

BILL ANALYSIS

Senate Research Center
82R6850 RWG-F

S.B. 1151
By: Jackson
Natural Resources
3/24/2011
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, natural gas utilities are required to post notifications of rate increases in local newspapers for four consecutive weeks. For customers residing in municipalities with a population of less than 2,500, the utility can provide notice by United States mail to each customer or by inserting a notice in the monthly bill.

In recent years, the development of the Internet has led to an increasing number of customers handling their billing and payment electronically.

As proposed, S.B. 1151 would allow customers outside an affected municipality or those residing in a municipality with a population of less than 2,500 to receive an electronic notification from the natural gas utility, provided that is the customer's preference. This change will reduce expenses associated with providing notice of rate increases and will give customers the option of electronic communication. Those who do not choose to utilize electronic communication would not be affected by this legislation.

As proposed, S.B. 1151 amends current law relating to notice of utility rate increases.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 104.103(b), Utilities Code, as follows:

(b) Authorizes a gas utility, instead of publishing newspaper notice, to provide notice, rather than provide notice to the public in an area outside the affected municipality or in a municipality with a population of less than 2,500, by:

- (1) mailing the notice by United States mail, postage prepaid, to the billing address of each directly affected customer;
- (2) including the notice, in conspicuous form, in the bill of each directly affected customer; or
- (3) sending the notice by e-mail to each directly affected customer if that address is available to the utility.

SECTION 2. Makes application of the change in law made by this Act prospective.

SECTION 3. Effective date: September 1, 2011.