

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1655
By: Williams et al.
Finance
4/4/2013
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The System Benefit Fund (SBF) Account No. 5100 is a general revenue-dedicated account created by S.B. 7, 76th Legislature, Regular Session, 1999. The SBF account was created as part of the deregulation of the electric utility market and consists of a mandatory surcharge on electric utility usage. The Public Utility Commission (PUC) has statutory authority to set the fee up to \$0.65 per megawatt hour consumed in deregulated areas of the state.

The purpose of the SBF account is to reduce the burden of electric utility costs on low-income populations in the state. PUC has accomplished this mainly through the Low Income Discount Program (also known as Lite-up Texas). This program provides a discount on eligible utility bills ranging from 10 percent to 20 percent. In fiscal year 2012, the discount was 10 percent and was offered from May through September.

Revenue from the non-bypassable fee has regularly exceeded legislative appropriations out of the SBF account, resulting in the accumulation of a balance. The comptroller of public accounts of the State of Texas (comptroller) estimated that the balance available for certification of the General Appropriations Act for the 2012-2013 biennium was \$851 million.

C.S.S.B. 1655 directs PUC and the comptroller to disburse the balance of the SBF account to electric providers and requires that the disbursement be passed on to customers under the system.

C.S.S.B. 1655 amends current law relating to authorizing the Public Utility Commission of Texas to direct the comptroller to return the unappropriated balance of the system benefit fund to retail electric customers.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 39.9039, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter Z, Chapter 39, Utilities Code, by adding Section 39.9039, as follows:

Sec. 39.9039. DISBURSEMENT OF SYSTEM BENEFIT FUND BALANCE. (a) Requires the Public Utility Commission of Texas (PUC), after consultation with the comptroller of public accounts of the State of Texas (comptroller), to establish by rule a system for transmission and distribution utilities, retail electric providers, municipally owned utilities, or electric cooperatives to credit retail electric customers' bills in amounts necessary to expend as fully as practicable the appropriated balance of the system benefit fund transferred to a special fund outside of the general revenue fund by Section 30 [S.J.R. 55], Article VIII, Texas Constitution, in accordance with this section.

(b) Requires PUC to direct the comptroller to disburse as much as practicable of the balance described by Subsection (a) as soon as practicable and before September 1, 2014, in one or more installments to transmission and distribution utilities, retail electric providers, municipally owned utilities, or electric

cooperatives under the system established under Subsection (a) so that the entities receive disbursements in proportion to the fees paid by retail electric customers in the service areas of the entities since the system benefit fund fee was first imposed under Section 39.903 (System Benefit Fund).

(c) Requires PUC by rule to require each entity receiving disbursements under this section to ensure that retail electric customers, through one or more billings for electric services between the time the entity receives a disbursement under this section and August 31, 2014, receive credits that, in the aggregate, equal the amount of the disbursements received under this section, less a reasonable amount to reimburse the entity for administering this section as established by PUC in an amount not to exceed two percent of the disbursements. Sets forth language required to be used on customers' bills to label the credit amount.

(d) Requires the comptroller and PUC jointly to issue a report on the progress made in developing and implementing the system required to be established by Subsection (a), and in disbursing the amount appropriated from the system benefit fund through that system, not later than December 15, 2014. Requires that the report issued under this subsection be presented in writing to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committees of the senate and house of representatives having primary jurisdiction over electric utilities.

(e) Requires the comptroller, on September 1, 2014, to deposit to the credit of the system benefit fund any undisbursed balance of the special fund.

(f) Provides that this section expires September 1, 2015.

SECTION 2. Effective date: upon passage or September 1, 2013.