

**To the Senate Business and Commerce Committee**  
**On SB 1693**  
March 29, 2011

Texas Instruments understands that the intent of the bill is to allow utilities to recoup investments in a timelier manner, while reducing the associated regulatory burden and cost. While we agree that it will allow utilities to receive payment on their investments faster, we feel that it is too broad in scope, lacks customer protections, and will actually increase our regulatory involvement and cost. As a result, TI opposes this bill as filed.

While TI is working through our industry group, the Texas Association of Manufacturers, regarding the details of the bill, we have the following broad concerns:

- The bill allows the utility to ask for a broad range of costs, including expenses. These should be limited only to capital investment in distribution assets. They are much easier and straightforward to track, and expenses can be addressed during a rate case.
- While implied, the bill does not adequately require the revenues associated with load growth to be used to offset the increases being requested. Because payment for investments would be made more rapidly, so must the accounting for load growth.
- The bill should make it clear that if during the utility's next rate case, any amounts previously included in a rate adjustment were determined improper, that those costs including interest will be refunded in a timely manner to customers.
- The bill does not limit the amount or number of times that a utility may request a rate adjustment. Since one purpose of the rate case is to reconcile all costs and assure their prudence, the impact of any adjustment on rates should be limited, as well as the number of times a utility can ask for an adjustment between rate cases.
- Finally, TI does not believe that permitting periodic rate adjustments will reduce the burden and cost associated with utility regulation. Rather, TI believes it will increase our cost, by placing more of a burden on customers to intervene in many "mini-rate cases," as well as the traditional rate cases.

We greatly appreciate the efforts of the Chairman to achieve consensus on this bill.

Thank you again for the opportunity to share our views.

Gray Mayes

Texas Instruments Incorporated