

By: Turner, Bonnen, Giddings, Bohac, Homer,
et al.

H.B. No. 551

Substitute the following for H.B. No. 551:

By: Turner

C.S.H.B. No. 551

A BILL TO BE ENTITLED

AN ACT

1

2 relating to the system benefit fund and to eligibility for and
3 enrollment for benefits provided under the system benefit fund
4 programs.

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

6 SECTION 1. Section 39.903, Utilities Code, is amended by
7 amending Subsections (a), (e), (h), (j), and (l) and adding
8 Subsection (e-1) to read as follows:

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

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

18 (1) programs to:

19 (A) assist low-income electric customers by
20 providing the 10-20 [~~10~~] percent reduced rate prescribed by
21 Subsection (h); and

22 (B) provide one-time bill payment assistance to
23 electric customers who are or who have in their households one or
24 more seriously ill or disabled low-income persons and who have been

1 threatened with disconnection for nonpayment;

2 (2) customer education programs;

3 (3) [↗] administrative expenses incurred by the
4 commission in implementing and administering this chapter, and
5 expenses incurred by the office under this chapter;

6 (4) [~~3~~] programs to assist low-income electric
7 customers by providing the targeted energy efficiency programs
8 described by Subsection (f)(2); and

9 (5) the rate reductions for nursing homes under
10 Subsection (e-1) [↗]

11 ~~[(4) programs to assist low-income electric customers~~
12 ~~by providing the 20 percent reduced rate prescribed by Subsection~~
13 ~~(h); and~~

14 ~~[(5) reimbursement to the commission and the Health~~
15 ~~and Human Services Commission for expenses incurred in the~~
16 ~~implementation and administration of an integrated eligibility~~
17 ~~process created under Section 17.007 for customer service discounts~~
18 ~~relating to retail electric service, including outreach expenses~~
19 ~~the commission determines are reasonable and necessary].~~

20 (e-1) The commission by rule shall develop and implement a
21 program through which a retail electric provider shall provide a
22 rate reduction for an eligible nursing home customer. The
23 commission shall accept applications from nursing homes for a rate
24 reduction under this subsection and shall determine the rate
25 reduction for each retail electric provider that supplies
26 electricity to each approved nursing home so that each nursing home
27 receives an equal percentage reduction from the rate the nursing

1 home otherwise would be charged. The percentage reduction must be
2 the maximum percentage reduction, not to exceed 20 percent, that
3 the commission may finance from appropriated money available for
4 that purpose. The commission may not apply to that purpose more than
5 an amount equal to five percent of the annual income of the system
6 benefit fund, including the costs of administering this subsection.
7 A nursing home is eligible for a rate reduction under this
8 subsection only if the nursing home is a nonprofit entity and at
9 least half of the entity's nursing residents are Medicaid eligible.

10 (h) The commission shall adopt rules for a retail electric
11 provider to determine a reduced rate for eligible customers to be
12 discounted off the standard retail service package as approved by
13 the commission under Section 39.106, or the price to beat
14 established by Section 39.202, whichever is lower. Municipally
15 owned utilities and electric cooperatives shall establish a reduced
16 rate for eligible customers to be discounted off the standard
17 retail service package established under Section 40.053 or 41.053,
18 as appropriate. The reduced rate for a retail electric provider
19 shall result in a total charge that is at least 10 percent and, if
20 sufficient money in the system benefit fund is available, up to 20
21 percent, lower than the amount the customer would otherwise be
22 charged. ~~[To the extent the system benefit fund is insufficient to~~
23 ~~fund the initial 10 percent rate reduction, the commission may~~
24 ~~increase the fee to an amount not more than 65 cents per megawatt~~
25 ~~hour, as provided by Subsection (b). If the fee is set at 65 cents~~
26 ~~per megawatt hour or if the commission determines that~~
27 ~~appropriations are insufficient to fund the 10 percent rate~~

1 ~~reduction, the commission may reduce the rate reduction to less~~
2 ~~than 10 percent.]~~ For a municipally owned utility or electric
3 cooperative, the reduced rate shall be equal to an amount that can
4 be fully funded by that portion of the nonbypassable fee proceeds
5 paid by the municipally owned utility or electric cooperative that
6 is allocated to the utility or cooperative by the commission under
7 Subsection (e) for programs for low-income customers of the utility
8 or cooperative. The reduced rate for municipally owned utilities
9 and electric cooperatives under this section is in addition to any
10 rate reduction that may result from local programs for low-income
11 customers of the municipally owned utilities or electric
12 cooperatives.

13 (j) The commission shall adopt rules providing for methods
14 of enrolling customers eligible to receive reduced rates under
15 Subsection (h). The rules must provide for automatic enrollment as
16 one enrollment option. On ~~[The Texas Department of Human Services,~~
17 ~~or]~~ request of the commission, each appropriate governmental entity
18 shall assist in the adoption and implementation of these rules.
19 Each assisting governmental entity ~~[The commission and the Texas~~
20 ~~Department of Human Services]~~ shall enter into a memorandum of
21 understanding with the commission establishing the respective
22 duties of the commission and the entity ~~[department]~~ in relation to
23 the automatic enrollment. Each assisting governmental entity shall
24 supply to the commission any information necessary for the
25 commission to implement automatic enrollment for reduced rates
26 under Subsection (h). The commission shall prepare a report each
27 calendar quarter with information concerning the enrollment of

1 customers eligible for the reduced rates. The commission shall
2 compile the information into an annual report to be published for
3 periodic distribution not later than January 1 of each odd-numbered
4 year. The commission shall send a copy of each annual and quarterly
5 report to each member of the legislature and the electric utility
6 restructuring legislative oversight committee.

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

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

11 (2) in whose household resides a person who:

12 (A) receives food stamps from the Health and
13 Human Services Commission [~~Texas Department of Human Services~~] or
14 medical assistance from a state agency administering a part of the
15 medical assistance program;

16 (B) receives federal housing assistance;

17 (C) has a child enrolled in the national school
18 lunch program for free or reduced-price lunches; or

19 (D) receives lifeline telephone service.

20 SECTION 2. The Public Utility Commission of Texas shall
21 adopt rules required by Section 39.903, Utilities Code, as amended
22 by this Act, not later than January 1, 2008.

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