

By: Hughes

S.B. No. 1837

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to interim rates charged by electric utilities during a  
3 rate suspension period.

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

5 SECTION 1. Section 36.062, Utilities Code, is amended to  
6 read as follows:

7 Sec. 36.062. CONSIDERATION OF CERTAIN EXPENSES. The  
8 regulatory authority may not consider for ratemaking purposes:

12 (2) a payment made to cover costs of an accident,  
13 equipment failure, or negligence at a utility facility owned by a  
14 person or governmental entity not selling power in this state,  
15 other than a payment made under an insurance or risk-sharing  
16 arrangement executed before the date of loss;

17 (3) an expenditure for costs of processing a refund or  
18 credit under Section 36.1091 [36.110]; or

19 (4) any other expenditure, including an executive  
20 salary, advertising expense, legal expense, or civil penalty or  
21 fine, the regulatory authority finds to be unreasonable,  
22 unnecessary, or not in the public interest.

23 SECTION 2. Subchapter C, Chapter 36, Utilities Code, is  
24 amended by adding Section 36.1091 to read as follows:

1        Sec. 36.1091. INTERIM RATES. (a) During a suspension  
2 period ordered under Section 36.108, an electric utility may put an  
3 interim rate into effect throughout the area in which the utility  
4 sought to change its rates. The interim rate may not exceed the  
5 proposed rate.

6        (b) An electric utility operating inside ERCOT that  
7 implements an interim rate under this section must give notice to  
8 each retail electric provider in the utility's service area at  
9 least 45 days before the effective date of the interim rate.

10        (c) The electric utility:

11            (1) shall refund or credit against future bills money  
12 collected under the interim rates in excess of the rate finally  
13 ordered; and

14            (2) may surcharge bills to recover the amount by which  
15 the money collected under the interim rates is less than the money  
16 that would have been collected under the rate finally ordered.

17        SECTION 3. Section 36.211(b), Utilities Code, is amended to  
18 read as follows:

19            (b) In a rate proceeding under Subchapter D, or if requested  
20 by an electric utility in the utility's statement of intent  
21 initiating a rate proceeding under Subchapter C, notwithstanding  
22 Section 36.1091 [36.109(a)], the final rate set in the proceeding,  
23 whether a rate increase or rate decrease, shall be made effective  
24 for consumption on and after the 155th day after the date the  
25 rate-filing package is filed.

26        SECTION 4. Sections 36.109 and 36.110, Utilities Code, are  
27 repealed.

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1 SECTION 5. The changes in law made by this Act apply only to  
2 a rate proceeding initiated on or after the effective date of this  
3 Act. A rate proceeding initiated before the effective date of this  
4 Act is governed by the law in effect on the date the proceeding was  
5 initiated, and the former law is continued in effect for that  
6 purpose.

7 SECTION 6. This Act takes effect immediately if it receives  
8 a vote of two-thirds of all the members elected to each house, as  
9 provided by Section 39, Article III, Texas Constitution. If this  
10 Act does not receive the vote necessary for immediate effect, this  
11 Act takes effect September 1, 2025.