

By: Turner, McClendon, Edwards, et al.

H.B. No. 554

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, as amended by
6 Chapters 211 and 1296, Acts of the 78th Legislature, Regular
7 Session, 2003, is reenacted and amended to read as follows:

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

14 SECTION 2. Section 39.903(e), Utilities Code, as amended by
15 Chapters 1394, 1451, and 1466, Acts of the 77th Legislature,
16 Regular Session, 2001, is reenacted and amended to read as follows:

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

20 (1) programs to assist low-income electric customers
21 by providing the 10 to 20 percent reduced rate prescribed by
22 Subsection (h);

23 (2) customer education programs, administrative
24 expenses incurred by the commission in implementing and

1 administering this chapter, and expenses incurred by the office
2 under this chapter;

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

6 (4) the school funding loss mechanism provided by
7 Section 39.901 [~~+~~

8 [~~(5) programs to assist low-income electric customers~~
9 ~~by providing the 20 percent reduced rate prescribed by Subsection~~
10 ~~(h); and~~

11 [~~(6) reimbursement to the commission and the Texas~~
12 ~~Department of Human Services for expenses incurred in the~~
13 ~~implementation and administration of an integrated eligibility~~
14 ~~process created under Section 17.007 for customer service discounts~~
15 ~~relating to retail electric service, including outreach expenses~~
16 ~~the commission determines are reasonable and necessary].~~

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

19 (e-1) In addition to the purposes and priorities provided by
20 Subsection (e), the commission may use money from the system
21 benefit fund to educate residential and small business customers of
22 available benefits of the fund. The purpose for which money may be
23 used under this subsection has the same priority as the purpose
24 prescribed by Subsection (e)(1). This subsection expires August
25 31, 2006.

26 SECTION 4. Section 39.903(j), Utilities Code, is amended to
27 read as follows:

1 (j) The commission shall adopt rules providing for methods
2 of enrolling customers eligible to receive reduced rates under
3 Subsection (h). The rules must provide for automatic enrollment as
4 one enrollment option. The Health and Human Services Commission
5 [~~Texas Department of Human Services~~], on request of the commission,
6 shall assist in the adoption and implementation of these rules. The
7 commission and the Health and Human Services Commission [~~Texas~~
8 ~~Department of Human Services~~] shall enter into a memorandum of
9 understanding establishing the respective duties of the agencies
10 [~~commission and the department~~] in relation to the automatic
11 enrollment. The commission shall establish a goal under this
12 subsection of enrolling at least 95 percent of customers eligible
13 to receive reduced rates under Subsection (h). Not later than
14 December 1 of each even-numbered year, the commission shall
15 estimate the total number of customers who are eligible for the
16 reduced rates and shall compare the number of enrolled customers to
17 that goal. If the goal has not been met, the commission shall use
18 money from the fund that is available to the commission for
19 administrative purposes to provide education and outreach
20 concerning programs available under this section until the goal is
21 met. The commission shall prepare a report each calendar quarter
22 with information concerning the enrollment of customers eligible
23 for the reduced rates and efforts to meet the goal prescribed by
24 this subsection. The commission shall compile the information into
25 an annual report to be published for public distribution not later
26 than January 1 of each odd-numbered year. The commission shall send
27 a copy of each quarterly and annual report to each member of the

1 legislature and the electric utility restructuring legislative
2 oversight committee. In estimating under this subsection the
3 number of customers who are eligible for the reduced rates, the
4 commission shall use information provided by the Health and Human
5 Services Commission regarding persons who meet the definition of
6 "low-income electric customer," according to household income or
7 participation in a program described by Subsection (1). The Health
8 and Human Services Commission shall provide the information to the
9 commission each calendar quarter.

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

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

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

16 (2) who:

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

19 (B) receives federal housing assistance; or

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

24 SECTION 6. The system benefit fund described by Section
25 39.903, Utilities Code, as amended by this Act, is re-created as a
26 separate account in the general revenue fund, and money in the
27 account is rededicated for the purposes described by that section.

1 SECTION 7. The Public Utility Commission of Texas shall
2 adopt rules required by Section 39.903, Utilities Code, as amended
3 by this Act, not later than January 1, 2006.

4 SECTION 8. This Act takes effect September 1, 2005.