

- SUBJECT:** Standards for transmission and distribution power lines
- COMMITTEE:** State Affairs — favorable, without amendment
- VOTE:** 10 ayes — Cook, Craddick, Farrar, Frullo, Geren, Harless, Huberty, Menéndez, Oliveira, Smithee
- 0 nays
- 3 absent — Giddings, Hilderbran, Sylvester Turner
- WITNESSES:** For — Eric Craven, Texas Electric Cooperatives; John W. Fainter Jr., Association of Electric Companies of Texas Inc.; Mark Zion, Texas Public Power Association; (*Registered, but did not testify*: Richard A. Bennett, Texas Association of Manufacturers; Shanna Igo, Texas Municipal League; Parker McCollough, Entergy Texas, Inc.; Robert Nathan, CPS Energy)
- Against — None
- On — (*Registered, but did not testify*: Margaret Pemberton, Public Utility Commission)
- BACKGROUND:** In its discussion of transmission and distribution power lines in *Traxler v. Entergy Gulf States, Inc.*, 376 S.W.3d 742 (2012), the Texas Supreme Court noted that the Legislature has “declined to include a statutory definition giving a more technical and distinguishing meaning to ‘transmission’ and ‘distribution.’ If the Legislature intended to distinguish the terms, we believe it would have done so.”
- DIGEST:** HB 898 would amend Utilities Code, sec. 181.041 to provide a definition for distribution and transmission lines. A distribution line would be a power line operated below 60,000 volts. A transmission line would be a power line operated at 60,000 volts or more.
- The bill would modify Utilities Code, sec. 181.045(a) to conform to the definitions of distribution line and transmission line.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

SUPPORTERS
SAY:

By providing clear definitions of distribution power line and transmission power line, HB 898 would ensure that Texas electric utilities were not required to rebuild a significant part of the electrical distribution systems that cross roads because of a court ruling. Instead, Texas utilities could continue to serve Texas homes and businesses at the ground and road clearance heights recommended by National Electrical Safety Code (NESC) standards, which have been used for decades.

The Texas Supreme Court in the *Traxler v. Entergy Gulf States, Inc.* interpreted transmission lines and distribution lines to have the same meaning, resulting in all power lines, including distribution lines crossing neighborhood streets, to have at least a 22-foot clearance. The NESC standards allow for distribution power lines, the lower voltage lines that generally distribute power to nonindustrial businesses and homes, to have a clearance of 18.5 feet above a road. The NESC standards require transmission lines to have a clearance of at least 22 feet above a road. Transmission lines are the higher voltage lines that transport electricity from power plants to substations and between substations.

Without the clarifying definitions provided by HB 898, electric utilities would have to raise distribution lines to 22 feet at every roadway that a distribution line crossed. Because of the national standards, state highways and major roadways already have distribution lines at or above the 22-foot standard, but lines crossing minor roads are lower.

The cost of failing to pass HB 898 would be immense. For example, the state's electric cooperatives would have to inspect distribution lines at more than 300,000 roadway crossings and raise the clearance height of any line less than 22 feet above a road. Inspection would likely cost more than \$6 million and last 16 months to determine whether lines met the 22-foot requirement. The electric co-op association estimated it would cost \$100 million to raise the lines, which would include the cost of labor and about 77,000 taller utility poles. Electric cooperatives serve about 10 percent of the customers in Texas, and the estimate does not include the costs to municipal electric utilities and investor-owned electric utilities. Ultimately, failure to pass HB 898 could cost the ratepayers hundreds of millions of dollars, even though Texas' distribution system is safe and

complies with national standards.

HB 898 would clarify the Utility Code, providing assurance and guidance to electric utilities as they continue to expand and build the state's power infrastructure.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The companion bill, SB 349, was passed by the Senate 31- 0 on March 13 and reported favorably by the House Committee on State Affairs on April 17.