

Amend HB 2073 (house committee printing) as follows:

(1) On page 1, line 13, between the period and "The rules must ensure", insert the following:

The rules [~~procedures~~] must require that[~~+~~

~~[(1)]~~ the findings required by Section 36.058 regarding fuel transactions with affiliated interests be [~~are~~] made in a fuel reconciliation proceeding or in a rate case filed under Subchapter C or D.

(2) On page 1, line 16, strike "; and" and substitute "and that the commission determines are eligible;".

(3) On page 1, strike lines 17 through 21 and substitute the following:

(2) the total of the utility's eligible electric fuel and purchased power costs, including any under-collected or over-collected amounts to be recovered through an interim fuel adjustment, is allocated among customer classes based on actual historical calendar month usage;

(3) any material balance of amounts under-collected or over-collected for eligible electric fuel and purchased power costs is collected from or refunded to customers through an interim fuel adjustment:

(A) not later than the 90th day after the date the balance is accrued; or

(B) if the adjustment would result in a total bill increase of 10 percent or more compared to the total bill in the month before implementation, not later than a date ordered by the commission which must be after the 90th day after the date the balance is accrued; and

(4) [~~+~~ and

~~[(2)]~~ an affected party will receive notice and have the opportunity to request a hearing before the commission.

(4) On page 1, line 22, strike "(c) Notwithstanding Subsection (b)" and substitute "(c) Notwithstanding Subsection (b)(3)".

(5) On page 2, lines 1 through 6, strike "the commission by order may direct the utility to adjust the utility's fuel factor to defer recovery to take place over a period not to exceed two years,

with the utility receiving on the balance during the recovery period a return set at the utility's most recently established weighted average cost of capital set in a base rate case." and substitute the following:

the commission may approve an interim fuel adjustment that would defer recovery to take place over a period longer than 90 days [~~The commission may adjust a utility's fuel factor without a hearing if the commission determines that a hearing is not necessary. If the commission holds a hearing, the commission may consider at the hearing any evidence that is appropriate and in the public interest~~].

(6) On page 2, line 7, strike "(d)" and substitute "(d)".

(7) On page 2, line 11, strike the underlined period and substitute the following:

~~[The commission shall render a timely decision approving, disapproving, or modifying the adjustment to the utility's fuel factor]~~.

(8) Strike page 2, line 12, through page 3, line 2, and substitute the following:

(e) A customer of the electric utility, a municipality with original jurisdiction over the utility, or the office may protest a fuel factor or interim fuel adjustment proposed under this section. The prudence of costs may not be considered in a fuel factor or interim fuel adjustment proceeding and may only be considered in a fuel reconciliation proceeding under Subsection (h) or another appropriate proceeding [~~The commission by rule shall provide for the reconciliation of a utility's fuel costs on a timely basis~~].

(f) The sole issue that may be considered on a protest of a fuel factor under Subsection (e) is whether the factor reasonably reflects costs the electric utility will incur so that the utility will not substantially under-collect or over-collect the utility's reasonably stated fuel and purchased power costs on an ongoing basis. The commission may adjust the utility's fuel factor based on its determination on that issue.

(g) The commission shall hold a hearing on a protest of an interim fuel adjustment under Subsection (e) if the adjustment would result in a total bill increase of 10 percent or more as

described by Subsection (b)(3) or if the adjustment results from extraordinary electric fuel and purchased power costs as described by Subsection (c). In response to a protest of an interim fuel adjustment, if the commission finds that the electric utility is in a state of material under-collection or over-collection of the utility's reasonably stated eligible fuel and purchased power costs and is projected to remain in that state on an ongoing basis, the commission shall order the utility to establish or modify an interim fuel adjustment to address the under-collection or over-collection in a manner consistent with this section.

(9) On page 3, line 3, strike "(f)" and substitute "(h)".

(10) On page 3, strike lines 12 through 17 and substitute "change may be incorporated into an interim fuel adjustment as directed by the commission."

(11) Strike page 3, line 18, through page 4, line 8.

(12) On page 4, strike "~~[(f)]~~" and substitute "(i)".

(13) On page 4, strike lines 11 through 17 and substitute the following appropriately numbered SECTION:

SECTION _____. The first time an electric utility applies to reconcile the utility's fuel costs and purchased power costs under Section 36.203(h), Utilities Code, as added by this Act, after the Public Utility Commission of Texas adopts the rules required to implement that subsection, the electric utility shall include in the application any period that has not been addressed in a previous reconciliation proceeding.