

By: Bonnen

H.B. No. 2798

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to discounted utility rates for school districts and  
3 open-enrollment charter schools; providing an administrative  
4 penalty.

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

6 SECTION 1. Section 36.351, Utilities Code, is reenacted and  
7 amended to read as follows:

8 Sec. 36.351. DISCOUNTED RATES FOR CERTAIN INSTITUTIONS OF  
9 HIGHER EDUCATION AND SCHOOL DISTRICTS. (a) Notwithstanding any  
10 other provision of this title, as provided by Subsection (b), each  
11 electric utility in an area in which customer choice is not  
12 available or in which the commission has delayed the implementation  
13 of customer choice and each electric cooperative, transmission and  
14 distribution utility, and municipally owned utility shall discount  
15 charges for electric service provided to a facility of a four-year  
16 state university, upper-level institution, Texas State Technical  
17 College, ~~or~~ college, or school district.

18 (b) The discount is a 20-percent reduction of the utility's  
19 base rates that would otherwise be paid under the applicable  
20 tariffed rate. As provided by commission rules, the discount must  
21 be provided to an educational entity listed under Subsection (a) or  
22 to a retail electric provider that provides service to an  
23 educational entity in an area where customer choice is available.

24 (b-1) A retail electric provider that receives a discount

1 under Subsection (b) shall apply a discount received under  
2 Subsection (b) to an educational entity described by Subsection (a)  
3 as a credit in an amount equal to the amount of the discount. The  
4 commission may suspend, revoke, or amend the retail electric  
5 provider's certificate of a retail electric provider that does not  
6 apply the discount to an educational entity described by Subsection  
7 (a). The commission shall impose an administrative penalty on a  
8 retail electric provider that does not apply the discount to an  
9 educational entity listed under Subsection (a).

10 (c) An electric or municipally owned utility is exempt from  
11 this section if the 20-percent discount results in a reduction  
12 equal to more than one percent of the utility's total annual  
13 revenues.

14 (d) A municipally owned utility is exempt from this section  
15 if the municipally owned utility, on September 1, 1995, discounted  
16 base commercial rates for electric service provided to all  
17 four-year state universities or colleges in its service area by 20  
18 percent or more.

19 (e) This section does not apply to a rate charged to an  
20 institution of higher education by a municipally owned utility that  
21 provides a discounted rate to the state for electric services below  
22 rates in effect on January 1, 1995, if the discounted rate provides  
23 a greater financial discount to the state than is provided to the  
24 institution of higher education through the discount provided by  
25 this section.

26 (f) An investor-owned electric utility may not recover from  
27 residential customers or any other customer class the assigned and

1 allocated costs of serving an entity [~~a state university or~~  
2 ~~college~~] that receives a discount under this section.

3 (g) Each electric utility shall file tariffs with the  
4 commission reflecting the discount required under this section.  
5 The initial tariff filing is not a rate change for purposes of  
6 Subchapter C.

7 SECTION 2. The change in law made by this Act applies only  
8 to a rate charged on or after the effective date of this Act. A rate  
9 charged before the effective date of this Act is governed by the law  
10 in effect when the rate was charged, and that law is continued in  
11 effect for that purpose.

12 SECTION 3. This Act takes effect September 1, 2011.