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S.B. No. 2128

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to fixed price contracts for residential retail electric  
3 service.

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 39.113 to read as follows:

7 Sec. 39.113. FIXED PRICE CONTRACTS. (a) In this section,  
8 "fixed price contract" means a residential retail electric service  
9 contract for a term of six months or more in which the price for each  
10 billing period is stated in the contract and does not change  
11 throughout the term of the contract. The term does not include  
12 month-to-month service.

13 (b) The term of a fixed price contract must be conspicuously  
14 disclosed on the contract. The start and end dates of a fixed price  
15 contract must be available to a customer who is a party to the  
16 contract, on the request of the customer. The start and end dates  
17 may be estimated if the retail electric provider is unable to  
18 determine the dates. If a start date for a fixed price contract is  
19 known, the end date may be estimated based on the transmission and  
20 distribution utility's normal meter reading schedule for the  
21 customer.

22 (c) In addition to any information required under  
23 Subsection (b), a retail electric provider shall provide a  
24 residential customer who has a fixed price contract with written

1 notification of the date the contract is scheduled to expire. The  
2 notice must be sent to the customer's billing address by mail  
3 postmarked not less than 60 days before the date the contract is  
4 scheduled to expire. This subsection does not preclude a retail  
5 electric provider from offering a new contract to a customer at any  
6 time during the term of the customer's contract.

7 (d) A notice under Subsection (c) must:

8 (1) be provided as a separate document;

9 (2) include on the outside of the envelope the  
10 statement "Contract Expiration Notice";

11 (3) if the customer has agreed to receive official  
12 documents by electronic mail, state in the subject line of the  
13 electronic mail "Contract Expiration Notice";

14 (4) include a description of the retail electric  
15 provider's default service plan;

16 (5) include the terms of service for the retail  
17 electric provider's default service plan, unless the terms of  
18 service applicable to the default service plan also apply to the  
19 customer's existing service under the fixed price contract;

20 (6) include a statement that if the customer takes no  
21 action, service to the customer will continue according to the  
22 default service plan; and

23 (7) include a statement that the default service plan  
24 is provided on a month-to-month basis and may be canceled by the  
25 customer at any time with no fee.

26 SECTION 2. The change in law made by this Act applies only  
27 to a contract for retail electric service entered into or renewed on

1 or after the effective date of this Act. A contract for retail  
2 electric service entered into or renewed before the effective date  
3 of this Act is governed by the law as it existed immediately before  
4 the effective date of this Act, and that law is continued in effect  
5 for that purpose.

6 SECTION 3. This Act takes effect September 1, 2009.