



Control Number: 45189



Item Number: 10

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PROJECT NO. 45189

RULEMAKING AMENDING PUC
SUBSTANTIVE RULES TO
IMPLEMENT HB 1101, 84TH
LEGISLATIVE SESSION, RELATED
TO THE ELIMINATION OF THE
SYSTEM BENEFIT FUND BALANCE

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BEFORE ~~THE~~ NOV 23 PM 2:51
PUBLIC UTILITY COMMISSION
FILING CLERK
PUBLIC UTILITY COMMISSION
OF TEXAS

REPLY COMMENTS OF THE
STEERING COMMITTEE OF CITIES SERVED BY ONCOR

I. Introduction

The Steering Committee of Cities Served by Oncor (“Cities”) appreciates the opportunity to provide input on the Public Utility Commission (“Commission” or “PUC”) Staff’s Strawman Proposal in the above-styled project. Cities were active participants in the negotiations leading to House Bill (“HB”) 1101 in its final, adopted form and have a strong interest in ensuring it is properly implemented in the PUC Substantive Rules. Cities’ comments are based on the Strawman Proposal and the discussions at the November 16, 2015 workshop. Cities also support the comments of Texas Legal Services Center and Texas Ratepayers’ Organization to Save Energy filed on November 2, 2015.

II. Comments

Determining Eligibility

HB 1101 was enacted to ensure the System Benefit Fund’s (“SBF”) remaining balance is used for its intended purpose—electric rate discounts for low-income customers. One of the ways the Strawman Proposal implements HB 1101 is by providing additional benefits to low-income customers such as late penalties waiving and deposit installment allowances. The Strawman Proposal suggests determining customer eligibility for these additional benefits by incorporating the criteria for identifying eligible low-income customers associated with the

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telephone Lifeline Service Program. Commission Staff stated at the November 16, 2015 workshop that this method would likely result in approximately 400,000 fewer customers being identified as eligible for the benefits pursuant to this rulemaking. In contrast, Cities support eligibility criteria that do not reduce the number of eligible participants.

HB 1101's goal is to eliminate the SBF's remaining funds, not to eliminate customers from receiving those funds. The Strawman Proposal's method of determining customers eligible for benefits undermines HB 1101's purpose by potentially excluding 400,000 of the customers the bill is intended to help. Indeed, assuming the reason a low-income customer would not be enrolled in a Lifeline Service Program is because they cannot afford telephone service, the customers eliminated from eligibility for this rulemaking's benefits are likely to be the customers who need these benefits the most. While Cities recognize the administrative convenience of incorporating the Lifeline Service Program eligibility criteria into the rule, such convenience should not take precedent over the significant negative consequences of preventing this large number of customers from receiving the benefits created by the rule.

Cities strongly encourage Commission Staff to study the repercussions of this method of determining eligibility and to consider alternative methods that do not reduce the number of customers eligible for low-income benefits. Cities suggest the method of determining eligibility for this rulemaking's additional benefits be designed to include all those customers currently receiving low-income electric rate discounts pursuant to the SBF.

REPs Should be Required to Provide Certain Low-Income Benefits

Cities strongly support requiring retail electric providers ("REPs") to provide this rulemaking's low-income benefits. Cities agree with the position expressed at the workshop by Commission Staff and the Office of Public Utility Counsel that REPs should be required to offer

a baseline of low-income customer benefits. The purpose of this rulemaking is to create that baseline.

HB 1101 was intended to provide rate discounts to low-income customers. It was not intended to provide REPs discretion to offer optional discounts. Therefore, while REPs can voluntarily offer additional benefits to low-income customers, the benefits pursuant to this rulemaking should be mandatory.

III. Conclusion

Cities commend Commission Staff's work on this Strawman Proposal and appreciate the opportunity to provide comments. Cities respectfully urge Commission Staff to consider determining customer eligibility for the rule's benefits using an alternative method that would not drastically reduce the number of eligible low-income customers. Cities additionally recommend REPs be mandated to provide the benefits pursuant to this rulemaking. Cities look forward to continued work with other stakeholders in this project.

Dated: November 23, 2015.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

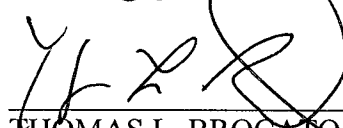
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