

By: Davis

S.B. No. 488

A BILL TO BE ENTITLED

AN ACT

1
2 relating to discounted utility rates for public educational
3 institutions; providing an administrative penalty.

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

5 SECTION 1. The heading to Section 36.351, Utilities Code,
6 is amended to read as follows:

7 Sec. 36.351. DISCOUNTED RATES FOR CERTAIN SCHOOLS AND
8 INSTITUTIONS OF HIGHER EDUCATION.

9 SECTION 2. Section 36.351, Utilities Code, is amended by
10 amending Subsections (a), (b), and (f) and adding Subsections (b-1)
11 and (d-1) to read as follows:

12 (a) Notwithstanding any other provision of this title, each
13 electric utility and transmission and distribution utility and,
14 except as provided by Subsection (d-1), each municipally owned
15 utility shall discount charges for electric service provided to a
16 facility of a four-year state university, upper-level institution,
17 Texas State Technical College, junior [~~ex~~] college, independent
18 school district, or open-enrollment charter school.

19 (b) The discount is a 20-percent reduction of the utility's
20 base rates that would otherwise be paid under the applicable
21 tariffed rate. The discount shall be provided either directly to an
22 educational entity described by Subsection (a) or to a retail
23 electric provider that also provides service to the educational
24 entity.

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

10 (d-1) A municipally owned utility is exempt from the
11 requirement to discount charges for electric service provided to a
12 junior college, independent school district, or open-enrollment
13 charter school.

14 (f) An investor-owned electric utility may not recover from
15 residential customers or any other customer class the assigned and
16 allocated costs of serving an educational entity [~~a state~~
17 ~~university or college~~] that receives a discount under this section.
18 After September 1, 2013, an investor-owned electric utility is
19 subject to the requirements of this subsection unless a regulatory
20 authority authorizes other ratemaking treatment.

21 SECTION 3. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2013.