

By: West, Royce

S.B. No. 1259

A BILL TO BE ENTITLED

1 AN ACT

2 relating to safeguards for certain customers of retail public  
3 utilities in the electric power market.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter C, Chapter 39, Utilities Code, is  
6 amended by adding Section 39.1015 to read as follows:

7 Sec. 39.1015. SUSPENSION OF DISCONNECTION FOR CERTAIN  
8 CUSTOMERS. (a) In this section:

9 (1) "Critical care residential customer" means a  
10 residential electric customer for whom an interruption or  
11 suspension of electric service will create a dangerous or  
12 life-threatening condition.

13 (2) "Elderly low-income customer" means a low-income  
14 customer who is 65 years old or older.

15 (3) "Low-income customer" means an electric customer:

16 (A) whose household income is not more than 125  
17 percent of the federal poverty guidelines;

18 (B) who receives food stamps from the Health and  
19 Human Services Commission; or

20 (C) who receives medical assistance from a state  
21 agency that administers a part of the medical assistance program.

22 (4) "Service provider" means a retail electric  
23 provider, power generation company, aggregator, or other entity  
24 that provides retail electric service.

1        (b) During the period beginning July 1 and ending September  
2 30 of each year a service provider:

3            (1) may not disconnect service or authorize the  
4 disconnection of service to a critical care residential customer or  
5 elderly low-income customer who contacts the service provider  
6 regarding bill payment or in response to a disconnection notice;

7            (2) may not disconnect service or authorize the  
8 disconnection of service to a low-income customer other than an  
9 elderly low-income customer if the customer:

10            (A) contacts the service provider regarding bill  
11 payment or in response to a disconnection notice; and

12            (B) enters into a deferred payment plan with the  
13 service provider for the current month's electric charges and meets  
14 the terms of any then current deferred payment plan;

15            (3) shall request reconnection of service or reconnect  
16 service to a critical care residential customer or an elderly  
17 low-income customer whose service is disconnected before or during  
18 the period if:

19            (A) the customer contacts the service provider  
20 regarding bill payment or in response to a disconnection notice; or

21            (B) the service provider has previously been  
22 notified that the customer is a critical care customer;

23            (4) shall request reconnection of service or reconnect  
24 service to a low-income customer whose service is disconnected  
25 before or during the period if the customer enters into a deferred  
26 payment plan with the service provider; and

27            (5) shall rescind a request for disconnection of

1 service to a critical care residential customer, elderly low-income  
2 customer, or low-income customer made before the period begins if  
3 the service provider is prohibited under this subsection from  
4 disconnecting or authorizing the disconnection of the customer's  
5 service during the period.

6 (c) A service provider may not disconnect service or  
7 authorize the disconnection of a critical care residential  
8 customer's service during the period provided by Subsection (b)  
9 regardless of whether the customer contacts the service provider as  
10 provided by Subsection (b) if the service provider has previously  
11 been notified that the customer is a critical care residential  
12 customer.

13 (d) A service provider shall allow a critical care  
14 residential customer, elderly low-income customer, or low-income  
15 customer to establish with the provider a deferred payment plan in  
16 person or by telephone. The service provider shall confirm the  
17 payment plan with the customer in writing. The deferred payment  
18 plan may not include a penalty for late payments accrued during the  
19 period provided by Subsection (b). The service provider shall  
20 allow a critical care residential customer, elderly low-income  
21 customer, or low-income customer to renegotiate the terms of the  
22 deferred payment plan at least one time, regardless of whether the  
23 customer's economic or financial circumstances have changed. For a  
24 low-income customer other than an elderly low-income customer,  
25 during the period provided by Subsection (b), the payment plan may  
26 require the payment of not more than 25 percent of the then current  
27 month's charges plus any due installments of a previous deferred

1 payment plan. For a low-income customer other than an elderly  
2 low-income customer, the service provider is not required to extend  
3 a deferred payment plan entered into under this subsection beyond  
4 the March billing cycle following the period provided by Subsection  
5 (b).

6 (e) A deferred payment plan established under Subsection  
7 (d) for one or more electric bills that come due during the period  
8 provided by Subsection (b) must provide:

9 (1) for a critical care customer or elderly low-income  
10 customer, that the customer is not required to pay more than 25  
11 percent of the deferred electric bills as part of the first electric  
12 bill issued after the end of the period and that the remaining  
13 balance is to be paid in equal installments over the next five  
14 billing cycles, unless the customer requests a lesser number of  
15 installments; and

16 (2) for a low-income customer other than an elderly  
17 low-income customer, that the customer is required to pay not more  
18 than 25 percent of the deferred bills to initiate the agreement and  
19 that the remaining balance is to be paid in equal installments over  
20 the next five billing cycles, unless the customer requests a lesser  
21 number of installments.

22 (f) A service provider may pursue disconnection of  
23 electrical service for a critical care residential customer or an  
24 elderly low-income customer only after the period provided by  
25 Subsection (b) and only if the customer does not meet the terms of  
26 the deferred payment plan, unless the disconnection is otherwise  
27 prohibited. A service provider may pursue disconnection of service

1 for a low-income customer other than an elderly low-income customer  
2 if the customer does not meet the terms of the deferred payment  
3 plan, unless the disconnection is otherwise prohibited. The  
4 service provider shall give the customer appropriate notice that  
5 the customer has not met the terms of the plan before the service  
6 provider disconnects or authorizes the disconnection of service.

7 (g) A service provider may encourage a critical care  
8 customer or elderly low-income customer to make partial payment of  
9 a deferred electric bill during the period provided by Subsection  
10 (b), but the service provider shall clearly inform the customer  
11 that the customer may not be disconnected for non-payment before  
12 October 1 following the period provided by Subsection (b).

13 SECTION 2. This Act takes effect June 1, 2007, if this Act  
14 receives a vote of two-thirds of all the members elected to each  
15 house, as provided by Section 39, Article III, Texas Constitution.  
16 If this Act does not receive the vote necessary for effect on that  
17 date, this Act takes effect September 30, 2007.