

## **BILL ANALYSIS**

Senate Research Center

H.B. 1520  
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Natural Resources & Economic Development  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The recent winter storm in Texas resulted in a historic demand for energy. Due to factors beyond their control, gas utilities incurred extraordinary costs in procuring the necessary supply of gas to maintain service to their customers. The cost of gas is not controlled by gas utilities but instead is set by the market and passed through to the customer without markup. Considering the extraordinary costs incurred in the recent winter storm, customers could see a dramatic increase in their monthly bill without the securitization of those costs. H.B. 1520 seeks to minimize the cost that customers might experience from those extraordinary costs, as well as from future extraordinary costs from potential catastrophic events such as natural and man-made disasters or system failures, by providing securitization financing to enable gas utilities to recover these costs. This financing mechanism will provide rate relief to customers by extending the time frame over which the extraordinary costs are recovered and will support the financial strength and stability of gas utility companies.

H.B. 1520 amends current law relating to the recovery and securitization of certain extraordinary costs incurred by certain gas utilities and provides authority to issue bonds and impose fees and assessments.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the secretary of state in SECTION 5 (Section 104.371, Utilities Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1232.002, Government Code, as follows:

Sec. 1232.002. PURPOSE. Provides that the purpose of Chapter 1232 (Texas Public Finance Authority) is to provide a method of financing for customer rate relief bonds authorized by the Railroad Commission of Texas (RRC). Makes nonsubstantive changes.

SECTION 2. Amends Section 1232.066(a), Government Code, as follows:

(a) Provides that the board of directors' (board) of the Texas Public Finance Authority's (TPFA) authority under Chapter 1232 is limited to the financing of customer rate relief bonds approved by RRC. Makes nonsubstantive changes.

SECTION 3. Amends Subchapter C, Chapter 1232, Government Code, by adding Section 1232.1072, as follows:

Sec. 1232.1072. ISSUANCE OF OBLIGATIONS FOR FINANCING CUSTOMER RATE RELIEF BONDS. (a) Authorizes TPFA, either directly or by means of a financing entity established by TPFA, to issue obligations or other evidences of indebtedness for financing customer rate relief bonds approved under Subchapter I, Chapter 104 (Rates and Services), Utilities Code.

(b) Requires TPFA, on a request to TPFA from RRC, to:

- (1) issue obligations or other evidences of indebtedness in the amount of the requested customer rate relief bonds, plus the issuance costs; and
- (2) grant to RRC the proceeds of the obligations or evidences of indebtedness described by Subdivision (1).

(c) Requires that the request from RRC described by Subsection (b) include a statement of the payment terms for recovering customer rate relief costs.

(d) Requires that obligations or evidences of indebtedness TPFA issues under this section be created under financing orders issued by RRC. Requires that the financing orders authorize TPFA to create legally isolated, bankruptcy-remote financing entities to hold customer rate relief property. Authorizes TPFA to establish a financing entity authorized by a financing order.

(e) Requires that obligations or evidences of indebtedness TPFA issues under this section for each approved customer rate relief financing include, as part of the financing costs of the financing, the administrative costs related to the financing.

(f) Requires that obligations or evidences of indebtedness TPFA issues under this section be secured by:

- (1) customer rate relief property, as defined by Section 104.362, Utilities Code; and
- (2) customer rate relief charges, as defined by Section 104.362, Utilities Code, that are nonbypassable, as defined by that section, imposed by TPFA on customers receiving natural gas services provided by the gas utility, as defined by that section, that is making the request to recover a regulatory asset under Section 104.365, Utilities Code.

(g) Requires that the customer rate relief property and customer rate relief charges described by Subsection (f) be consistent with the customer rate relief recovery terms stated in the gas utility's request to recover a regulatory asset under Section 104.365, Utilities Code, unless otherwise approved by RRC.

(h) Provides that an obligation or evidence of indebtedness TPFA issues under this section is not a debt of this state, RRC, or a gas utility.

(i) Requires RRC to provide to TPFA assistance necessary to ensure that the customer rate relief charges described by Subsection (f) are collected and enforced, either directly or by using the assistance and powers of the gas utility requesting to recover a regulatory asset under Section 104.365, Utilities Code, as servicer.

(j) Provides that TPFA and RRC have all the powers necessary to perform the duties and responsibilities described by this section. Requires that this section be interpreted broadly in a manner consistent with the most cost-effective financing of customer rate relief related costs.

