be absorbed using existing resources.

Local Government Impact

According to the Texas Association of Counties, no significant fiscal implication to counties is anticipated.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: WP, SZ, CMa, SGr, MB, AF, TBo

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 12, 2019

TO: Honorable Dade Phelan, Chair, House Committee on State Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1767 by Murphy (Relating to the consideration of employee compensation and benefits in establishing the rates of gas utilities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

It is anticipated that any additional workload at the Railroad Commission would be absorbed using existing resources.

Local Government Impact

According to the Texas Association of Counties, no significant fiscal implication to counties is anticipated.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: WP, CMa, SGr, MB, AF, TBo