

AN ACT

relating to accounting principles applicable to pension and other postemployment benefit expenses for electric utilities.

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

SECTION 1. Section 36.065(b), Utilities Code, is amended to read as follows:

(b) An [~~Effective January 1, 2005, an~~] electric utility may establish one or more reserve accounts for expenses for pension and other postemployment benefits. An electric utility shall periodically record in the reserve account any difference between:

(1) the annual amount of pension and other postemployment benefits approved as an [~~operating~~] expense in the electric utility's last general rate proceeding or, if that amount cannot be determined from the regulatory authority's order, the amount recorded for pension and other postemployment benefits under generally accepted accounting principles during the first year that rates from the electric utility's last general rate proceeding are in effect; and

(2) the annual amount of pension and other postemployment benefits as determined by actuarial or other similar studies that are chargeable to the electric utility's [~~operating~~] expense.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as

S.B. No. 1002

1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1002 passed the Senate on
April 3, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1002 passed the House on
May 9, 2017, by the following vote: Yeas 146, Nays 0, one present
not voting.

Chief Clerk of the House

Approved:

Date

Governor