

SENATE AMENDMENTS
2nd Printing

By: King

H.B. No. 144

A BILL TO BE ENTITLED

AN ACT

relating to plans for the management and inspection of distribution poles.

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

SECTION 1. The heading to Subchapter E, Chapter 38, Utilities Code, is amended to read as follows:

SUBCHAPTER E. INFRASTRUCTURE IMPROVEMENT AND MAINTENANCE [~~REPORT~~]

SECTION 2. Subchapter E, Chapter 38, Utilities Code, is amended by adding Section 38.103 to read as follows:

Sec. 38.103. DISTRIBUTION POLE PLAN. (a) Each electric cooperative, electric utility, and municipally owned utility that distributes electric energy to the public shall submit to the commission a plan for the management and inspection of distribution poles in the entity's distribution system.

(b) Each plan submitted under Subsection (a) must include:

(1) a statement of the plan's scope and objectives;

(2) the roles and responsibilities of individuals responsible for overseeing and executing the plan;

(3) a description of the cooperative's or utility's processes for:

(A) the management and inspection of distribution poles on the entity's distribution system;

(B) the training and certifying of personnel, including third-party vendors, who inspect distribution poles; and

1 (C) the documentation of and response to a report
2 or complaint made by a landowner regarding the condition or repair
3 of distribution poles;

4 (4) for each distribution pole to be inspected:

5 (A) a deadline by which the inspection will be
6 completed;

7 (B) a process by which inspection records will be
8 submitted; and

9 (C) a timeline for any remedial action required
10 for a pole identified as unreliable, unsafe, or needing repair; and

11 (5) a proposed budget for implementing the plan.

12 (c) The commission shall approve, modify, or reject a plan
13 submitted to the commission under Subsection (a) not later than the
14 180th day after the date the plan is submitted.

15 (d) Except as provided by Subsection (e), at least once
16 every three years, an entity to which this section applies shall
17 submit an update to the commission detailing the entity's
18 compliance with the plan's objectives and the costs of implementing
19 the plan. An electric utility may submit the update in a report
20 required under Section 38.101.

21 (e) At least once each month, an entity to which this
22 section applies shall submit an update to the commission in a form
23 prescribed by the commission of the information described by
24 Subsection (b)(4). After an entity to which this section applies
25 submits at least 24 monthly updates in compliance with this
26 section, on application by the entity, the commission may allow the
27 entity to instead file an annual update not later than May 1 of each

1 year. An update must include for each distribution pole inspected
2 an indication of whether the pole passed inspection and was
3 determined to be safe, reliable, and able to withstand extreme
4 weather conditions, including high winds.

5 (f) This section does not expand the commission's
6 jurisdiction over an electric cooperative beyond the jurisdiction
7 granted under Section 41.004(5)(A). A plan or update filed under
8 this section is considered a report to ensure public safety for the
9 purposes of Section 41.004.

10 SECTION 3. Not later than January 1, 2027, each entity to
11 which Section 38.103, Utilities Code, as added by this Act, applies
12 shall submit the plan required by that section to the Public Utility
13 Commission of Texas. The Public Utility Commission of Texas may
14 establish different plan submission dates for each class of entity
15 to which Section 38.103, Utilities Code, as added by this Act,
16 applies.

17 SECTION 4. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2025.

ADOPTED

MAY 26 2025

Lately Law
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *P. Schmidt*

Amend H.B. No. 144 (senate committee report) in SECTION 2 of the bill, in added Section 38.103, Utilities Code, as follows:

(1) In added Subsection (a) (page 1, line 33), strike "in the entity's" and substitute "the cooperative or utility owns in the cooperative's or utility's".

(2) Strike added Subsections (b) and (c) (page 1, lines 34 through 57), substitute the following, and reletter subsequent subsections and cross-references to those subsections accordingly:

(b) Each plan submitted under Subsection (a) must include:

(1) a statement of the plan's scope and objectives for ensuring public safety through the effective management, inspection, maintenance, and repair of distribution poles;

(2) the roles and responsibilities of individuals responsible for overseeing and executing the plan;

(3) processes for training and certifying personnel, including third-party vendors, who inspect distribution poles;

(4) an estimated timeline for completing inspections and remedial action required for any pole identified as unreliable, unsafe, or needing repair;

(5) processes for documenting and responding to a report or complaint made by a landowner regarding the condition or repair of a distribution pole;

(6) for a plan submitted by an electric utility, the estimated cost of implementing the plan; and

(7) a description of the cooperative's or utility's methods to monitor compliance with the plan.

