

BILL ANALYSIS

Senate Research Center
86R10117 BRG-F

H.B. 1767
By: Murphy et al. (Birdwell)
Natural Resources & Economic Development
4/27/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been noted that there is currently little consistency in the consideration of compensation and benefits for gas utility employees when a regulatory authority is establishing the utility's rates. H.B. 1767 seeks to provide regulatory certainty by clarifying that the compensation and benefits of these employees is presumed to be reasonable and necessary when establishing rates if the expenses are consistent with recent market compensation studies.

H.B. 1767 amends current law relating to the consideration of employee compensation and benefits in establishing the rates of gas utilities.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 104, Utilities Code, by adding Section 104.060, as follows:

Sec. 104.060. CONSIDERATION OF COMPENSATION AND BENEFIT EXPENSES.

(a) Defines "employee compensation and benefits" for purposes of this section.

(b) Requires the regulatory authority, when establishing a gas utility's rates, to presume that employee compensation and benefits expenses are reasonable and necessary if the expenses are consistent with recent market compensation studies.

SECTION 2. (a) Provides that Section 104.060, Utilities Code, as added by this Act, applies only to a proceeding for the establishment of rates for which the regulatory authority has not issued a final order or decision before the effective date of this Act.

(b) Provides that a proceeding for which the regulatory authority has issued a final order or decision before the effective date of this Act is governed by the law in effect immediately before that date, and that that law is continued in effect for that purpose.

SECTION 3. Effective date: upon passage or September 1, 2019.