

By: Carona

S.B. No. 325

A BILL TO BE ENTITLED

AN ACT

relating to the system benefit fund fee.

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

SECTION 1. Effective January 1, 2014, Sections 39.903(d), (h), and (i), Utilities Code, are amended to read as follows:

(d) The commission shall annually review and approve system benefit fund accounts~~[, projected revenue requirements, and proposed nonbypassable fees]~~. The commission shall report to the electric utility restructuring legislative oversight committee if the available balance of the system benefit fund ~~[fee]~~ is insufficient to fund the purposes set forth in Subsection (e) to the extent required by this section.

(h) The commission shall adopt rules for a retail electric provider to determine a reduced rate for eligible customers to be discounted off the standard retail service package as approved by the commission under Section 39.106 and shall require a retail electric provider to apply the same reduction to any rate plan under which an eligible low-income electric customer is receiving service~~[, or the price to beat established by Section 39.202, whichever is lower]~~. Municipally owned utilities and electric cooperatives shall establish a reduced rate for eligible customers to be discounted off the standard retail service package established under Section 40.053 or 41.053, as appropriate. The reduced rate for a retail electric provider shall result in a total

1 charge that is at least 10 percent and, if sufficient money in the
2 system benefit fund is available, up to 20 percent, lower than the
3 amount the customer would otherwise be charged. ~~[To the extent the~~
4 ~~system benefit fund is insufficient to fund the initial 10 percent~~
5 ~~rate reduction, the commission may increase the fee to an amount not~~
6 ~~more than 65 cents per megawatt hour, as provided by Subsection~~
7 ~~(b).]~~ If ~~[the fee is set at 65 cents per megawatt hour or if]~~ the
8 commission determines that appropriations are insufficient to fund
9 the 10 percent rate reduction, the commission may reduce the rate
10 reduction to less than 10 percent. For a municipally owned utility
11 or electric cooperative, the reduced rate shall be established by
12 the commission to the extent the discount ~~[equal to an amount that]~~
13 can be fully funded by appropriations ~~[that portion of the~~
14 ~~nonbypassable fee proceeds paid by the municipally owned utility or~~
15 ~~electric cooperative that is]~~ allocated to the utility or
16 cooperative by the commission under Subsection (e) for programs for
17 low-income customers of the utility or cooperative. The reduced
18 rate for municipally owned utilities and electric cooperatives
19 under this section is in addition to any rate reduction that may
20 result from local programs for low-income customers of the
21 municipally owned utilities or electric cooperatives.

22 (i) A retail electric provider, municipally owned utility,
23 or electric cooperative seeking reimbursement from the system
24 benefit fund may not charge an eligible low-income customer a rate
25 higher than the appropriate rate determined under Subsection (h).
26 Commission rules must provide for ~~[A retail electric provider not~~
27 ~~subject to the price to beat, or]~~ a municipally owned utility or

1 electric cooperative that implements customer choice to [~~subject to~~
2 ~~the nonbypassable fee under Subsection (c), shall~~] be reimbursed
3 from the system benefit fund for the difference between the reduced
4 rate and the rate established under Section 39.106 or, as
5 appropriate, the rate established under Section 40.053 or 41.053.
6 A retail electric provider [~~who is subject to the price to beat~~]
7 shall be reimbursed from the system benefit fund for the difference
8 between the reduced rate and the rate plan under which the customer
9 receives service [~~price to beat~~]. The commission shall adopt rules
10 providing for the reimbursement.

11 SECTION 2. Effective January 1, 2014, Sections 39.903(b)
12 and (c), Utilities Code, are repealed.

13 SECTION 3. (a) The Public Utility Commission of Texas shall
14 adopt rules as necessary to ensure that:

15 (1) the system benefit fund fee is not collected for a
16 billing cycle any part of which falls on or after January 1, 2014;
17 and

18 (2) system benefit fund fees due for billing cycles
19 completed before January 1, 2014, are collected and remitted for
20 deposit to the credit of the system benefit fund under Section
21 39.903, Utilities Code, as that section provides immediately before
22 the effective date of this Act.

23 (b) The change in law made by this Act does not affect the
24 liability for a payment of a system benefit fund fee that accrues
25 before January 1, 2014. That liability continues in effect as if
26 this Act had not been enacted. The former law is continued in
27 effect for the collection of system benefit fund fees due, for

1 remission of the collected fees for deposit to the system benefit
2 fund, for enforcement of the liability for and remission of those
3 fees, and for the purposes of Subsection (a)(2) of this section.

4 SECTION 4. This Act takes effect September 1, 2013.