

BILL ANALYSIS

C.S.H.B. 3867
By: Springer
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that the legislature has granted the Public Utility Commission of Texas (PUC) authority to use outside consultants, auditors, engineers, or attorneys to represent the PUC in certain proceedings before the Federal Energy Regulatory Commission. There have been calls to extend this authority to the PUC with regard to proceedings before a regional transmission organization, as these proceedings can have significant impact on Texas ratepayers. C.S.H.B. 3867 seeks to provide the PUC with that authority.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3867 amends the Utilities Code to authorize the Public Utility Commission of Texas (PUC) to retain any consultant, accountant, auditor, engineer, or attorney the PUC considers necessary to represent the PUC in a proceeding before a regional transmission organization, or before a court reviewing proceedings of a regional transmission organization, related to:

- the relationship of an electric utility to a power region, regional transmission organization, or independent system operator;
- the approval of an agreement among an electric utility and the electric utility's affiliates concerning the coordination of the operations of the electric utility and the electric utility's affiliates; or
- other matters related to an electric utility that may affect the ultimate rates paid by retail customers in Texas.

The bill authorizes the assistance to include conducting a study or an investigation, presenting evidence, or advising or representing the PUC and prohibits the PUC from engaging any individual who is required to register under statutory provisions governing lobbyist registration. The bill requires the PUC to consult the attorney general before retaining a consultant, accountant, auditor, or engineer and subjects retention of an attorney to the approval of the attorney general.

C.S.H.B. 3867 requires the electric utility that is the subject of the proceeding to pay timely the reasonable costs of the retained services, as determined by the PUC, not to exceed \$1.5 million in a 12-month period. The bill requires the PUC to allow an electric utility to recover both the total costs for retained services the electric utility paid and the carrying charges for those costs

through a rider established annually to recover the costs paid and carrying charges incurred during the preceding calendar year. The bill prohibits the rider from being implemented before the rider is reviewed and approved by the PUC. The bill's provisions expire September 1, 2023.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3867 differs from the original only by including a council draft number in the footer.