

By: McClendon

H.B. No. 301

A BILL TO BE ENTITLED

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AN ACT

relating to the purposes for which the system benefit fund may be used.

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

SECTION 1. Section 39.903(e), Utilities Code, as amended by Chapters 1394, 1451, and 1466, Acts of the 78th Legislature, Regular Session, 2003, is reenacted and amended to read as follows:

(e) Money in the system benefit fund may be appropriated to provide funding solely for the following regulatory purposes, ~~and~~ in the following order of priority:

(1) programs to assist low-income electric customers by providing the 10 percent reduced rate prescribed by Subsection (h);

(2) customer education programs, administrative expenses incurred by the commission in implementing and administering this chapter, and expenses incurred by the office under this chapter;

(3) programs to assist low-income electric customers by providing the targeted energy efficiency programs described by Subsection (f)(2);

(4) a bill payment assistance program to provide an additional rate reduction for electric service customers who are or who have in their households one or more seriously ill or disabled low-income persons ~~[the school funding loss mechanism provided by~~

1 ~~Section 39.901~~];

2 (5) programs to assist low-income electric customers
3 by providing the 20 percent reduced rate prescribed by Subsection
4 (h); and

5 (6) reimbursement to the commission and the Health and
6 Human Services Commission [~~Texas Department of Human Services~~] for
7 expenses incurred in the implementation and administration of an
8 integrated eligibility process created under Section 17.007 for
9 customer service discounts relating to retail electric service,
10 including outreach expenses the commission determines are
11 reasonable and necessary.

12 SECTION 2. 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. The commission
19 shall adopt bill payment assistance program rules for a retail
20 electric provider to determine an additional reduced rate for an
21 eligible electric service customer who is or who has in the
22 customer's household a seriously ill or disabled low-income person.
23 For the first year after the rules are implemented, the amount of
24 the reduced rates may not exceed \$1,200 annually for each eligible
25 electric service customer. The commission annually shall adjust
26 the amount of the reduced rates according to changes in the price to
27 beat or provider of last resort rates, as applicable. Municipally

1 owned utilities and electric cooperatives shall establish a reduced
2 rate for eligible customers to be discounted off the standard
3 retail service package established under Section 40.053 or 41.053,
4 as appropriate. The reduced rate for a retail electric provider
5 shall result in a total charge that is at least 10 percent and, if
6 sufficient money in the system benefit fund is available, up to 20
7 percent, lower than the amount the customer would otherwise be
8 charged. To the extent the system benefit fund is insufficient to
9 fund the initial 10 percent rate reduction and the additional rate
10 reduction for eligible electric service customers who are or have
11 in their households seriously ill or disabled low-income persons,
12 the commission may increase the fee to an amount not more than 65
13 cents per megawatt hour, as provided by Subsection (b). For a
14 municipally owned utility or electric cooperative, the reduced rate
15 shall be equal to an amount that can be fully funded by that portion
16 of the nonbypassable fee proceeds paid by the municipally owned
17 utility or electric cooperative that is allocated to the utility or
18 cooperative by the commission under Subsection (e) for programs for
19 low-income customers of the utility or cooperative. The reduced
20 rate for municipally owned utilities and electric cooperatives
21 under this section is in addition to any rate reduction that may
22 result from local programs for low-income customers of the
23 municipally owned utilities or electric cooperatives.

24 SECTION 3. Section 39.903(i), Utilities Code, is amended to
25 read as follows:

26 (i) A retail electric provider, municipally owned utility,
27 or electric cooperative seeking reimbursement from the system

1 benefit fund may not charge an eligible low-income customer or an
2 eligible electric service customer who is or has in the customer's
3 household a seriously ill or disabled low-income person a rate
4 higher than the appropriate rate determined under Subsection (h).
5 A retail electric provider not subject to the price to beat, or a
6 municipally owned utility or electric cooperative subject to the
7 nonbypassable fee under Subsection (c), shall be reimbursed from
8 the system benefit fund for the difference between the reduced rate
9 and the rate established under Section 39.106 or, as appropriate,
10 the rate established under Section 40.053 or 41.053. A retail
11 electric provider who is subject to the price to beat shall be
12 reimbursed from the system benefit fund for the difference between
13 the reduced rate and the price to beat. The commission shall adopt
14 rules providing for the reimbursement.

15 SECTION 4. Section 39.903(1), Utilities Code, is amended to
16 read as follows:

17 (1) For the purposes of this section:

18 (1) "Low-income [~~, a "low-income~~] electric customer"
19 means [~~is~~] an electric customer:

20 (A) [~~(1)~~] whose household income is not more than
21 125 percent of the federal poverty guidelines; or

22 (B) in whose household resides a person [~~(2)~~]
23 who receives food stamps or medical assistance from the Health and
24 [~~Texas Department of~~] Human Services Commission and whose household
25 income does not exceed the income eligibility requirements for the
26 qualifying program [~~or medical assistance from a state agency~~
27 ~~administering a part of the medical assistance program]~~.

1 (2) "Seriously ill or disabled person" means a person
2 for whom an interruption or suspension of electric service will:

3 (A) cause the person to become seriously ill or
4 more seriously ill; or

5 (B) create a life-threatening or other dangerous
6 condition.

7 SECTION 5. Section 39.901, Utilities Code, is repealed.

8 SECTION 6. The Public Utility Commission of Texas shall
9 adopt the rules required by Section 39.903, Utilities Code, as
10 amended by this Act, not later than January 1, 2006.

11 SECTION 7. This Act takes effect September 1, 2005.