(k) Authorizes obligations or evidences of indebtedness issued by TPFA under this section to be structured so that any interest on the obligations or evidences of indebtedness is excluded from gross income for federal income tax purposes. Provides that any interest on the obligations or evidences of indebtedness is not subject to taxation by and is prohibited from being included as part of the measurement of a tax by this state or a political subdivision of this state.

(l) Requires TPFA to make periodic reports to RRC and the public regarding each financing made under this section.

SECTION 4. Amends Section 1232.108, Government Code, as follows:

Sec. 1232.108. LEGISLATIVE AUTHORIZATION REQUIRED. Provides that, except as permitted by Section 1232.1072, among other sections, before the board of TPFA is authorized to issue and sell bonds, the legislature by the General Appropriations Act or other law is required to have authorized:

- (1) the specific project for which the bonds are to be issued and sold; and
- (2) the estimated cost of the project or the maximum amount of bonded indebtedness that may be incurred by the issuance and sale of bonds for the project.

SECTION 5. Amends Chapter 104, Utilities Code, by adding Subchapter I, as follows:

SUBCHAPTER I. CUSTOMER RATE RELIEF BONDS

Sec. 104.361. PURPOSE; RAILROAD COMMISSION DUTY. (a) Provides that the purpose of Subchapter I is to reduce the cost that customers would otherwise experience because of extraordinary costs that gas utilities incur to secure gas supply and provide service during natural and man-made disasters, system failures, or other catastrophic events, and to restore gas utility systems after those types of events, by providing securitization financing for gas utilities to recover those costs. Provides that the securitization financing mechanism authorized by Subchapter I will:

- (1) provide rate relief to customers by extending the period during which the extraordinary costs described by Subsection (a) are recovered from customers; and

- (2) support the financial strength and stability of gas utility companies.

(b) Requires RRC to ensure that securitization provides tangible and quantifiable benefits to customers, greater than would have been achieved absent the issuance of customer rate relief bonds.

Sec. 104.362. DEFINITIONS. Defines "ancillary agreement," "assignee," "authority," "bond administrative expenses," "bond obligations," "credit agreement," "customer rate relief bonds," "customer rate relief charges," "customer rate relief property," "financing costs," "financing order," "financing party," "gas utility," "nonbypassable," "normalized market pricing," and "regulatory asset."

Sec. 104.363. EXTRAORDINARY COSTS. Provides that, for the purposes of Subchapter I, extraordinary costs are the reasonable and necessary costs, including carrying costs, placed in a regulatory asset and approved by RRC in a regulatory asset determination under Section 104.365.

Sec. 104.364. JURISDICTION AND POWERS OF RAILROAD COMMISSION AND OTHER REGULATORY AUTHORITIES. (a) Authorizes RRC to authorize the issuance of customer rate relief bonds if the requirements of Section 104.366 are met.

(b) Authorizes RRC to assess to a gas utility costs associated with administering Subchapter I. Requires that assessments be recovered from rate-regulated customers as part of gas cost.

(c) Provides that RRC has exclusive, original jurisdiction to issue financing orders that authorize the creation of customer rate relief property, customer rate relief charges to service customer rate relief bonds, and financing costs. Requires that customer rate relief charges, if authorized by RRC through a financing order in RRC's sole discretion, be imposed pursuant to customer rate relief property and not by a gas utility.

(d) Provides that, except as provided by Subsection (c), Subchapter I does not limit or impair a regulatory authority's plenary jurisdiction over the rates, charges, and services rendered by gas utilities in this state under Chapter 102 (Jurisdiction and Powers of Railroad Commission and Other Regulatory Authorities).

Sec. 104.365. REGULATORY ASSET DETERMINATION. (a) Requires RRC, on application of a gas utility to recover a regulatory asset, to determine the regulatory asset amount to be recovered by the gas utility.

(b) Requires a gas utility desiring to participate in the customer rate relief bond process under a financing order to file an application with RRC not later than the 90th day after the date of the conclusion of the event for which regulatory asset recovery is requested. Requires RRC to determine an application date deadline consistent with this subsection.

(c) Authorizes a gas utility desiring to participate in the customer rate relief bond process under a financing order by requesting recovery of a regulatory asset relating to the February 2021 winter storm, notwithstanding the deadline provided by Subsection (b), to file an application with RRC on or before the 60th day after the effective date of the Act enacting Subchapter I.

