

1-1 By: Perry S.B. No. 1170  
 1-2 (In the Senate - Filed February 23, 2023; March 9, 2023,  
 1-3 read first time and referred to Committee on Business & Commerce;  
 1-4 April 17, 2023, reported favorably by the following vote: Yeas 10,  
 1-5 Nays 0; April 17, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9			X	
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the initiation of customer choice by municipally owned  
 1-22 utilities that provide electric service.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Sections 40.053(c), (d), and (e), Utilities  
 1-25 Code, are amended to read as follows:

1-26 (c) On its initiation of customer choice, a municipally  
 1-27 owned utility may ~~shall~~ designate itself or one or more other  
 1-28 entities [another entity] as the provider or providers of last  
 1-29 resort for customers within the municipally owned utility's  
 1-30 certificated service area as that area existed on the date of the  
 1-31 utility's initiation of customer choice. The municipally owned  
 1-32 utility shall fulfill the role of default provider of last resort in  
 1-33 the event no other entity is available to act in that capacity if  
 1-34 the municipally owned utility continues to sell electric energy to  
 1-35 retail customers after the initiation of customer choice. The  
 1-36 municipally owned utility may delegate the authority to designate  
 1-37 the provider or providers of last resort to the commission.

1-38 (d) If a customer is unable to obtain service from a retail  
 1-39 electric provider or a municipally owned utility or electric  
 1-40 cooperative offering customer choice, on request by the customer,  
 1-41 the applicable provider of last resort shall offer the customer the  
 1-42 standard retail service package for the appropriate customer class,  
 1-43 with no interruption of service, at a fixed, nondiscountable rate  
 1-44 that is at least sufficient to cover the reasonable costs of  
 1-45 providing that service, as approved by the governing body of the  
 1-46 municipally owned utility that has the authority to set rates. If a  
 1-47 provider of last resort is designated by the commission, the  
 1-48 commission may set the rate each provider of last resort may charge.

1-49 (e) The governing body of a municipally owned utility may  
 1-50 establish the procedures and criteria for designating a ~~the~~  
 1-51 provider of last resort and may redesignate a ~~the~~ provider of last  
 1-52 resort according to a schedule it considers appropriate. If the  
 1-53 municipally owned utility delegates authority to the commission  
 1-54 under Subsection (c), the commission is not required to comply with  
 1-55 procedures or criteria adopted by the municipally owned utility.

1-56 SECTION 2. Section 40.057(c), Utilities Code, is amended to  
 1-57 read as follows:

1-58 (c) A municipally owned utility that opts for customer  
 1-59 choice and does not sell electric energy to retail customers is not  
 1-60 required to bill directly for distribution, transmission, and  
 1-61 generation services provided to retail electric customers located

2-1 in its certificated service area. A retail electric provider may  
2-2 ~~provide billing services for distribution, transmission, and~~  
2-3 ~~generation services provided to those customers. [A customer that~~  
2-4 ~~is being provided wires service by a municipally owned utility at~~  
2-5 ~~distribution or transmission voltage and that is served by a retail~~  
2-6 ~~electric provider for retail service has the option of being billed~~  
2-7 ~~directly by each service provider or to receive a single bill for~~  
2-8 ~~distribution, transmission, and generation services from the~~  
2-9 ~~municipally owned utility.]~~

2-10 SECTION 3. This Act takes effect immediately if it receives  
2-11 a vote of two-thirds of all the members elected to each house, as  
2-12 provided by Section 39, Article III, Texas Constitution. If this  
2-13 Act does not receive the vote necessary for immediate effect, this  
2-14 Act takes effect September 1, 2023.

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