

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 265  
By: Hinojosa; Davis, Wendy  
Business & Commerce  
4/16/2009  
Committee Report (Substituted)

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

This legislation is designed to give elderly, low-income, and medically disadvantaged Texans additional consumer protections by preventing electricity disconnections from occurring during the months of July through September, which are typically the hottest months of the year. During the summer of 2008 nearly 450,000 disconnections occurred, leaving many without air-conditioning and placing an increased risk for heat-related death and illness.

C.S.S.B. 265 amends current law relating to benefits and protections for certain residential electric customers.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 39.101, Utilities Code) and SECTION 2 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 39.101, Utilities Code, by adding Subsections (i)-(o), as follows:

- (i) Requires a retail electric provider, power generation company, aggregator, or other entity that provides retail electric service (service provider) to waive any initial deposit requirement for a residential customer who is not delinquent in payment of any electric service account with that provider and is at least 65 years of age or has a payment history for electric service in this state that includes not more than one late payment in the preceding 12 months.
- (j) Prohibits a service provider, during the period beginning July 1 and ending September 30 of each year, from disconnecting service or authorizing the disconnection of service to a residential customer who requests and complies with the terms of a deferred payment plan and who demonstrates to the provider that the customer is a low-income electric customer, as defined by Section 39.903(l) (relating to the definition of "low-income electric customer").
- (k) Prohibits a service provider, during the period beginning July 1 and ending September 30 of each year, from disconnecting service or authorizing the disconnection of service to a residential customer who is designated in accordance with Public Utility Commission (PUC) rules as a critical care residential customer for whom an interruption or suspension of electric service will create a dangerous or life-threatening condition or who requests a deferred payment plan and demonstrates to the provider that the customer qualifies under PUC rules for designation as a critical care residential customer for whom an interruption or suspension of electric service will create a dangerous or life-threatening condition.
- (l) Requires a service provider to provide each residential customer designated as a critical care residential customer and each residential customer on a reduced rate program described by Section 39.903(h) (relating to TCEQ adopting rules regarding retail electric providers) an annual notice informing the customer of the protections available under Subsections (j) and (k). Requires that the notice be provided contemporaneously with the first invoice issued to the customer after June 30 of each year. Authorizes that the notice be printed on the invoice, included as an insert provided with the invoice, or provided

separately in a way reasonably calculated to inform the customer of the protections available under Subsections (j) and (k).

(m) Requires a service provider to offer to a residential customer described by Subsection (j) who requests a deferred payment plan a payment plan that allows the customer to avoid disconnection of service during the period described by Subsection (j) if the customer pays at least 33 percent of the outstanding balance due; agrees to pay remaining balances in equal installments over the next five billing cycles, unless the customer agrees to a lesser number of installments; and does not owe an outstanding balance from an earlier deferred payment plan granted to allow the customer to avoid disconnection of service during a period described by Subsection (j).

(n) Requires a service provider, on request by a residential customer described by Subsection (j) who is at least 65 years of age or a residential customer described by Subsection (k)(2) (relating to a critical care residential customer), to offer to the customer a deferred payment plan a payment plan that allows the customer to avoid disconnection of service during the period described by Subsection (j) or (k) without any payment of the current month's service charges until after September 30 if the customer agrees to pay 25 percent of the deferred charges when the first bill issued after September 30 is due and the remaining balances in equal installments over the next five billing cycles after the bill issued after September 30, unless the customer agrees to a lesser number of installments.

(o) Provides that Subsections (i)-(n) do not apply to metered electric service sold to residential customers on a prepaid basis.

SECTION 2. Requires PUC to adopt rules to implement Sections 39.101(i)-(o), Utilities Code, as added by this Act, as quickly as practicable so that customers are provided protections prescribed by those subsections before September 30, 2009.

SECTION 3. Effective date: September 1, 2009.