By: King S.B. No. 1291

A BILL TO BE ENTITLED

AN ACT

relating to the reimbursement of a municipality's expenses in a ratemaking proceeding for electric or gas utilities.

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

SECTION 1. Section 36.210(f), Utilities Code, is amended to read as follows:

(f) Nothing in this section is intended to:

(1) conflict with a provision contained in a financing order issued under Subchapter I of this chapter or Subchapter G or J, Chapter 39;

(2) affect the limitation on the commission's jurisdiction under Section 32.002;

(3) include in a periodic rate adjustment authorized by this section costs adjusted under a transmission cost-of-service adjustment approved under Section 35.004(d);

(4) limit the jurisdiction of a municipality over the rates, operations, and services of an electric utility as provided by Section 33.001;

[~~(5) limit the ability of a municipality to obtain a reimbursement under Section 33.023 for the reasonable cost of services of a person engaged in an activity described by that section;~~] or

(5) [~~(6)~~] prevent the commission from:

(A) reviewing the investment costs included in a

periodic rate adjustment or in the following comprehensive base rate proceeding to determine whether the costs were prudent, reasonable, and necessary; or

(B) refunding to customers any amount improperly recovered through the periodic rate adjustments, with appropriate carrying costs.

SECTION 2. The following provisions of the Utilities Code are repealed:

(1) Section 33.023(b); and

(2) Section 103.022(b).

SECTION 3. This Act applies only to a ratemaking proceeding commenced on or after the effective date of this Act. A ratemaking proceeding commenced before the effective date of this Act is governed by the law in effect on the date the ratemaking proceeding was commenced, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.