

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 5, 2005

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3180 by Turner (Relating to reduced electric customer fees and continuation of low-income programs established as part of electric utility restructuring.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3180, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>System Benefit Account</i> 5100	Probable Savings/(Cost) from <i>System Benefit Account</i> 5100
2006	(\$113,286,000)	\$68,357,715
2007	(\$123,584,000)	\$78,015,210
2008	(\$123,584,000)	\$84,469,277
2009	(\$123,584,000)	\$92,916,220
2010	(\$123,584,000)	\$102,207,842

Fiscal Analysis

The bill would reduce the nonbypassable utility assessment fee that is deposited to GR Dedicated - System Benefit Account No. 5100 from a maximum of \$0.65 to \$0.05 per megawatt hour. It would implement a program to assist low-income electric customers through a 20 percent rate reduction by transmission and distribution utilities. The utilities would also be required to provide sufficient funding for targeted energy-efficiency programs developed by the Texas Department of Housing and Community Affairs in an amount equal to funding for such programs in fiscal year 2003, with adjustments for inflation.

The bill would take effect immediately if it receives a two-thirds majority vote in each house, otherwise it would take effect September 1, 2005. The bill would require the Public Utility Commission to adopt rules to implement the program within 91 days of the effective date.

Methodology

The Comptroller of Public Accounts indicates that the bill would reduce fee revenues deposited to GR Dedicated - System Benefit Account No. 5100 (SBF) by \$113,286,000 in fiscal year 2006 and \$123,584,000 in each fiscal year thereafter.

The bill would require transmission distribution utilities to provide sufficient funding for a 20 percent rate reduction to low-income electric customers and targeted energy-efficiency programs developed by the Texas Department of Housing and Community Affairs. This analysis presumes that these funds would be held outside the treasury. It is also anticipated that program needs of the SBF would be reduced by \$68,357,715 in fiscal year 2006, \$78,015,210 in fiscal year 2007, \$84,469,277 in fiscal year 2008, \$92,916,220 in fiscal year 2009, and 102,207,842 in fiscal year 2010.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 473 Public Utility Commission of Texas

LBB Staff: JOB, JRO, WP, RB