

By: Metcalf

H.B. No. 222

A BILL TO BE ENTITLED

AN ACT

relating to the management and removal of vegetation and debris by certain electric utilities.

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

SECTION 1. Chapter 38, Utilities Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. VEGETATION MANAGEMENT AND DEBRIS REMOVAL

Sec. 38.251. DEFINITIONS. In this subchapter:

(1) "First tier coastal county" has the meaning assigned by Section 2210.003, Insurance Code.

(2) "Vegetation management" includes the trimming, removal, relocation, or prevention of growth of trees, shrubs, or other vegetation located inside or outside of a right-of-way or an easement.

Sec. 38.252. EMERGENCY OPERATIONS PLAN REQUIREMENTS. An electric utility that serves a portion of a first tier coastal county or that is determined by the commission to serve an area of this state with high flood risk shall include in the utility's emergency operations plan:

(1) a vegetation management plan for the utility's transmission and distribution system; and

(2) processes for the removal of debris from a right-of-way or easement used by the utility after a natural disaster.

1       Sec. 38.253. VEGETATION MANAGEMENT PLAN. (a) A vegetation  
2 management plan required by Section 38.252(1) must:

- 3               (1) explain the processes for implementing the plan;  
4               (2) detail the number of miles expected to be trimmed  
5 on the electric utility's transmission and distribution system; and  
6               (3) include the estimated costs of implementing the  
7 plan by year.

8       (b) The commission shall review a vegetation management  
9 plan required by Section 38.252(1) and issue an order to approve,  
10 modify, or deny the plan not later than the 180th day after the date  
11 the plan is filed with the commission. The commission may approve  
12 the plan only if the commission determines that approving the plan  
13 is in the public interest.

14       (c) A proceeding under this section is not a rate proceeding  
15 under Chapter 36.

16       (d) An electric utility may conduct vegetation management  
17 that exceeds the amount of vegetation management authorized in the  
18 utility's approved vegetation management plan and request recovery  
19 of those excess vegetation management costs under Section  
20 38.254(b).

21       Sec. 38.254. VEGETATION MANAGEMENT PLAN COST RECOVERY. (a)  
22 An electric utility may recover vegetation management plan costs  
23 for the utility's distribution system through a vegetation  
24 management cost recovery factor if reviewed and approved in the  
25 plan proceeding under Section 38.253. For purposes of the  
26 vegetation management cost recovery factor, the electric utility  
27 shall:

1           (1) establish the distribution system vegetation  
2 management plan costs the utility seeks to collect in the proposed  
3 factor;

4           (2) ensure that distribution system vegetation  
5 management plan costs that are being recovered through the  
6 utility's approved base rates are not included in the proposed  
7 factor;

8           (3) propose an allocation of distribution system  
9 vegetation management costs among rate classes consistent with the  
10 manner in which costs of that kind were allocated in accordance with  
11 the utility's most recent comprehensive base rate proceeding; and

12           (4) exclude any costs for distribution system  
13 vegetation management included in a resiliency plan approved by the  
14 commission under Section 38.079.

15           (b) An electric utility shall annually submit for the  
16 commission's approval a proposed adjustment to the utility's  
17 vegetation management cost recovery factor. The proposed  
18 adjustment must:

19           (1) reflect any increase or decrease in projected  
20 estimated annual costs that were included in an approved vegetation  
21 management plan or previous distribution system vegetation  
22 management cost recovery factor;

23           (2) reflect any over-collected or under-collected  
24 actual costs from the preceding year, including carrying costs at  
25 the weighted average cost of capital approved by the commission in  
26 the electric utility's most recent comprehensive base rate  
27 proceeding;

1           (3) be accompanied by a report that summarizes the  
2 utility's actual distribution system vegetation management costs  
3 for the preceding year; and

4           (4) exclude any costs for distribution system  
5 vegetation management included in a resiliency plan approved by the  
6 commission under Section 38.079.

7           (c) The commission may not hold a hearing on the adjustment  
8 of a vegetation management cost recovery factor under Subsection  
9 (b). The commission shall review an electric utility's actual  
10 distribution system vegetation management costs for the preceding  
11 year to determine the appropriate adjustment. An interested party,  
12 including the office, may provide to the commission comments on  
13 whether the factor reasonably reflects the annual costs associated  
14 with the electric utility's distribution system vegetation  
15 management plan and any over-collected or under-collected amounts  
16 from the preceding year.

17           (d) The commission shall issue an order on a proposed  
18 adjustment of a vegetation management cost recovery factor under  
19 Subsection (b) not later than the 90th day after the date the  
20 proposed adjustment is filed with the commission.

21           (e) An electric utility may defer for future recovery as a  
22 regulatory asset all or a portion of the vegetation management plan  
23 costs for the utility's transmission system that are not being  
24 recovered through the utility's approved base rates, including  
25 carrying costs at the utility's weighted average cost of capital  
26 established in the commission's final order in the utility's most  
27 recent base rate proceeding, and use commission-authorized cost

1 recovery alternatives or another general rate proceeding.

2 (f) A proceeding under this section is not a rate proceeding  
3 under Chapter 36.

4 Sec. 38.255. RECOVERY OF CERTAIN DEBRIS REMOVAL COSTS. An  
5 electric utility described by Section 38.252 that incurs costs to  
6 remove debris caused by a natural disaster may defer all or a  
7 portion of the costs that are not being recovered through the  
8 utility's approved base rates for future recovery as a regulatory  
9 asset, including carrying costs at the utility's weighted average  
10 cost of capital established in the commission's final order in the  
11 utility's most recent base rate proceeding and use  
12 commission-authorized cost recovery alternatives or another  
13 general rate proceeding.

14 SECTION 2. This Act takes effect on the 91st day after the  
15 last day of the legislative session.