

By: Martinez

H.B. No. 840

A BILL TO BE ENTITLED

1 AN ACT
2 relating to rates charged by an electric utility or retail electric
3 provider on acquisition by another electric utility or retail
4 electric provider.

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

6 SECTION 1. Subchapter C, Chapter 39, Utilities Code, is
7 amended by adding Section 39.110 to read as follows:

8 Sec. 39.110. RATES OF RETAIL ELECTRIC PROVIDER ON
9 ACQUISITION BY ANOTHER RETAIL ELECTRIC PROVIDER. A retail electric
10 provider that acquires another retail electric provider shall:

11 (1) in relation to a customer of the acquired retail
12 electric provider who received service under a term contract,
13 continue to charge the customer the rates specified in the contract
14 for the remaining term of the contract; and

15 (2) in relation to a customer of the acquired retail
16 electric provider who did not receive service under a term
17 contract:

18 (A) continue, for at least 90 days, to charge
19 that customer the rates charged by the acquired retail electric
20 provider at the time of acquisition if the rates of the acquired
21 retail electric provider at the time of acquisition are lower than
22 the rates charged by the acquiring retail electric provider; or

23 (B) extend the rates of the acquiring retail
24 electric provider to that customer if the rates charged by the

1 acquiring retail electric provider at the time of acquisition are
2 lower than the rates charged by the acquired retail electric
3 provider.

4 SECTION 2. Section 39.915, Utilities Code, is amended by
5 amending Subsection (b) and adding Subsection (b-1) to read as
6 follows:

7 (b) The commission shall approve a transaction under
8 Subsection (a) if the commission finds that the transaction is in
9 the public interest. For a transaction involving the acquisition of
10 one electric utility by another electric utility, the commission
11 may find the transaction to be in the public interest only if the
12 acquiring utility:

13 (1) in relation to a customer of the acquired utility
14 who received services under a term contract, agrees to continue to
15 charge the customer the rates specified in the contract for the
16 remaining term of the contract; and

17 (2) in relation to a customer of the acquired utility
18 who did not receive service under a term contract, agrees to:

19 (A) continue, for at least 90 days, to charge
20 that customer the rates charged by the acquired utility at the time
21 of acquisition if the rates of the acquired utility at the time of
22 acquisition are lower than the rates charged by the acquiring
23 utility; or

24 (B) extend the rates of the acquiring utility to
25 that customer if the rates charged by the acquiring utility at the
26 time of acquisition are lower than the rates charged by the acquired
27 utility.

1 **(b-1)** In making its determination of whether a transaction
2 is in the public interest, the commission shall consider whether
3 the transaction will adversely affect the reliability of service,
4 availability of service, or cost of service of the electric utility
5 or transmission and distribution utility. The commission shall
6 make the determination concerning a transaction under this
7 subsection not later than the 180th day after the date the
8 commission receives the relevant report. If the commission has not
9 made a determination before the 181st day after that date, the
10 transaction is considered approved.

11 SECTION 3. The changes in law made by Section 39.110,
12 Utilities Code, as added by this Act, apply only to a retail
13 electric provider acquired by another retail electric provider on
14 or after the effective date of this Act. A retail electric provider
15 acquired after the effective date of this Act is subject to the law
16 in effect on the date of acquisition, and that law is continued in
17 effect for that purpose.

18 SECTION 4. The changes in law made by this Act to Section
19 39.915, Utilities Code, apply only to a report submitted to the
20 Public Utility Commission of Texas on or after the effective date of
21 this Act. A report submitted to the Public Utility Commission of
22 Texas before the effective date of this Act is subject to the law in
23 effect on the date the report is submitted, and that law is
24 continued in effect for that purpose.

25 SECTION 5. This Act takes effect September 1, 2009.