

Amend **CSSB 482** by adding the following appropriately numbered SECTION to read as follows and renumbering subsequent SECTIONS accordingly:

SECTION _____. Chapter 39, Utilities Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. STATUS OF COMPETITION IN CERTAIN NON-ERCOT AREAS

Sec. 39.501. APPLICABILITY. (a) This subchapter applies to an investor-owned electric utility:

(1) that is operating solely outside of ERCOT in areas of this state that were included in the Southwest Power Pool on January 1, 2004;

(2) that was not affiliated with the Southeastern Electric Reliability Council on January 1, 2004; and

(3) to which Subchapter I does not apply.

(b) The legislature finds that circumstances exist that require that areas served by an electric utility described by Subsection (a) not be transitioned to full retail customer choice at this time.

Sec. 39.502. REGULATION OF UTILITY AND TRANSITION TO COMPETITION. (a) Until the later of January 1, 2015, or the date on which an electric utility subject to this subchapter is authorized by the commission to implement customer choice, the rates of the electric utility shall be regulated under traditional cost of service regulation and the electric utility is subject to all applicable regulatory authority prescribed by this subtitle and Subtitle A, including Chapters 14, 32, 33, 36, and 37. Until the date on which an electric utility subject to this subchapter implements customer choice, the provisions of this chapter do not apply to that electric utility, other than this subchapter, Sections 39.904 and 39.905, and the provisions relating to the duty to obtain a permit from the Texas Commission on Environmental Quality for an electric generating facility and to reduce emissions from an electric generating facility.

(b) On or after January 1, 2015, the commission may require an electric utility subject to this subchapter to file a transition to competition plan with the commission. The transition to competition plan must identify how electric utilities subject to

this subchapter intend to achieve full customer choice, including an evaluation of the transmission facilities, an explanation of how certification of the power region under Section 39.152 will be achieved, auctioning rights to generation capacity, or any other measure that is consistent with the public interest. The utility must also include in the transition to competition plan a provision to establish a price to beat for residential customers and commercial customers having a peak load of 1,000 kilowatts or less. The commission may prescribe additional information or provisions that must be included in the plan. The commission shall approve, modify, or reject a plan within 180 days after the date of a filing under this section unless a hearing is requested by any party to the proceeding. If a hearing is requested, the 180-day deadline will be extended one day for each day of the hearing. The transition to competition plan may be updated or amended, subject to commission approval, until the applicable power region is certified as a qualifying power region under Section 39.152 and the plan is approved.

(c) On implementation of customer choice, an electric utility subject to this subchapter is subject to the provisions of this subtitle and Subtitle A to the same extent as other electric utilities, including the provisions of Chapter 37 concerning certificates of convenience and necessity.

Sec. 39.503. CUSTOMER CHOICE AND RELEVANT MARKET AND RELATED MATTERS. The commission may not authorize customer choice until the later of January 1, 2015, or the date the applicable power region has been certified as a qualifying power region under Section 39.152.

Sec. 39.504. EXISTING RIGHTS AND OBLIGATIONS. This subchapter may not be construed to:

(1) interfere with or abrogate the rights or obligations of any party, including a retail or wholesale customer, to a contract with an investor-owned electric utility, federal power marketer, federal power marketing agency, river authority, municipally owned utility, or electric cooperative;

(2) interfere with or abrogate the rights or obligations of a party under a contract or agreement concerning

certificated utility service areas; or

(3) result in a change in wholesale power costs to
wholesale customers in this state purchasing electricity under
wholesale power contracts the pricing provisions of which are based
on formulary rates, fuel adjustments, or average system costs.