(d) Provides that, if RRC does not make a final determination regarding the regulatory asset amount to be recovered by a gas utility before the 91st day after the gas utility files the application, RRC is considered to have approved the regulatory asset amount requested by the gas utility.

(e) Provides that the regulatory asset determination is not subject to reduction, impairment, or adjustment by further action of RRC, except as authorized by Section 104.370.

(f) Provides that the regulatory asset determination is not subject to rehearing by RRC and is authorized to be appealed only to a Travis County district court by a party to the proceeding. Requires that the appeal be filed not later than the 15th day after the date the order is signed by RRC.

(g) Authorizes the judgment of the district court to be reviewed only by direct appeal to the Supreme Court of Texas. Requires that the appeal be filed not later than the 15th day after the date of entry of judgment.

(h) Requires that all appeals be heard and determined by the district court and the Supreme Court of Texas as expeditiously as possible with lawful precedence over other matters. Requires that review on appeal be based solely on the record before RRC and briefs to the court and limited to whether the financing order:

(1) complies with the constitution and laws of this state and the United States; and

(2) is within the authority of RRC to issue under Subchapter I.

(i) Requires RRC by order to establish a schedule, filing requirements, and a procedure for determining the prudence of the costs included in a gas utility's regulatory asset.

(j) Authorizes a gas utility, to the extent a gas utility subject to Subchapter I receives insurance proceeds, governmental grants, or other sources of funding that compensate or otherwise reimburse or indemnify the gas utility for extraordinary costs following the issuance of customer rate relief bonds, to record the amount in a regulatory liability account and requires that that amount be reviewed in a future proceeding. Authorizes the gas utility, if an audit conducted under a valid gas

purchase agreement identifies a change of greater than five percent to the total amount of the gas supply costs incurred during the event for which regulatory asset recovery was approved, to record the amount in a regulatory asset or regulatory liability account and requires that that amount be reviewed for recovery in a future proceeding.

Sec. 104.366. FINANCING ORDERS AND ISSUANCE OF CUSTOMER RATE RELIEF BONDS. (a) Authorizes RRC after the final resolution of all applications filed under Section 104.365, if RRC determines that customer rate relief bond financing for extraordinary costs is the most cost-effective method of funding regulatory asset reimbursements to be made to gas utilities, to request TPFA to issue customer rate relief bonds on RRC's behalf. Requires RRC, before making the request, to issue a financing order that complies with this section.

(b) Requires RRC, to make the determination described by Subsection (a), to find that the proposed structuring, expected pricing, and proposed financing costs of the customer rate relief bonds are reasonably expected to provide benefits to customers by comparing the net present value of the costs to customers resulting from the issuance of customer rate relief bonds, and the costs that would result from the application of conventional methods of financing or recovering gas utility extraordinary costs and other costs authorized by a financing order.

(c) Requires that the financing order:

(1) include a finding that the use of the securitization financing mechanism is in the public interest and consistent with the purposes of Subchapter I;

(2) detail the total amount of the regulatory asset determinations to be included in the customer rate relief bond issuance;

(3) authorize the recovery of any tax obligation of the gas utilities arising or resulting from receipt of customer rate relief bond proceeds, or collection or remittance of customer rate relief charges through the gas utilities' gas cost recovery mechanism or other means that RRC determines reasonable;

(4) authorize TPFA's issuance of customer rate relief bonds through one or more legally isolated, bankruptcy-remote financing entities established by TPFA;

(5) include a statement of the aggregated regulatory asset determination to be included in the principal amount of the customer rate relief bonds, not to exceed \$10 billion for any separate bond issue, and the maximum scheduled final maturity of the customer rate relief bonds, not to exceed 30 years, except that the legal final maturity is authorized to be longer based on rating agency and market considerations;

(6) provide for the imposition, collection, and mandatory periodic formulaic adjustment of customer rate relief charges in accordance with Section 104.370 by all gas utilities for which a regulatory asset determination has been made under Section 104.365 to guarantee that the bonds will be paid in full;

(7) authorize the creation of customer rate relief property in favor of TPFA and TPFA transfer of the property;

(8) direct the authority to disperse the proceeds of customer rate relief bonds to gas utilities for which a regulatory asset determination has been made under Section 104.365 and include the amounts to be distributed;

(9) provide that customer rate relief charges be collected and allocated among customers of each utility for which a regulatory determination has been made under Section 104.365 through uniform monthly volumetric charges to be paid by customers as a component of the gas utility's gas cost or in another manner that RRC determines reasonable; and

(10) reflect the commitment made by each gas utility receiving proceeds that the proceeds are in lieu of recovery of those costs through the regular ratemaking process or other mechanism to the extent the costs are reimbursed to the gas utility by customer rate relief bond financing proceeds.

