

AN ACT

relating to exempting certain customers from certain demand charges by transmission and distribution utilities.

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

SECTION 1. Subchapter A, Chapter 36, Utilities Code, is amended by adding Section 36.009 to read as follows:

Sec. 36.009. BILLING DEMAND FOR CERTAIN UTILITY CUSTOMERS. Notwithstanding any other provision of this code, the commission by rule shall require a transmission and distribution utility to:

(1) waive the application of demand ratchet provisions for each nonresidential secondary service customer that has a maximum load factor equal to or below a factor set by commission rule;

(2) implement procedures to verify annually whether each nonresidential secondary service customer has a maximum load factor that qualifies the customer for the waiver described by Subdivision (1);

(3) specify in the utility's tariff whether the utility's nonresidential secondary service customers that qualify for the waiver described by Subdivision (1) are to be billed for distribution service charges on the basis of:

(A) kilowatts;

(B) kilowatt-hours; or

(C) kilovolt-amperes; and

1 (4) modify the utility's tariff in the utility's next
2 base rate case to implement the waiver described by Subdivision (1)
3 and make the specification required by Subdivision (3).

4 SECTION 2. The Public Utility Commission of Texas shall
5 adopt rules as necessary to implement Section 36.009, Utilities
6 Code, as added by this Act, before June 1, 2012.

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

H.B. No. 1064

President of the Senate

Speaker of the House

I certify that H.B. No. 1064 was passed by the House on April 19, 2011, by the following vote: Yeas 145, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1064 was passed by the Senate on May 12, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor