



Chair, Rep. Garnet Coleman

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Representative

Desk

LSG Floor Report For General State Calendar – Wednesday, March 20, 2013

| Bill | Caption | Committee | Analysis & Evaluation | Recommendation |
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| <p>HB 1600 by Rep. Cook</p> | <p>Relating to the continuation and functions of the Public Utility Commission of Texas, to transfer of certain functions from the Texas Commission on Environmental Quality to the Public Utility Commission of Texas, and to the functions of the Office of Public Utility Counsel, authorizing a fee.</p> | <p>State Affairs</p> | <p>The 82nd Legislature reviewed the Public Utility Commission (PUC) under the Sunset Act in 2011, but the Sunset Bill failed to pass due to time constraints. They authorized continuation of PUC for two years and directed the Sunset Commission to reconsider their 2011 recommendations again in 2013. The Sunset Commission has concluded that most of those recommendations continue to be appropriate. These recommendations are included in HB 1600, which continues the PUC until it is eligible for Sunset again in 10 years.</p> <p>The intent of this bill is to create smoother operations involving utility regulation by transferring certain power, duties, and authoritative roles from the Texas Commission on Environmental Quality (TCEQ) to PUC, whose primary focus is on the rates and services necessary for supplying Texans with utilities. This bill further equips the PUC with necessary tools to sufficiently utilize its expertise in rate-making and service-providing processes to benefit residential and small commercial consumers of utilities, allowing the TCEQ to better focus on its environmental goals.</p> <p>HB 1600 transfers all powers, authorities, certain duties and functions related to the economic regulation of water and sewer service, including setting rates and governing administrative rate disputes currently being executed by the Texas Commission on Environmental Quality (TCEQ) to the PUC. HB 1600 also prohibits PUC commissioners from being employed by Electric Reliability Council of Texas (ERCOT) for two years after leaving PUC.</p> <p>HB 1600 increases the PUC's oversight of ERCOT's budget, requiring the PUC to review and approve, disapprove, or modify any item on the proposed ERCOT annual budget. The bill requires ERCOT to submit proposals for PUC review and approval regarding obtaining debt financing or refinancing existing debt.</p> <p>HB 1600 establishes that the Commission shall authorize ERCOT to charge a System Administration Fee as determined by the Commission in order to fund ERCOT's approved budget.</p> <p>This bill authorizes the PUC to issue emergency cease-and-desist orders to electric industry participants in order to deter an electric industry participant from engaging in any actions that: pose a threat to continuous and adequate electric service, creates an immediate danger to public safety, or can reasonably be expected to cause immediate harm to consumers that cannot be rectified by monetary compensation.</p> <p>The bill expands the role of Office of Public Utility Counsel (OPUC) to represent and advocate for the interests of residential and small commercial consumers in water and wastewater utility matters. OPUC must assess the effect of utility rate changes and other regulatory actions on residential consumers.</p> | <p>Favorable Evaluated by: Amanda Williams 512-763-0031 amanda.williams@texaslsg.org</p> |

OK for Distribution – Rep. Garnet Coleman