

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 22, 2007

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1189 by King, Phil (relating to competition and customer choice in the retail electric power market; providing an administrative penalty.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Utilities code relating to competition and customer choice in the retail electric market. The bill would require an electric utility that is affiliated with certain retail electric providers (REP) or power generation companies to submit unbundling plans to the Public Utility Commission (PUC) and prohibit an REP from implying it can provide more reliable services or provide preferential treatment in the restoration of service following an outage, which may result in an administrative penalty being assessed by the PUC if violated. This bill would impose a charge on certain REPs as incentive to compete for residential customers and require affiliated retail electric providers (AREP) to release certain customer information to competitive REPs and authorize the PUC to adopt rules relating to the use of this charge.

It is estimated that duties and responsibilities associated with implementing the provisions of this bill could be accomplished by utilizing existing resources.

This bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or would otherwise take effect on September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JOB, JRO, MW, TGI