

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 15, 2015**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB1945 by Fraser (relating to electricity service provided by municipally owned utilities.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

This bill would amend the Utilities Code relating to establishing competitive retail electricity options for customers served by certain municipally owned utilities. Based on information provided by the Public Utility Commission and the Office of Public Utility Counsel, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

There would be a significant cost to certain municipality owned utilities to comply with the provisions of the bill. Austin Energy reported that there would be total cost of \$194,825,000, including additional staff, replacement meters, software, system upgrades, and training in fiscal year 2016. In fiscal year 2017, there would be a total cost of \$42,340,000. Austin Energy also anticipates a revenue loss of \$80,000,000 annually due to customers switching retail providers. According to Austin Energy, the City of Austin would lose \$9,600,000 in revenue annually.

**Source Agencies:** 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

**LBB Staff:** UP, SZ, NV, JLi, KVe