

Chapter 1362

H.B. No. 1767

1 AN ACT
2 relating to the consideration of employee compensation and benefits
3 in establishing the rates of gas utilities.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 104, Utilities Code, is
6 amended by adding Section 104.060 to read as follows:

7 Sec. 104.060. CONSIDERATION OF COMPENSATION AND BENEFIT
8 EXPENSES. (a) In this section, "employee compensation and
9 benefits" includes base salaries, wages, incentive compensation,
10 and benefits. The term does not include:

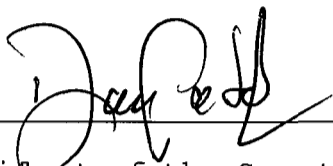
11 (1) pension or other postemployment benefits; and
12 (2) incentive compensation related to attaining
13 financial metrics for an executive officer whose compensation is
14 required to be disclosed under 17 C.F.R. Section 229.402(a).

15 (b) When establishing a gas utility's rates, the regulatory
16 authority shall presume that employee compensation and benefits
17 expenses are reasonable and necessary if the expenses are
18 consistent with market compensation studies issued not earlier than
19 three years before the initiation of the proceeding to establish
20 the rates.

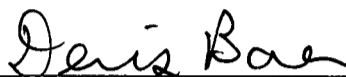
21 SECTION 2. (a) Section 104.060, Utilities Code, as added by
22 this Act, applies only to a proceeding for the establishment of
23 rates for which the regulatory authority has not issued a final
24 order or decision before the effective date of this Act.

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

5 SECTION 3. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2019.



President of the Senate



Speaker of the House

I certify that H.B. No. 1767 was passed by the House on April 15, 2019, by the following vote: Yeas 103, Nays 38, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1767 on May 22, 2019, by the following vote: Yeas 138, Nays 6, 1 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 1767 was passed by the Senate, with amendments, on May 14, 2019, by the following vote: Yeas 30, Nays 1.



Secretary of the Senate

APPROVED: 6-14-2019

Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:45 pm O'CLOCK

JUN 15 2019



Secretary of State