(d) Provides that the principal amount determined by RRC is authorized to be increased to include an amount sufficient to pay the financing costs for issuance, reimburse TPFA for any costs incurred for the issuance, provide a bond reserve fund, and capitalize interest for the period determined necessary by RRC.

(e) Requires TPFA, consistent with Subchapter I and the terms of the financing order, to:

(1) issue customer rate relief bonds at RRC's request, in accordance with the requirements of Chapter 1232, Government Code, and other provisions of Title 9, Government Code, that apply to bond issuance by a state agency; and

(2) determine the methods of sale, types of bonds, bond forms, maximum interest rates, and other terms of the customer rate relief bonds that in TPFA's judgment best achieve the economic goals of the financing order and effect the financings at the lowest practicable cost.

(f) Provides that TPFA is required to establish legally isolated, bankruptcy-remote financing entities and is authorized to enter into credit agreements or ancillary agreements in connection with the issuance of customer rate relief bonds.

(g) Provides that the financing order becomes effective in accordance with its terms. Provides that the financing order, together with the customer rate relief property and the customer rate relief charges authorized by the financing order, is irrevocable and not subject to reduction, impairment, or adjustment by further action of RRC, except as provided under Subsection (i) and authorized by Section 104.370.

(h) Requires RRC to issue a financing order under this section not later than the 90th day following the date of the conclusion of all proceedings filed under Section 104.365.

(i) Provides that a financing order is not subject to rehearing by RRC. Authorizes a financing order to be appealed only to a Travis County district court by a party to the proceeding. Requires that the appeal be filed not later than the 15th day after the date the financing order is signed by RRC.

(j) Authorizes the judgment of the district court to be reviewed only by direct appeal to the Supreme Court of Texas. Requires that the appeal be filed not later than the 15th day after the date of entry of judgment.

(k) Requires that all appeals be heard and determined by the district court and the Supreme Court of Texas as expeditiously as possible with lawful precedence over other matters. Requires that the review on appeal be based solely on the record before RRC and briefs to the court and is limited to whether the financing order

complies with the constitution and laws of this state and the United States, and is within the authority of RRC to issue under Subchapter I.

(l) Requires TPFA issue customer rate relief bonds not later than the 45th day after receipt of a financing order issued under this section.

(m) Requires TPFA to deliver customer rate relief bond proceeds net of upfront financing costs to each gas utility sufficient to reimburse the gas utility the regulatory asset amount determined to be reasonable under Section 104.365 not later than the 15th day after the date of issuance of the customer rate relief bonds.

(n) Requires TPFA, for the weather-related event that occurred in February 2021, to deliver customer rate relief bond proceeds net of upfront financing costs to each gas utility no later than December 31, 2021. Provides that this subsection expires September 1, 2023.

Sec. 104.367. PROPERTY RIGHTS. (a) Provides that customer rate relief bonds are solely the obligation of the assignee or issuing financing entity and are not a debt of a gas utility or a debt or a pledge of the faith and credit of this state or any political subdivision of this state.

(b) Provides that customer rate relief bonds are nonrecourse to the credit or any assets of this state or TPFA.

(c) Provides that the rights and interests of TPFA or the TPFA's successor under a financing order, including the right to impose and receive customer rate relief charges authorized in the financing order, are only contract rights until first transferred to an assignee or pledged in connection with the issuance of the customer rate relief bonds, at which time the rights and interests become customer rate relief property.

(d) Provides that customer rate relief property constitutes a present property right for purposes of contracts concerning the sale or pledge of property, notwithstanding that the imposition and collection of customer rate relief charges depends on further acts of the gas utility or others that have not yet occurred. Provides that the financing order remains in effect, and the customer rate relief property continues to exist, for the same period as the pledge of the state described by Section 104.374.

(e) Provides that all revenue and collections resulting from customer rate relief charges constitute proceeds only of a property right arising from the financing order.