(3) In added Subsection (d) (page 1, lines 58 and 59), strike "Except as provided by Subsection (e), at least once every three years" and substitute "Not later than May 1 of each year".

1 (4) In added Subsection (d) (page 1, line 61, through page
2 2, line 1), strike "and the costs of implementing the plan" and
3 substitute ", the costs of implementing the plan to date, and the
4 results of the entity's inspection of distribution poles, including
5 the number of poles inspected and any remediation or replacement
6 action taken".

7 (5) Strike added Subsections (e) and (f) (page 2, lines 3
8 through 18), substitute the following appropriately lettered
9 subsections, and reletter subsequent subsections and
10 cross-references to those subsections accordingly:

11 () The commission shall review each plan and update
12 submitted under this section to determine whether the entity that
13 submitted the plan or update is in compliance with the plan's
14 objectives described by Subsection (b)(1) and notify the entity
15 whether or not the entity is in compliance with those objectives.

16 () The commission may accept in place of the information
17 required under this section any information required under other
18 law that is substantially similar to the information required under
19 this section.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 28, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB144 by King (Relating to plans for the management and inspection of distribution poles.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB144, As Passed 2nd House: a negative impact of (\$2,722,862) 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>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$1,361,431)
2027	(\$1,361,431)
2028	(\$1,361,431)
2029	(\$1,361,431)
2030	(\$1,361,431)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,361,431)	9.0
2027	(\$1,361,431)	9.0
2028	(\$1,361,431)	9.0
2029	(\$1,361,431)	9.0
2030	(\$1,361,431)	9.0

Fiscal Analysis

The bill would amend the Utilities Code to require each electric cooperative, electric utility, and municipally owned utility that distributes electric energy to the public to submit to the Public Utility Commission of Texas (PUC) a plan for the management and inspection of distribution poles in the cooperative or utility owns in the cooperative's or utility's system no later than January 1, 2026.

The bill would require each submitted plan to include a statement of the plan's scope and objective, the roles and responsibilities of the individuals overseeing and executing the plan, a description of the cooperative's or utility's process for training and certification of inspection personnel and a proposed budget for the

implementation of the plan. For each distribution pole to be inspected, the plans must have a deadline when inspections will be completed, a process by which inspection records will be submitted, and a timeline for remedial action required for a pole identified as unreliable, unsafe, or needing repair.

The bill would require each entity to submit an update to PUC once every three years detailing the entity's compliance with the plan's objective, the costs of implementing the plan and the inspection results and repair schedule. Entities must submit an update to PUC annually, specifically noting whether each inspected distribution pole passed the inspection and was deemed safe, reliable, and able to withstand extreme weather conditions like high winds.

The bill would take effect immediately upon a vote of two-thirds of all members of each chamber; otherwise, the bill would take effect on September 1, 2025.

Methodology

Based on the analysis of the PUC, this estimate assumes the agency would require 9.0 additional full time equivalents (FTE) positions to implement the provisions of the bill. Six Engineer III-V (\$115,500 per year with estimated benefits of \$32,825) would be needed for the knowledge and expertise on distribution poles. Two Attorneys III (\$115,500 per year with estimated benefits of \$32,825) would be needed for rulemaking and legal issues. A Financial Examiners IV-V (\$100,000 per year with estimated benefits of \$28,420) would be needed to review the proposed budget of submitted plans. Other associated costs include \$22,110 per year for payroll contributions, travel and other operating expenses.

Technology

PUC anticipates information technology expenditures of \$24,300 per year.

