

BILL ANALYSIS

S.B. 853
By: Hancock
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Austin Energy, the municipally owned utility that serves the Capitol Complex and most state agency facilities, is run and has its rates set by the Austin City Council. Under current law, ratepayers inside the City of Austin do not have the right to seek review of those rates by the Public Utility Commission of Texas (PUC), in contrast to Austin Energy ratepayers who are outside the city boundaries and have that right. S.B. 853 seeks to give ratepayers in the City of Austin, including the State of Texas, the ability to have the rates set by the Austin City Council reviewed by the PUC.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 853 amends the Utilities Code to authorize a group of customers of a municipally owned utility that provides service in the Capitol Complex to file a petition for the Public Utility Commission of Texas (PUC) to review the utility's current or proposed rates that apply to the petitioning customers. The petition must be signed by at least five percent of the utility's customers and the signature of a retail customer may be counted as a valid signature only on the first filed petition on which that customer's signature appears.

S.B. 853 requires the PUC to initiate a proceeding not later than the 90th day after the petition is submitted to determine whether the utility's rates are consistent with the rates available to similarly situated customers in areas of Texas that have access to customer choice and to deny the petition if it determines that the utility's rates are consistent with the rates available to similarly situated customers in areas of Texas that have access to customer choice. For these purposes, the utility's rates are inconsistent with the rates available to similarly situated customers in areas of Texas that have access to customer choice if an average rate paid by the utility's customers during the most recent five years is at least 10 percent higher than the comparable average rate paid during the same five-year period by similarly situated customers in areas of Texas that have access to customer choice.

S.B. 853 requires a utility subject to a petition the PUC does not deny to file a rate application with the PUC that complies in all material respects with the PUC-prescribed rules and forms not later than the 90th day after the date of the determination and authorizes the PUC to extend the filing deadline for good cause.

S.B. 853 requires the PUC to conduct a full review of the rates applicable to the petitioning customer or group to determine whether those rates are just and reasonable using the standards prescribed by Utilities Code provisions relating to the setting of rates, notwithstanding the lack of consistency between those rates and rates available to similarly situated customers in areas of Texas that have access to customer choice, and requires the PUC to deny the petition if it determines the rates are just and reasonable. If the PUC determines that the rates are not just and reasonable, it must set rates for the petitioning customer or group that are just, reasonable, and consistent with the rates available to similarly situated customers in areas of Texas that have access to customer choice.

S.B. 853 limits to one the number of reviews the PUC may conduct for each applicable municipally owned utility under the bill. The bill requires the PUC to allow the utility an opportunity to respond to the review and to make publicly available on the PUC website the PUC's review and the utility's response.

EFFECTIVE DATE

September 1, 2023.