

## **BILL ANALYSIS**

Senate Research Center

H.B. 554  
By: Turner (Zaffirini)  
Finance  
5/4/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

H.B. 554 rededicates the money used from the Texas System Benefit Fund (SBF) so that it can be used for the purpose for which it was intended, which is provide low-income customers discounts on their electric bills. To ensure a majority of eligible customers receive benefits, the Public Utility Commission would be required to enroll at least 95 percent of eligible persons. Guidelines would be established for the accomplishment of that goal as well as for a process for reporting the information to the public and legislature. H.B. 554 also clarifies the requirements which a person must meet to receive benefits from the SBF.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 7 (Section 39.903, Utilities Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 39.903(a), Utilities Code, as amended by Chapters 211 and 1296, Acts of the 78th Legislature, Regular Session, 2003, to authorize money in the system benefit fund account to be appropriated only for the purposes provided by this section, rather than by this section or other law.

SECTION 2. Amends Section 39.903(e), Utilities Code, as amended by Chapters 1394, 1451, and 1466, Acts of the 77th Legislature, Regular Session, to authorize money in the system benefit fund to be appropriated to provide funding solely for certain purposes, rather than regulatory purposes, in a descending order of priority, including

- (1) programs to assist low-income electric customers by providing the 10 to 20 percent reduced rate, rather than the 10 percent reduced rate, prescribed by Subsection (h). Deletes existing Subdivision (5) regarding the 20 percent reduced rate and existing Subdivision (6) relating to reimbursement for expenses incurred.

SECTION 3. Amends Section 39.903, Utilities Code, by adding Subsection (e-1), as follows:

- (e-1) Authorizes the Public Utility Commission of Texas (commission), in addition to the purposes and priorities provided by Subsection (e), to use money from the system benefit fund to educate residential and small business customers of available benefits of the fund. Provides that the purpose for which money may be used under this subsection has the same priority as the purpose prescribed by Subsection (e)(1). Provides that this subsection expires August 31, 2006.

SECTION 4. Amends Section 39.903(j), Utilities Code, as follows:

- (j) Requires the Health and Human Services Commission, rather than the Texas Department of Human Services, on the request of the commission, to assist in the adoption and implementation of these rules. Requires the commission and the Health and Human Services Commission to enter into a memorandum of understanding establishing the respective duties of the agencies, rather than the commission and the Texas Department of Human Services, in relation to the automatic enrollment. Requires the commission to establish a goal under this subsection of enrolling at least 95 percent of customers eligible to receive reduced rates under Subsection (h). Requires the

commission, not later than December 1 of each even-numbered year, to estimate the total number of customers who are eligible for the reduced rates and to compare the number of enrolled customers to that goal. Requires the commission, if the goal has not been met, to use money from the fund that is available to the commission for administrative purposes to provide education and outreach concerning programs available under this section until the goal is met. Requires the commission to prepare a report each calendar quarter with information concerning the enrollment of customers eligible for the reduced rates and efforts to meet the goal prescribed by this subsection. Requires the commission to compile the information into an annual report to be published for public distribution not later than January 1 of each odd-numbered year. Requires the commission to send a copy of each quarterly and annual report to each member of the legislature and the electric utility restructuring legislative oversight committee. Requires the commission, in estimating under this subsection the number of customers who are eligible for the reduced rates, to use information provided by the Health and Human Services Commission regarding persons who meet the definition of "low-income electric customer," according to household income or participation in a program described by Subsection (1). Requires the Health and Human Services Commission to provide the information to the commission each calendar quarter.

SECTION 5. Amends Section 39.903(1), Utilities Code, to redefine "low-income electric customer."

SECTION 6. Recreates the system benefit fund described by Section 39.903, Utilities Code, as amended by this Act, as a separate account in the general revenue fund, and rededicates money in the account for the purposes described by that section.

SECTION 7. Requires the commission, not later than January 1, 2006, to adopt rules required by Section 39.903, Utilities Code, as amended by this Act.

SECTION 8. Effective date: September 1, 2005.