

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 3, 2009

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

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

IN RE: HB4233 by Ritter (Relating to the delay of retail electric competition in the areas of the state covered by the Southeastern Electric Reliability Council and to the recovery of certain transmission costs by electric utilities in those areas.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 36.209(a) of the Utilities Code to authorize the Southeastern Electric Reliability Council (SERC) to recover certain transmission costs on an annual basis. The bill would prohibit the Public Utility Commission (PUC) from implementing or considering the implementation of retail electric competition in an area in SERC that is not currently engaged in retail electric competition. The bill would also require an electric utility operating in SERC that has a transition to competition plan on file with the PUC to withdraw its plan and file an application for recovery of any costs incurred as a result of the preparation, filing, and implementation of the plan.

The bill would require the PUC to amend rules relating to transmission cost recovery factors and the recovery of costs associated with the transition to competition plans. The passage of the bill would also result in the discontinuation of existing proceedings relating to Entergy's transition to competition plan.

The PUC anticipates any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JOB, KJG, ES