(f) Provides that an amount owed by TPFA or an issuer under a credit agreement is payable from and secured by the customer rate relief property, including customer rate relief charges and amounts to the extent provided in the proceedings authorizing the credit agreement.

Sec. 104.368. PROPERTY INTEREST NOT SUBJECT TO SETOFF, COUNTERCLAIM, SURCHARGE, OR DEFENSE. Provides that the interest of an assignee or pledgee in customer rate relief property, including the revenue and collections arising from customer rate relief charges, is not subject to setoff, counterclaim, surcharge, or defense by the gas utility or any other person or in connection with the bankruptcy of the gas utility, TPFA, or any other entity. Provides that a financing order remains in effect and unabated notwithstanding the bankruptcy of the gas utility or TPFA, or any successor or assignee of the gas utility TPFA.

Sec. 104.369. CUSTOMER RATE RELIEF CHARGES NONBYPASSABLE. Requires that a financing order include terms ensuring that the imposition and collection of the customer rate relief charges authorized in the order are nonbypassable.

Sec. 104.370. TRUE-UP MECHANISM. (a) Requires that a financing order include a formulaic true-up charge adjustment mechanism that requires that the customer rate relief charges be reviewed and adjusted at least annually, at time periods and frequencies provided in the financing order, to correct any overcollections or undercollections of the preceding 12 months, and ensure the expected recovery of amounts sufficient to provide for the timely payment of upcoming scheduled customer rate relief bond payments and financing costs.

(b) Requires that true-up charge adjustments become effective not later than the 30th day after the date RRC receives a true-up charge adjustment letter from the gas utility or replacement servicer notifying RRC of the pending adjustment.

(c) Requires that any administrative review of true-up charge adjustments be limited to notifying the servicer of mathematical or clerical errors in the calculation. Authorizes the servicer to correct the error and refile a true-up charge adjustment letter, with the adjustment becoming effective as soon as practicable but not later than the 30th day after the date RRC receives the refiled letter.

Sec. 104.371. SECURITY INTERESTS; ASSIGNMENT; COMMINGLING; DEFAULT. (a) Provides that customer rate relief property does not constitute an account or general intangible under Section 9.106 (Control of Investment Property), Business & Commerce Code. Provides that the creation, granting, perfection, and enforcement of liens and security interests in customer rate relief property are governed by this section and not by the Business & Commerce Code.

(b) Authorizes a valid and enforceable lien and security interest in customer rate relief property to be created only by a financing order and the execution and delivery of a security agreement with a financing party in connection with the issuance of customer rate relief bonds. Provides that the lien and security interest attach automatically from the time that value is received for the customer rate relief bonds and, on perfection through the filing of notice with the secretary of state (SOS) in accordance with the rules prescribed under Subsection (d), are a continuously perfected lien and security interest in the customer rate relief property and all proceeds of the property, whether accrued or not, have priority in the order of filing and take precedence over any subsequent judicial or other lien creditor. Provides that the security interest is perfected as of the date of the filing, except that if notice is filed before the 11th day after value is received for the customer rate relief bonds, the security interest is perfected retroactive to the date value was received.

(c) Provides that transfer of an interest in customer rate relief property to an assignee is perfected against all third parties, including subsequent judicial or other lien creditors, when the financing order becomes effective, transfer documents have been delivered to the assignee, and a notice of that transfer has been filed in accordance with the rules prescribed under Subsection (d). Provides that, if notice of the transfer is not filed in accordance with this subsection before the 11th day after the delivery of transfer documentation, the transfer of the interest is not perfected against third parties until the notice is filed.

(d) Requires SOS establish and maintain a separate system of records for the filing of notices under this section, and adopt rules governing filing notices under this section that are based on Chapter 9 (Secured Transactions), Business & Commerce Code, adapted to Subchapter I, and use the terms as defined by this Subchapter I.

(e) Provides that the priority of a lien and security interest perfected under this section is not impaired by any later modification of the financing order under a mechanism adopted under Section 104.370 or by the commingling of funds arising from customer rate relief charges with other funds. Provides that any other



security interest that is authorized to apply to those funds is terminated when the funds are transferred to a segregated account for the assignee or a financing party. Requires that any proceeds of that property, if customer rate relief property has been transferred to an assignee, be held in trust for the assignee.

