

By: Phillips

H.B. No. 2346

A BILL TO BE ENTITLED

AN ACT

relating to exempting certain customers from certain demand charges by transmission and distribution utilities.

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

SECTION 1. Section 36.009, Utilities Code, is amended to read as follows:

Sec. 36.009. BILLING DEMAND FOR CERTAIN UTILITY CUSTOMERS.

(a) Notwithstanding any other provision of this code, the commission by rule shall require a transmission and distribution utility to:

(1) waive the application of demand ratchet provisions for each nonresidential secondary service customer that has a maximum load factor equal to or below a factor set by commission rule;

(2) implement procedures to verify annually whether each nonresidential secondary service customer has a maximum load factor that qualifies the customer for the waiver described by Subdivision (1);

(3) specify in the utility's tariff whether the utility's nonresidential secondary service customers that qualify for the waiver described by Subdivision (1) are to be billed for distribution service charges on the basis of:

(A) kilowatts;

(B) kilowatt-hours; or

1 (C) kilovolt-amperes; and
2 (4) modify the utility's tariff in the utility's next
3 base rate case to implement the waiver described by Subdivision (1)
4 and make the specification required by Subdivision (3).

5 (b) For each utility that has not initiated a base rate case
6 between May 28, 2011, and September 1, 2017, the commission shall
7 initiate before January 1, 2018, a proceeding to modify the
8 utility's tariff to implement the waiver described by Subsection
9 (a)(1) and make the specification required by Subsection (a)(3).

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