

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 23, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB2305 by Turner, Sylvester (Relating to retail electric providers protecting customer deposits, establishing a customer deposit fund, and establishing a customer deposit interest fund.), **As Introduced**

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| No significant fiscal implication to the State is anticipated. |
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The bill would amend Section 39.101(a) of the Utilities Code and would require the refund of any deposit or other funds owed to a customer, exclusive of interest, upon the exit of a retail electric provider(REP) from the market.

The bill would add Section 39.1015 to the Utilities Code to establish a customer deposit fund outside of the state treasury to be financed by customer deposits remitted to their REPs and to be used by REPs for refunding deposits to customers upon exit from the market. The bill would require interest earned on the fund to be credited to a customer deposit interest fund to be used for the purposes of offsetting any charges to low-income residential customers for any surcharges, if passed on by REPs, for an electric utility's costs of deploying advanced metering and advanced metering information networks.

The bill would require the Public Utility Commission (PUC) to: adopt rules to conform existing regulations to the bill's provisions; provide for the customer deposit fund to be held by a financial institution eligible to be a depository for state funds under Chapter 404 of the Government Code; adopt rules regarding reporting requirements, payment schedules, and review procedures to ensure the fund is financed by deposits collected from customers by REPs and that disbursements from the fund to customers are made properly; annually review the customer deposit fund accounts and projected interest credited to the customer deposit interest fund; and adopt and enforce rules for REPs to determine which customers are eligible for a waiver of a standard nonbypassable surcharge.

Based on information provided by the PUC, it is assumed that the agency could absorb the costs associated with implementing the provisions of the bill within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JOB, KJG, ES, MW