



THE STATE OF TEXAS  
EXECUTIVE DEPARTMENT  
OFFICE OF THE GOVERNOR  
AUSTIN, TEXAS

JULY 25, 1989

EXECUTIVE ORDER  
WPC-89-6

ESTABLISHING THE TASK FORCE ON PUBLIC UTILITY REGULATION

WHEREAS, the 64th Session of the Texas Legislature in 1975 adopted the Public Utility Regulatory Act and created the Public Utility Commission of Texas (the PUC) in order to establish a comprehensive system to regulate public utilities and to ensure rates, operations and services that are just and reasonable to the public and the regulated utilities; and

WHEREAS, a recent management audit of the PUC by private consultants suggests certain organizational changes to the PUC, including its expansion beyond its present three-member composition; and

WHEREAS, the economic development of Texas requires a strong utility infrastructure which can only be achieved through a careful balance between the interests of utility consumers, investors, lenders, and employees; and

WHEREAS, recent controversies surrounding public utility regulation coupled with the increasing complexity of the field of public utility regulation and the need to ensure that the interests of the regulated utilities and the public are fairly and adequately represented, make a comprehensive study of the system of public utility regulation in the state, including the structure and function of the entities created under the Public Utility Regulatory Act, necessary and appropriate;

NOW, THEREFORE, I, William P. Clements, Jr., Governor of the State of Texas, under the authority vested in me, do hereby create the TASK FORCE ON PUBLIC UTILITY REGULATION, hereinafter referred to as the TASK FORCE.

## I. Purpose

The TASK FORCE shall study and evaluate the manner in which public utilities are regulated in the State of Texas and the structure and function of the entities created under the Public Utility Regulatory Act and make recommendations to the Governor and the Texas Legislature regarding possible changes in those areas.

## II. Functions

- A. The TASK FORCE shall examine broadly the authority, organization, management, and operations of the entities created under the Public Utility Regulatory Act, including the PUC.
- B. The TASK FORCE shall consider possible changes and modifications to the current structure of such entities and the manner in which public utilities are regulated, including rate-making procedures and criteria, giving consideration to changes and modifications suggested by all persons and groups.
- C. The TASK FORCE may hold public hearings to take testimony regarding possible changes and modifications to the current system of public utility regulation in Texas.
- D. The TASK FORCE shall study and evaluate the proposals developed by it and all proposals submitted to it and recommend suggested changes in the state's current system of public utility regulation to the Governor and the Legislature.

## III. Organization

- A. The TASK FORCE shall consist of nine members, including three members of the Texas Senate appointed by the Lieutenant Governor, three members of the Texas House of Representatives appointed by the Speaker of the House of Representatives, and three public members appointed by the Governor.
- B. The Governor shall designate one of his appointees to serve as the Chairman of the TASK FORCE.
- C. The members of the TASK FORCE shall serve without compensation or reimbursement of expenses.
- D. The TASK FORCE shall commence its study immediately and meet at the call of the Chairman. A majority of the TASK FORCE shall constitute a quorum.

## IV. Reports


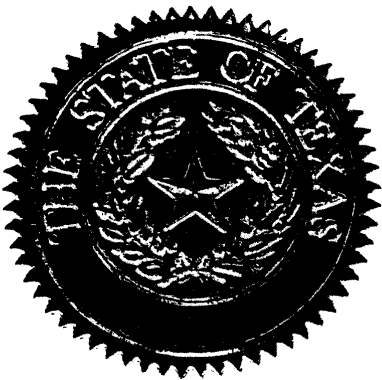
The TASK FORCE shall submit to the Governor and the Legislature no later than December 1, 1989 a report containing recommendations for suggested changes in the structure of the entities created under the Public Utility Regulatory Act and the manner in which public utilities are regulated in Texas.

This Executive Order shall be effective immediately and remain in full force and effect until modified, amended or rescinded by me.

Given under my hand this 25th day of July, 1989.



William P. Clements, Jr.  
Governor of Texas



George S. Bayouh, Jr.  
Secretary of State

Filed in the Office of  
Secretary of State

JUL 25 1989

Statutory Filings Division  
Statutory Documents