

By: Hinojosa, West, Royce

S.B. No. 18

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the system benefit fund and to eligibility for and
3 enrollment for benefits under the fund.

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

5 SECTION 1. Section 39.903(a), Utilities Code, is amended to
6 read as follows:

7 (a) The system benefit fund is an account in the general
8 revenue fund. Money in the account may be appropriated only for the
9 purposes provided by this section [~~or other law~~]. Interest earned
10 on the system benefit fund shall be credited to the fund. Section
11 403.095, Government Code, does not apply to the system benefit
12 fund.

13 SECTION 2. Section 39.903(d), Utilities Code, is amended to
14 read as follows:

15 (d) The commission shall annually review and approve system
16 benefit fund accounts, projected revenue requirements, and
17 proposed nonbypassable fees. The commission shall report to the
18 electric utility restructuring legislative oversight committee if
19 the system benefit fund fee is insufficient to fund the purposes set
20 forth in Subsection (e) to the extent required by this section. If
21 the commission does not provide in any given fiscal quarter funding
22 for the 10 to 20 percent reduced rate prescribed by Subsection (h),
23 the commission shall order each transmission and distribution
24 utility, municipally owned utility, and electric cooperative

1 collecting the system benefit fund fee to cease that collection for
2 the remainder of the fiscal year.

3 SECTION 3. Section 39.903, Utilities Code, is amended by
4 adding Subsection (e-1) to read as follows:

5 (e-1) In addition to the purposes and priorities provided by
6 Subsection (e), the commission may use money from the system
7 benefit fund to educate residential and small business customers
8 about the available benefits of the fund. The purpose for which
9 money may be used under this subsection has the same priority as the
10 purpose prescribed by Subsection (e)(1). This subsection expires
11 August 31, 2008.

12 SECTION 4. Section 39.903(h), Utilities Code, is amended to
13 read as follows:

14 (h) The commission shall adopt rules for a retail electric
15 provider to determine a reduced rate for eligible customers to be
16 discounted off the standard retail service package as approved by
17 the commission under Section 39.106, or the price to beat
18 established by Section 39.202, whichever is lower. Municipally
19 owned utilities and electric cooperatives shall establish a reduced
20 rate for eligible customers to be discounted off the standard
21 retail service package established under Section 40.053 or 41.053,
22 as appropriate. The reduced rate for a retail electric provider
23 shall result in a total charge that is at least 10 percent and, if
24 sufficient money in the system benefit fund is available, up to 20
25 percent, lower than the amount the customer would otherwise be
26 charged. To the extent the system benefit fund is insufficient to
27 fund the initial 10 percent rate reduction, the commission may

1 increase the fee to an amount not more than 65 cents per megawatt
2 hour, as provided by Subsection (b). [~~If the fee is set at 65 cents~~
3 ~~per megawatt hour or if the commission determines that~~
4 ~~appropriations are insufficient to fund the 10 percent rate~~
5 ~~reduction, the commission may reduce the rate reduction to less~~
6 ~~than 10 percent.] For a municipally owned utility or electric
7 cooperative, the reduced rate shall be equal to an amount that can
8 be fully funded by that portion of the nonbypassable fee proceeds
9 paid by the municipally owned utility or electric cooperative that
10 is allocated to the utility or cooperative by the commission under
11 Subsection (e) for programs for low-income customers of the utility
12 or cooperative. The reduced rate for municipally owned utilities
13 and electric cooperatives under this section is in addition to any
14 rate reduction that may result from local programs for low-income
15 customers of the municipally owned utilities or electric
16 cooperatives.~~

17 SECTION 5. Section 39.903(j), Utilities Code, is amended to
18 read as follows:

19 (j) The commission shall adopt rules providing for methods
20 of enrolling customers eligible to receive reduced rates under
21 Subsection (h). The rules must provide for automatic enrollment as
22 one enrollment option. The Health and Human Services Commission
23 [~~Texas Department of Human Services~~], on request of the commission,
24 shall assist in the adoption and implementation of these rules. The
25 commission and the Health and Human Services Commission [~~Texas~~
26 ~~Department of Human Services~~] shall enter into a memorandum of
27 understanding establishing the respective duties of the agencies

1 ~~[commission and the department]~~ in relation to the automatic
2 enrollment. The commission shall establish a goal under this
3 subsection of enrolling at least 95 percent of customers eligible
4 to receive reduced rates under Subsection (h). Not later than
5 December 1 of each even-numbered year, the commission shall
6 estimate the total number of customers who are eligible for the
7 reduced rates and shall compare the number of enrolled customers to
8 that goal. If the goal has not been met, the commission shall use
9 money from the fund that is available to the commission for
10 administrative purposes to provide education and outreach
11 concerning programs available under this section until the goal is
12 met. The commission shall prepare a report each calendar quarter
13 with information concerning the enrollment of customers eligible
14 for the reduced rates and efforts to meet the goal prescribed by
15 this subsection. The commission shall compile the information into
16 an annual report to be published for public distribution not later
17 than January 1 of each odd-numbered year. The commission shall send
18 a copy of each quarterly and annual report to each member of the
19 legislature and the electric utility restructuring legislative
20 oversight committee. In estimating under this subsection the
21 number of customers who are eligible for the reduced rates, the
22 commission shall use information provided by the Health and Human
23 Services Commission regarding persons who meet the definition of
24 "low-income electric customer," according to household income or
25 participation in a program described by Subsection (1). The Health
26 and Human Services Commission shall provide the information to the
27 commission each calendar quarter.

1 SECTION 6. Section 39.903(1), Utilities Code, is amended to
2 read as follows:

3 (1) For the purposes of this section, a "low-income electric
4 customer" is an electric customer:

5 (1) whose household income is not more than 125
6 percent of the federal poverty guidelines; or

7 (2) in whose household resides a person who:

8 (A) receives food stamps or medical assistance
9 from the Health and Human Services Commission;

10 (B) receives federal housing assistance; or

11 (C) has a child enrolled in the national school
12 lunch program of free or reduced-price lunches [Texas Department of
13 Human Services or medical assistance from a state agency
14 administering a part of the medical assistance program].

15 SECTION 7. The system benefit fund described by Section
16 39.903, Utilities Code, as amended by this Act, is re-created as a
17 separate account in the general revenue fund, and money in the
18 account is rededicated for the purposes described by that section.

19 SECTION 8. The Public Utility Commission of Texas shall
20 adopt rules required by Section 39.903, Utilities Code, as amended
21 by this Act, not later than January 1, 2008.

22 SECTION 9. This Act takes effect September 1, 2007.