

BILL ANALYSIS

Senate Research Center

S.B. 1374
By: Patterson
State Affairs
4-22-97
As Filed

DIGEST

Currently, there is no Texas law that prohibits certain rates from being passed to rate payers. Concern exists that some utility expenses relating to rate cases and advertising may be passed to the ratepayer. This bill prohibits certain expenses of an electric utility from being passed to the ratepayers.

PURPOSE

As proposed, S.B. 1374 prohibits certain expenses of an electric utility from being passed to the ratepayers.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 1446c-0, V.T.C.S., by adding Section 2.1525, as follows:

Sec. 2.1525. **DISALLOWED EXPENSES FOR INVESTOR-OWNED UTILITY.** Prohibits the regulatory authority from allowing certain expenditures as a cost or expense for ratemaking for an investor-owned utility, notwithstanding Sections 2.152 and 2.208(d) of this Act. Authorizes the regulatory authority to require an annual reporting from each investor-owned utility of all expenditures for business gifts and entertainment and for institutional, consumption-inducing, and other advertising or public relations expenses.

SECTION 2. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 3. Emergency clause.