

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1655 by Williams (relating to authorizing the Public Utility Commission of Texas to direct the comptroller to return the unappropriated balance of the system benefit fund to retail electric customers.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1655, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Six-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0
2019	\$0

All Funds, Six-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>New Special Fund</i>
2014	(\$730,155,000)
2015	\$0
2016	\$0
2017	\$0
2018	\$0
2019	\$0

Fiscal Analysis

The bill would amend the Utilities Code relating to authorizing the Public Utility Commission

(PUC) to direct the Comptroller of Public Accounts (CPA) to return the unappropriated balance of the General Revenue-Dedicated--System Benefit Account No. 5100 (System Benefit Fund) to retail electric customers. The bill would require the PUC by rule, after consultation with the CPA, to establish a system for transmission and distribution utilities, retail electric providers, municipally owned utilities, or electric cooperatives to credit retail electric customers' bills in amounts necessary to expend as fully as practicable the appropriated balance of the System Benefit Fund transferred to a special fund outside the General Revenue fund by Section 30, Article VIII, Texas Constitution. The bill would require the PUC to direct the CPA to distribute as much as practicable of the balance of the special fund in one or more installments before September 1, 2014, so that entities receive disbursements in proportion to the fees paid by retail electric customers in the service areas of the entities since the System Benefit Fund fee was first imposed.

The bill would require PUC by rule to require each entity receiving disbursements to ensure that retail electric customers receive credits that, in aggregate, equal the amount of disbursements received under the provisions of the bill, less a reasonable amount to reimburse the entity for administering the disbursement process as established by the PUC in an amount not to exceed two percent of the disbursements. The PUC and CPA would be required to jointly issue a report regarding the status of developing and implementing the disbursement system and the progress made in disbursing the funds.

The bill would require the CPA to deposit any undisbursed balance of the special fund to the credit of the System Benefit Fund on September 1, 2014.

The provisions of the bill would expire September 1, 2015.

The bill would take effect immediately if it received a vote of two-thirds of all members elected to each house. Otherwise, the bill would take effect September 1, 2013.

Methodology

Based on proposed provisions in Section 30, Article VIII, Texas Constitution, it is assumed that 90 percent of the balance of the System Benefit Fund would be transferred to the new special fund on September 1, 2013. Based on information provided by the CPA, the amount that would be transferred to the new special fund is based the balance of the System Benefit Fund as of September 1, 2013, as presented in the Comptroller's 2014-15 Biennial Revenue Estimate, estimated to be \$730,155,000.

This analysis assumes does not consider any interest accrued by the balance of the new special fund and assumes the entire fund balance would be distributed by September 1, 2014.

Based on information provided by the PUC and the CPA, duties and responsibilities associated with implementing the provisions of the bill could be accomplished utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 304 Comptroller of Public Accounts

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