

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 21, 2007

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

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

IN RE: HB514 by Farabee (Relating to providing a discounted rate for electricity provided to school districts.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Utilities Code to require each electric utility or municipally owned utility to provide discounted rates for electricity to public school district facilities as well as institutions of higher education. The bill would provide that a municipally owned utility would be exempt if, on September 1, 2007, the discounted base commercial rates for electric services provided to public school districts in its service area are 20 percent or more. The bill would not apply if the discounted rate provided by the municipal utility to the school district is below rates in effect on September 1, 2007. The bill prohibits investor-owned electric utilities from recovering costs for providing discount rates to school districts from residential customers or any other customer class.

Based on the analysis of the Public Utility Commission, Office of Public Utility Counsel, and Central Education Agency, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

This bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel, 701 Central Education Agency

LBB Staff: JOB, JRO, MW, TGI