

BILL ANALYSIS

S.B. 1280
By: Fraser
Regulated Industries
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, there exists some ambiguity about the appropriate mechanism for regulating certain successors to electric cooperatives. As proposed, S.B. 1280 changes the definition of an electric cooperative by removing language pertaining to successors to electric cooperatives and allowing the Public Utility Commission to determine a schedule for certain utilities to transition to a competitive market.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 11.003(9), Utilities Code, to redefine "electric cooperative."

SECTION 2. Amends Section 39.102, Utilities Code, by adding Subsections (d) and (e), as follows.

(d) Requires the Public Utility Commission of Texas (PUC) to oversee compliance with this chapter by electric utilities that were not subject to this chapter before September 1, 2003. Requires PUC to establish schedules, procedures, and approval requirements as part of its oversight requirement, as it deems necessary to achieve the objectives of this chapter. Exempts from this subsection an electric utility to which Subsection (c) applies.

(e) Requires PUC to consider certain criteria in establishing a schedule under Subsection (d).

SECTION 3. Repealer: Section 41.063, Utilities Code (Retail Rates of Successor Electric Utility to Electric Cooperative).

EFFECTIVE DATE

September 1, 2003.