

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	SB998
Version:	Engrossed
Request Number:	
Author:	Rep. Caldwell, T.
Date:	4/4/2025
Impact:	\$50,000

Research Analysis

SB 998 requires the Corporation Commission to enter an order within 180 days on a utility's application to expand or purchase a natural gas generation facility, instead of 240 days. The measure also requires any new natural gas generation facility to secure a firm contract for transporting natural gas to its facility through a competitive solicitation process.

The measure allows a utility to start recovering work-in-progress expenses prior to the commercial operation of a new, or newly expanded, natural gas facility. The Commission is required to permit a special rate for the recovery of such expenses. If the initiative to construct or expand a natural gas facility is terminated before completion, the utility must automatically refund customers any money collected through the special rate plus interest. The utility has 90 days to refund the money after terminating the project.

Lastly, the measure allows a public utility to defer 90 percent of their depreciated expenses as a regulatory asset. The Commission is required to review the asset balances prior to moving them into the utility's rate base. At the end of a test year, the balance of the regulatory asset must be included in the utility's rate base without any reductions. Any new deferrals would be included in the utility's next rate case.

Prepared By: Emily Byrne

Fiscal Analysis

Engrossed SB 998 requires the Corporation Commission to enter an order with natural gas electric facilities seeking to build a new electric generation facility and that such facilities are eligible for a separate rate adjustment mechanism to recover costs. This measure also authorizes the Corporation Commission to order the utility to issue refunds to customers if the utility implements a rate adjustment mechanism and then terminates the initiative to construct or acquire stake in an electric generation facility. The Corporation Commission estimates there to be a one-time fiscal impact of Fifty Thousand Dollars (\$50,000) in order to promulgate rules regarding the provisions of this measure.

Prepared By: Jay St Clair, House Fiscal Staff

Other Considerations

None.

