

BILL ANALYSIS

H.B. 554
By: Turner
Regulated Industries
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas System Benefit Fund (SBF) was established to help underprivileged Texans receive affordable electric services. The SBF was successful in helping many Texans gain access to affordable electricity until 2003 when the 78th Legislature swept the money designated for the SBF into the General Revenue Fund. Moreover, the low-income weatherization program lost all its funding.

Electricity is essential to Texas residents especially during the summer and winter months of extreme temperatures. Not everyone who is eligible to receive the benefits of the SBF is informed of its existence nor of the benefits that it provides.

H.B. 554 will add to the Public Utilities Commission's purpose the enrollment of at least 95% of those persons eligible. H.B.554 will also establish some guidelines for the accomplishment of that goal as well as a process for reporting the information to the public and the legislature. Furthermore it will clarify the cases in which a person may receive the benefits of the SBF. H.B. 554 re-designates the money from the SBF so that it can be used for what it was intended for, providing low income customer discounts on their electricity.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission in SECTION 7 of this bill.

SECTION-BY-SECTION ANALYSIS

SECTION 1: Amends Section 39.903(a) Utilities Code to eliminate the appropriation of system benefit fund money for anything other than the fund.

SECTION 2: Amends Section 39.903(e) Utilities Code to expand the reduced rate from ten percent to ten to twenty percent; and to eliminate subsections (5) and (6) as reasons for money to be appropriated by the fund.

SECTION 3: Amends Section 39.903 Utilities Code to add Subsection (e-1) which allows the Commission to use money from the system benefit fund to educate residential and small business customers of the fund.

SECTION 4: Amends Section 39.903(j) Utilities Code to change all references to Texas Department of Human Services to Health and Human Services. It also prescribes to the commission the establishment of the goal of increasing enrollment in the Fund to 95%. Furthermore, it sets forth procedure for determining success of that goal and, if the commission does not meet that goal, it shall use funds to provide education and outreach to those persons eligible. Finally, it sets forth guidelines for reporting on the condition of the Fund and its success in expanding the program.

SECTION 5: Amends Section 39.903(l) Utilities Code to clarify and slightly expand the condition for receiving system benefit fund benefits.

SECTION 6: Defines the system benefit fund as a separate account in the general revenue fund and rededicates money for purposes described in the fund.

SECTION 7: Requires the Public Utility Commission to adopt the amended rules by January 1, 2006.

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SECTION 8: Effective Date: September 1, 2005.

EFFECTIVE DATE

This Act takes effect September 1, 2005.