(f) Requires a district court of Travis County, on application by or on behalf of the financing parties, if a default or termination occurs under the customer rate relief bonds, to order the sequestration and payment to the financing parties of revenue arising from the customer rate relief charges.

Sec. 104.372. BOND PROCEEDS IN TRUST. (a) Provides that TPFA is authorized to deposit proceeds of customer rate relief bonds issued by or on behalf of TPFA under Subchapter I with a trustee selected by TPFA or the proceeds are authorized to be held by Comptroller of Public Accounts of the State of Texas (comptroller) in a dedicated trust fund outside the state treasury in the custody of the comptroller.

(b) Requires that bond proceeds, including investment income, be held in trust for the exclusive benefit of RRC's policy of reimbursing gas utility costs. Requires TPFA to use the proceeds to reimburse each gas utility the regulatory asset amount determined to be reasonable for that gas utility in the financing order, pay the financing costs of issuing the bonds, and provide bond reserves, as applicable.

(c) Requires that the remaining proceeds, if there are no outstanding bonds or bond interest to be paid, be used to provide credits to gas utility customers.

Sec. 104.373. REPAYMENT OF CUSTOMER RATE RELIEF BONDS. (a) Requires that uniform monthly volumetric customer rate relief charges, if any customer rate relief bonds or related financing costs remain outstanding, be paid by all current and future customers that receive service from a gas utility for which a regulatory asset determination has been made under Section 104.365. Requires a gas utility and its successors, assignees, or replacements to continue to bill and collect, as servicer, customer rate relief charges from the gas utility's current and future customers until all customer rate relief bonds and financing costs are paid in full.

(b) Requires TPFA to report to RRC the amount of the outstanding customer rate relief bonds issued by TPFA under Subchapter I and the estimated amount of annual bond administrative expenses.

(c) Requires that all revenue collected from the customer rate relief charges be remitted promptly by the applicable servicers to TPFA to pay bond obligations, ongoing financing costs, and bond administrative expenses to ensure timely payment of bond obligations and financing costs.

(d) Authorizes revenue received from the customer rate relief charges to be applied only as provided by Subchapter I.

(e) Provides that bond obligations are payable only from sources provided for payment by Subchapter I.

Sec. 104.374. PLEDGE OF STATE. (a) Provides that customer rate relief bonds issued under Subchapter I and any related ancillary agreements or credit agreements are not a debt or pledge of the faith and credit of this state or a state agency or political subdivision of this state. Provides that a customer rate relief bond, ancillary agreement, or credit agreement is payable solely from customer rate relief charges as provided by Subchapter I.

(b) Provides that, notwithstanding Subsection (a), this state, including RRC and TPFA, pledges for the benefit and protection of the financing parties and the gas utility that this state will not take or permit any action that would impair the value of customer rate relief property, or, except as permitted by Section 104.370,

reduce, alter, or impair the customer rate relief charges to be imposed, collected, and remitted to financing parties until the principal, interest and premium, and contracts to be performed in connection with the related customer rate relief bonds and financing costs have been paid and performed in full. Authorizes TPFA or any other entity issuing customer rate relief bonds to include this pledge in any documentation relating to those bonds.

Sec. 104.375. TAX EXEMPTION. (a) Provides that customer rate relief bonds issued under Subchapter I, transactions relating to customer rate relief bonds, and profits made from the sale of customer rate relief bonds are exempt from taxation by this state or a political subdivision of this state.

(b) Provides that a gas utility's receipt or collection of customer rate relief charges is exempt from state and local income, sales, franchise, gross receipts, and other taxes or similar assessments.

(c) Provides that a tax obligation of the gas utility arising from receipt of customer rate relief bond proceeds or from the collection or remittance of customer rate relief charges is an expense that is authorized to be recovered by the gas utility.

Sec. 104.376. ASSIGNEE OR FINANCING PARTY NOT PUBLIC UTILITY. Prohibits an assignee or financing party from being considered to be a public utility or person providing natural gas service solely by virtue of the transactions described by Subchapter I.

Sec. 104.377. NO PERSONAL LIABILITY. Provides that a commissioner of RRC, an RRC employee, a member of the board of directors of TPFA, or an employee TPFA is not personally liable for a result of an exercise of a duty or responsibility established under Subchapter I.

Sec. 104.378. SEVERABILITY. Severability clause.

SECTION 6. Effective date: upon passage or September 1, 2021.