

By: Turner of Harris

H.B. No. 2305

A BILL TO BE ENTITLED

1 AN ACT
2 relating to retail electric providers protecting customer
3 deposits, establishing a customer deposit fund, and establishing a
4 customer deposit interest fund.

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

6 SECTION 1. Section 39.101(a), Utilities Code, is amended by
7 adding new subsection (10) to read as follows:

8 (10) to a refund of any deposit or other money owed to a
9 customer, exclusive of interest, upon the exit of its retail
10 electric provider from the Texas market.

11 SECTION 2. Subchapter C, Chapter 39, Utilities Code, is
12 amended by adding Section 39.1015 to read as follows:

13 Sec. 39.1015 CUSTOMER DEPOSIT FUND.

14 (a) The commission shall adopt and enforce rules requiring
15 retail electric providers to establish a customer deposit fund as a
16 trust fund outside of the state treasury to be used only for the
17 purposes provided in this section. The commission shall provide
18 for the fund to be held by a financial institution eligible to be a
19 depository for state funds under Chapter 404, Government Code.
20 Money in the fund may be disbursed from the fund only as provided in
21 this section. Interest earned on the fund shall be credited to a
22 customer deposit interest fund as provided under Section 39.107(j).

23 (b) The customer deposit fund established under Subsection
24 (a) is financed by customer deposits remitted by customers to their

1 retail electric providers. A retail electric provider shall remit
2 the customer deposits in accordance with procedures prescribed by
3 commission rule.

4 (c) The commission annually shall review customer deposit
5 fund accounts and projected interest credited to the customer
6 deposit interest fund as provided under Section 39.107(j). The
7 commission by rule shall adopt reporting requirements, payment
8 schedules, and review procedures, including a method for
9 administrative review, as the commission determines is necessary to
10 ensure the customer deposit fund is funded by retail electric
11 providers by deposits received from their customers and that
12 disbursements from the fund to customers are properly made.

13 (d) Retail electric providers shall file regular reports as
14 required by commission rule. The commission may require a retail
15 electric provider to provide additional information as necessary to
16 assess contributions to and disbursements from the customer deposit
17 fund and the customer deposit interest fund as provided under
18 Section 39.107(j).

19 (e) The commission shall issue quarterly reports of
20 revenues to and expenditures from the customer deposit fund and the
21 customer deposit interest fund as provided under Section 39.107(j).

22 SECTION 3. Section 39.107, Utilities Code, is amended by
23 adding new subsection (j) to read as follows:

24 (j) Interest earned on the customer deposit fund
25 established under Section 39.1015 shall be credited to a separate
26 fund, a customer deposit interest fund, to offset any charge to a
27 low-income residential customer, if passed on and charged by a

1 retail electric provider, for any nonbypassable surcharge approved
2 by the commission for an electric utility or transmission and
3 distribution utility used to recover reasonable and necessary costs
4 incurred during deploying advanced metering and advanced meter
5 information networks under subsection (h). If any such
6 nonbypassable surcharge expires or is included in a utility or
7 transmission and distribution provider's base rates, the customer
8 deposit interest fund shall be utilized to fund programs as
9 provided in Section 39.903(e)(1)(A)-(B).

10 (j-1) The commission shall adopt and enforce rules for a
11 retail electric provider to determine which residential customers
12 are eligible for a waiver of a standard nonbypassable surcharge
13 under Subsection (h), if passed on and charged by the retail
14 electric provider, and shall require a retail electric provider to
15 apply the same reduction to any rate plan under which a low-income
16 residential customer is receiving service. All records and reports
17 related to the low-income residential customer surcharge waiver
18 under this subsection are subject to audit on commission request.

19 SECTION 4. This Act takes effect September 1, 2009.