

By: Anderson of McLennan

H.B. No. 538

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the application of certain demand charges by
3 transmission and distribution utilities to certain schools and
4 nonprofit athletic or sports associations.

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

6 SECTION 1. Subchapter A, Chapter 35, Utilities Code, is
7 amended by adding Section 35.009 to read as follows:

8 Sec. 35.009. TIERED RATCHET PROVISIONS FOR CERTAIN UTILITY
9 CUSTOMERS. (a) This section applies only to the provision of
10 transmission and distribution services to a:

11 (1) public or private school;

12 (2) fairground owned or operated by a nonprofit
13 organization that is exempt from federal income taxation under
14 Section 501 or 503, Internal Revenue Code of 1986; or

15 (3) nonprofit athletic or sports association.

16 (b) If a transmission and distribution utility includes a
17 ratchet provision in a tariff relating to distribution service for
18 a customer to which this section applies, the utility shall apply
19 the ratchet provision in two tiers so that:

20 (1) during a billing period when the customer's
21 consumption of electrical power is high, the ratchet provision
22 provides for the customer to be charged in a manner comparable to
23 that for other customers subject to a ratchet provision to
24 accommodate high demand; and

1 (2) during a billing period when the customer's
2 consumption of electrical power is low, the ratchet provision
3 provides for the customer to be charged in a manner comparable to
4 that for other customers in the same service area who consume a
5 similar amount of electrical power.

6 SECTION 2. The Public Utility Commission of Texas shall
7 adopt rules as necessary to implement Section 35.009, Utilities
8 Code, as added by this Act, as soon as practicable. A transmission
9 and distribution utility shall modify ratchet provisions contained
10 in its tariffs applicable to each school, organization, or
11 association in accordance with Section 35.009, Utilities Code, as
12 added by this Act, not later than January 1, 2012.

13 SECTION 3. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2011.