Local Government Impact

According to information from the Public Utility Commission, there could be a fiscal impact to local government entities given that municipally owned utilities and electric cooperatives will be required to submit distribution pole plans under this bill. However, this impact cannot be determined as the cost to develop and submit a plan is unknown.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, RStu, GDZ, JBel, WP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 13, 2025

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB144** by King (Relating to plans for the management and inspection of distribution poles.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB144, As Engrossed: a negative impact of (\$3,922,340) 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	(\$1,961,170)
2027	(\$1,961,170)
2028	(\$1,961,170)
2029	(\$1,961,170)
2030	(\$1,961,170)

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	(\$1,961,170)	13.0
2027	(\$1,961,170)	13.0
2028	(\$1,961,170)	13.0
2029	(\$1,961,170)	13.0
2030	(\$1,961,170)	13.0

Fiscal Analysis

The bill would amend the Utilities Code to require each electric cooperative, electric utility, and municipally owned utility that distributes electric energy to the public to submit to the Public Utility Commission of Texas (PUC) a plan for the management and inspection of distribution poles in the entity's distribution system no later than January 1, 2026.

The bill would require each submitted plan to include a statement of the plan's scope and objective, the roles and responsibilities of the individuals overseeing and executing the plan, a description of the cooperative's or utility's process for training and certification of inspection personnel and a proposed budget for the

implementation of the plan. For each distribution pole to be inspected, the plans must have a deadline when inspections will be completed, a process by which inspection records will be submitted, and a timeline for remedial action required for a pole identified as unreliable, unsafe, or needing repair.

The bill would require PUC to approve, modify, or reject a plan submitted within 180 days.

The bill would require each entity to submit an update to PUC once every three years detailing the entity's compliance with the plan's objective, the costs of implementing the plan and the inspection results and repair schedule. Entities must submit an update to PUC at least once a month, specifically noting whether each inspected distribution pole passed the inspection and was deemed safe, reliable, and able to withstand extreme weather conditions like high winds.

The bill would take effect immediately upon a vote of two-thirds of all members of each chamber; otherwise, the bill would take effect on September 1, 2025.

Methodology

Based on the analysis of the PUC, this estimate assumes the agency would require 14.0 additional full time equivalents (FTE) positions to implement the provisions of the bill. Six Engineer III-V (\$115,500 per year with estimated benefits of \$32,825) would be needed for the knowledge and expertise on distribution poles. Four Attorneys III (\$115,500 per year with estimated benefits of \$32,825) would be needed for rulemaking and legal issues. Two Financial Examiners IV-V (\$100,000 per year with estimated benefits of \$28,420) would be needed to review the proposed budget of submitted plans. Lastly, an Administrative Law Judge (\$120,000 per year with estimated benefits of \$34,104) would be needed to handle contested case brought before the commission. Other associated costs include \$31,875 per year for payroll contributions, travel and other operating expenses.

Technology

PUC anticipates information technology expenditures of \$35,100 per year.

Local Government Impact

According to information from the Public Utility Commission, there could be a fiscal impact to local government entities given that municipally owned utilities and electric cooperatives will be required to submit distribution pole plans under this bill. However, this impact cannot be determined as the cost to develop and submit a plan is unknown.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, RStu, JBel, WP, GDZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 20, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB144** by King (relating to plans for the management and inspection of transmission and distribution poles.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB144, Committee Report 1st House, Substituted: a negative impact of (\$4,229,356) 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>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$2,114,678)
2027	(\$2,114,678)
2028	(\$2,114,678)
2029	(\$2,114,678)
2030	(\$2,114,678)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$2,114,678)	14.0
2027	(\$2,114,678)	14.0
2028	(\$2,114,678)	14.0
2029	(\$2,114,678)	14.0
2030	(\$2,114,678)	14.0

Fiscal Analysis

The bill would amend the Utilities Code to require each electric cooperative, electric utility, and municipally owned utility that distributes electric energy to the public to submit to the Public Utility Commission of Texas (PUC) a plan for the management and inspection of transmission and distribution poles in the entity's distribution system no later than January 1, 2026.

The bill would require each submitted plan to include a statement of the plan's scope and objective, the roles and responsibilities of the individuals overseeing and executing the plan, a description of the cooperative's or utility's process for training and certification of inspection personnel and a proposed budget for the

implementation of the plan. For each transmission and distribution pole to be inspected, the plans must have a deadline when inspections will be completed, a process by which inspection records will be submitted, and a timeline for remedial action required for a pole identified as unreliable, unsafe, or needing repair.

