



Control Number: 50664



Item Number: 304

ISSUES RELATED TO THE STATE OF §  
DISASTER FOR THE CORONAVIRUS §  
DISEASE 2019 §

PUBLIC UTILITY COMMISSION  
OF TEXAS

2024 JUL 25 PM 2:40  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**SECOND ORDER RELATING TO  
THE ACCRUAL OF A REGULATORY ASSET FOR  
COVID-19 RELATED EXPENSES**

On March 13, 2020, in response to the growing threat of the coronavirus disease (COVID-19), Governor Greg Abbott issued a Declaration of State of Disaster for all counties in Texas. On March 26, 2020, the Commission issued an order (the accounting order) addressing the effects of COVID-19 for services provided by electric utilities and water and sewer utilities in the state of Texas.<sup>1</sup> Through the accounting order, the Commission took steps to provide regulated utility companies some regulatory certainty by authorizing the use of an accounting mechanism and a subsequent process through which regulated utility companies may seek future recovery of expenses resulting from the effects of COVID-19. The Commission issues this order under its statutory authority to prescribe the form of books, accounts, and records to be kept by utilities.<sup>2</sup>

The state of disaster expired 30 days after the Governor’s final renewal of the disaster declaration on May 15, 2023.<sup>3</sup> Because the state of disaster has ended, the original purpose behind accrual of regulatory assets for expenses resulting from the effects of COVID-19 no longer exists. Therefore, the Commission orders each electric utility and water and sewer utility in the state of Texas to discontinue recording, as a regulatory asset, expenses resulting from the effects of COVID-19 accrued effective the date of this Order. Any future recovery of COVID-19 related expenses is limited to the recovery of the amount of regulatory assets recorded prior to the date of this Order and in accordance with the March 26, 2020 accounting order.

<sup>1</sup> *Issues Related to the State of Disaster for the Coronavirus Disease 2019*, Project No. 50664, Order Related to Accrual of Regulatory Assets (Mar. 26, 2020).

<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. § 14.151 (West 2016 & Supp. 2017); Tex. Water Code Ann. § 13.131(a).

<sup>3</sup> Proclamation 41-3971, 48 Tex. Reg. 2645 (May 26, 2023); Tex. Gov’t. Code § 418 014(c).

Consistent with the above discussion, the Commission orders the following:

1. Each electric utility and water and sewer utility in the state of Texas must cease recording, as a regulatory asset, expenses resulting from the effects of COVID-19.
2. Any future recovery of COVID-19 related expenses is limited to recovery of the amount of the regulatory assets recorded prior to the date of this order and in accordance with the March 26, 2020 accounting order.

Signed at Austin, Texas the 25<sup>th</sup> day of July 2024.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
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THOMAS J. GLEESON, CHAIRMAN

  
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LORI COBOS, COMMISSIONER

  
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JIMMY GLOTFELTY, COMMISSIONER

  
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KATHLEEN JACKSON, COMMISSIONER

  
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COURTNEY K. HJALTMAN, COMMISSIONER