

## **BILL ANALYSIS**

Senate Research Center

S.B. 1370  
By: Patterson  
State Affairs  
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As Filed

### **DIGEST**

Currently, the Public Utility Commission of Texas (PUC) is concerned about the regulation of the electric industry. S.B. 1370 would allow PUC to review all mergers of electricity companies and gas companies before allowing a transaction to take place.

### **PURPOSE**

As proposed, S.B. 1370 outlines provisions regarding certain merger, consolidation, and purchase transactions involving an electric and gas utility.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title IIA, Article 1446c-0, V.T.C.S. (Public Utility Regulatory Act of 1995), by adding Section 2.004, as follows:

Sec. 2.004. MERGER, CONSOLIDATION, OR PURCHASE INVOLVING GAS UTILITY. Prohibits an electric utility from merging or consolidating with a gas utility, purchasing 50 percent or more of a gas utility's stock, or selling 50 percent or more of its stock to a gas utility without prior approval of the Public Utility Commission of Texas (commission). Requires the electric utility to submit to the commission a request for approval of the transaction on a form prescribed by the commission before engaging in a transaction governed by this section. Prohibits the commission from approving the transaction unless it determines that the transaction is in the public interest. Sets forth items the commission is required to consider in making this determination. Defines "gas utility."

SECTION 2. Emergency clause.  
Effective date: upon passage.