

By: Farabee

H.B. No. 514

A BILL TO BE ENTITLED

AN ACT

relating to providing a discounted rate for electricity provided to school districts.

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

SECTION 1. The heading to Section 36.351, Utilities Code, is amended to read as follows:

Sec. 36.351. DISCOUNTED RATES FOR PUBLIC SCHOOL DISTRICTS AND CERTAIN INSTITUTIONS OF HIGHER EDUCATION.

SECTION 2. Sections 36.351(a), (d), (e), and (f) are amended to read as follows:

(a) Notwithstanding any other provision of this title, each electric utility and municipally owned utility shall discount charges for electric service provided to a facility of a public school district or a facility of a four-year state university, upper-level institution, Texas State Technical College, or college.

(d) A municipally owned utility is exempt from this section if the municipally owned utility:

(1) [7] on September 1, 1995, discounted base commercial rates for electric service provided to all four-year state universities or colleges in its service area by 20 percent or more; or

(2) on September 1, 2007, discounted base commercial rates for electric service provided to all school district

1 facilities in its service area by 20 percent or more.

2 (e) This section does not apply to a rate charged to an
3 institution of higher education by a municipally owned utility that
4 provides a discounted rate to the state for electric services below
5 rates in effect on January 1, 1995, or to a rate charged to a school
6 district by a municipally owned utility that provides a discount to
7 the school district for electric service below rates in effect on
8 September 1, 2007, if the discounted rate provides a greater
9 financial discount to the state or to the school district than is
10 provided to the institution of higher education or school district
11 through the discount provided by this section.

12 (f) An investor-owned electric utility may not recover from
13 residential customers or any other customer class the assigned and
14 allocated costs of serving a school district or a state university
15 or college that receives a discount under this section.

16 SECTION 3. This Act takes effect September 1, 2007.