

By: Perry

S.B. No. 1170

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the initiation of customer choice by municipally owned  
3 utilities that provide electric service.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 40.053(c), (d), and (e), Utilities  
6 Code, are amended to read as follows:

7 (c) On its initiation of customer choice, a municipally  
8 owned utility may [~~shall~~] designate itself or one or more other  
9 entities [~~another entity~~] as the provider or providers of last  
10 resort for customers within the municipally owned utility's  
11 certificated service area as that area existed on the date of the  
12 utility's initiation of customer choice. The municipally owned  
13 utility shall fulfill the role of default provider of last resort in  
14 the event no other entity is available to act in that capacity if  
15 the municipally owned utility continues to sell electric energy to  
16 retail customers after the initiation of customer choice. The  
17 municipally owned utility may delegate the authority to designate  
18 the provider or providers of last resort to the commission.

19 (d) If a customer is unable to obtain service from a retail  
20 electric provider or a municipally owned utility or electric  
21 cooperative offering customer choice, on request by the customer,  
22 the applicable provider of last resort shall offer the customer the  
23 standard retail service package for the appropriate customer class,  
24 with no interruption of service, at a fixed, nondiscountable rate

1 that is at least sufficient to cover the reasonable costs of  
2 providing that service, as approved by the governing body of the  
3 municipally owned utility that has the authority to set rates. If a  
4 provider of last resort is designated by the commission, the  
5 commission may set the rate each provider of last resort may charge.

6 (e) The governing body of a municipally owned utility may  
7 establish the procedures and criteria for designating a [the]  
8 provider of last resort and may redesignate a [the] provider of last  
9 resort according to a schedule it considers appropriate. If the  
10 municipally owned utility delegates authority to the commission  
11 under Subsection (c), the commission is not required to comply with  
12 procedures or criteria adopted by the municipally owned utility.

13 SECTION 2. Section 40.057(c), Utilities Code, is amended to  
14 read as follows:

15 (c) A municipally owned utility that opts for customer  
16 choice and does not sell electric energy to retail customers is not  
17 required to bill directly for distribution, transmission, and  
18 generation services provided to retail electric customers located  
19 in its certificated service area. A retail electric provider may  
20 provide billing services for distribution, transmission, and  
21 generation services provided to those customers. [A customer that  
22 is being provided wires service by a municipally owned utility at  
23 distribution or transmission voltage and that is served by a retail  
24 electric provider for retail service has the option of being billed  
25 directly by each service provider or to receive a single bill for  
26 distribution, transmission, and generation services from the  
27 municipally owned utility.]

1           SECTION 3. This Act takes effect immediately if it receives  
2 a vote of two-thirds of all the members elected to each house, as  
3 provided by Section 39, Article III, Texas Constitution. If this  
4 Act does not receive the vote necessary for immediate effect, this  
5 Act takes effect September 1, 2023.