

By: Workman

H.B. No. 1460

A BILL TO BE ENTITLED

AN ACT

relating to electricity service provided by municipally owned utilities.

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

SECTION 1. Chapter 33, Utilities Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. REVIEW OF RATES OF CERTAIN MUNICIPAL UTILITIES

Sec. 33.151. APPLICABILITY. This subchapter applies only to a municipally owned utility:

(1) that serves at least 400,000 customers; and

(2) whose service area is in the ERCOT power region in a municipality with a population of less than 1.3 million.

Sec. 33.152. REVIEW OF RATES; CUSTOMER CHOICE. (a) Notwithstanding any other law, a retail customer or group of customers with a total usage of more than 25 million kilowatt hours per year may file a petition for commission review of current or proposed rates of a municipally owned utility that apply to the petitioning customers.

(b) Not later than the 90th day after the date a petition is filed with the commission, the municipally owned utility that is the subject of the petition shall file a rate application with the commission that complies in all material respects with the rules and forms prescribed by the commission. The commission for good cause may extend the deadline for filing the rate application.

1 (c) The commission shall conduct a full review of the rates
2 that apply to the petitioning customers to determine whether the
3 rates are:

4 (1) just and reasonable under Chapter 36; and

5 (2) consistent with rates available to similarly
6 situated customers in areas of the state that have access to
7 customer choice.

8 (d) If the commission finds that the rates are not just and
9 reasonable or are not consistent with the rates available to
10 similarly situated customers in areas of the state that have access
11 to customer choice, the commission shall:

12 (1) set rates for the petitioning customer or
13 customers that are just, reasonable, and consistent with the rates
14 available to similarly situated customers in areas of the state
15 that have access to customer choice; or

16 (2) set cost-based transmission and distribution
17 rates for the municipally owned utility and allow a petitioning
18 customer or customers to purchase electricity through a retail
19 electric provider.

20 SECTION 2. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2017.