



Unnecessary Study on Fees Aims to Limit Options for Customers

AECT Position: Oppose

HB 2253 by Turner

Proposal

- HB 2253 would require the PUC to collect information related to which customers have chosen competitive electric service plans that include a minimum usage fee or a usage credit.
- The PUC would also collect from retail electric providers (REPs) detailed data regarding which plan each customer is on, and determine how many low-income customers are on plans with minimum usage fees.
- The PUC would be required to determine the “total revenue attributable to the imposition” of minimum usage fees on all customers, as well as low-income customers specifically.
- The PUC would submit this report to the legislature no later than January 31 of each year, assessing the information collected during the preceding year.

HB 2253 Violates the Existing Legislative Directive to Allow the Normal Forces of Competition to Work and Also Requires Disclosure of Proprietary Information by REPs and Creates a Massive New Reporting Requirement for the PUC

- Section 39.001 of the Public Utility Regulatory Act (PURA) states that it is the legislature’s finding that “electric services and their prices should be determined by customer choices and the normal forces of competition.”
- HB 2253 seeks to vilify rate structures that include minimum usage fees or usage credits, despite the fact that many customers find these products to be beneficial.
 - For a large family that routinely meets the minimum electricity usage for the product, the monthly credit is a valuable savings.
 - Customers who use less energy benefit from a different product structure, which is readily available.
 - In fact, **nearly 1/3 of all offers on Power to Choose do not include minimum usage fees or credits.** There are at least 80 such offers in each large competitive area (Data as of April 1, 2015.)
- It is inappropriate and unprecedented to require REPs to disclose proprietary customer information for this type of study. No other industry has this type of disclosure requirement.
- The study requirement is quite onerous, requiring an assessment of which plan each of more than 6 million retail customers has chosen. Thus, it would likely require additional staff at the PUC, creating a fiscal note.

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John W. Fainter, Jr. • President and CEO Association of Electric Companies of Texas, Inc.
1005 Congress, Suite 600 • Austin, TX 78701 • phone 512-474-6725 • fax 512-474-9670 • www.aect.net