The bill would require PUC to approve, modify, or reject a plan submitted within 180 days.

The bill would require each entity to submit an update to PUC once every three years detailing the entity's compliance with the plan's objective, the costs of implementing the plan and the inspection results and repair schedule. Entities must submit an update to PUC at least once a month, specifically noting whether each inspected transmission and distribution pole passed the inspection and was deemed safe, reliable, and able to withstand extreme weather conditions like high winds.

The bill would take effect immediately upon a vote of two-thirds of all members of each chamber; otherwise, the bill would take effect on September 1, 2025.

Methodology

Based on the analysis of the PUC, this estimate assumes the agency would require 14.0 additional full time equivalents (FTE) positions to implement the provisions of the bill. Seven Engineer III-V (\$115,500 per year with estimated benefits of \$32,825) would be needed for the knowledge and expertise on transmission and distribution poles. Four Attorneys III (\$115,500 per year with estimated benefits of \$32,825) would be needed for rulemaking and legal issues. Two Financial Examiners IV-V (\$100,000 per year with estimated benefits of \$28,420) would be needed to review the proposed budget of submitted plans. Lastly, an Administrative Law Judge (\$120,000 per year with estimated benefits of \$34,104) would be needed to handle contested case brought before the commission. Other associated costs include \$34,358 per year for payroll contributions, travel and other operating expenses.

Technology

PUC anticipates information technology expenditures of \$37,800 per year.

Local Government Impact

According to information from the Public Utility Commission, there could be a fiscal impact to local government entities given that municipally owned utilities and electric cooperatives will be required to submit transmission and distribution pole plans under this bill. However, this impact cannot be determined as the cost to develop and submit a plan is unknown.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, WP, GDZ, JBel

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 11, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB144** by King (Relating to plans for the management and inspection of distribution poles.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB144, As Introduced: a negative impact of (\$3,615,324) 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	(\$1,807,662)
2027	(\$1,807,662)
2028	(\$1,807,662)
2029	(\$1,807,662)
2030	(\$1,807,662)

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	(\$1,807,662)	12.0
2027	(\$1,807,662)	12.0
2028	(\$1,807,662)	12.0
2029	(\$1,807,662)	12.0
2030	(\$1,807,662)	12.0

Fiscal Analysis

The bill would amend the Utilities Code to require each electric cooperative, electric utility, and municipally owned utility that distributes electric energy to the public to submit to the Public Utility Commission of Texas (PUC) a plan for the management and inspection of distribution poles in the entity's distribution system no later than January 1, 2026.

The bill would require each submitted plan to include a statement of the plan's scope and objective, the roles and responsibilities of the individuals overseeing and executing the plan, a description of the cooperative's or utility's process for training and certification of inspection personnel and a proposed budget for the

implementation of the plan.

The bill would require PUC to approve, modify, or reject a plan submitted within 180 days.

The bill would require each entity to submit an update to PUC once every three years detailing the entity's compliance with the plan's objective and the costs of implementing the plan.

The bill would take effect immediately upon a vote of two-thirds of all members of each chamber; otherwise, the bill would take effect on September 1, 2025.

Methodology

Based on the analysis of the PUC, this estimate assumes the agency would require 12.0 additional full time equivalents (FTE) positions to implement the provisions of the bill. Five Engineer III-V (\$115,500 per year with estimated benefits of \$32,825) would be needed for the knowledge and expertise on distribution systems. Four Attorneys III (\$115,500 per year with estimated benefits of \$32,825) would be needed for rulemaking and legal issues. Two Financial Examiners IV-V (\$100,000 per year with estimated benefits of \$28,420) would be needed to review the proposed budget of submitted plans. Lastly, an Administrative Law Judge (\$112,000 per year with estimated benefits of \$34,104) would be needed to handle contested case brought before the commission. Other associated costs include \$29,393 per year for payroll contributions, travel and other operating expenses.

Technology

PUC anticipates information technology expenditures of \$32,400 per year.

Local Government Impact

According to information from the Public Utility Commission, there could be a fiscal impact to local government entities given that municipally owned utilities and electric cooperatives will be required to submit distribution pole plans under this bill. However, this impact cannot be determined as the cost to develop and submit a plan is unknown.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, WP, GDZ, JBel