

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 12, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4302 by Metcalf (Relating to the recovery of vegetation management costs by electric utilities.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB4302, As Introduced: a negative impact of (\$2,094,540) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$1,047,270)
2027	(\$1,047,270)
2028	(\$1,047,270)
2029	(\$1,047,270)
2030	(\$1,047,270)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,047,270)	7.0
2027	(\$1,047,270)	7.0
2028	(\$1,047,270)	7.0
2029	(\$1,047,270)	7.0
2030	(\$1,047,270)	7.0

Fiscal Analysis

The bill would amend the Utilities Code to require the Public Utility Commission of Texas (PUC) to adopt rules that allow electric utilities to request a separate charge in their rates to ensure a more timely recovery of vegetation management costs. An affected customer may request a hearing on a utility's request to recover vegetation management costs, however a hearing is not required unless there is a total bill increase of 10 percent or more. PUC shall establish by rule the timing of the reconciliation period for each electric utility subject to this section.

Methodology

Based on the analysis of the PUC, this estimate assumes the agency would process an additional 10 to 20 contested cases per year. This additional workload would require 7.0 additional full time equivalents (FTE) positions. Three Attorney III-IV (\$115,500 per year with estimated benefits of \$38,825), two Engineer III-V (\$115,500 per year with estimated benefits of \$38,825), and two Financial Examiners IV-V (\$105,000 per year with estimated benefits of \$29,841) would be needed for periodic rate reviews, and reconciliation and protest case proceedings. Other associated costs include \$9,773 per year for payroll contributions, travel and other operating expenses.

Based on the analysis of the State Office of Administrative Hearings (SOAH), the agency is unable to estimate the fiscal impact of the bill due to the unknown number of potential contested cases. However, SOAH estimates the anticipated additional cost per each contested case proceeding would be \$44,700.

Technology

PUC anticipates information technology expenditures of \$17,063 per year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings, 473 Public Utility Commission of Texas

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