

BILL ANALYSIS

Senate Research Center

S.B. 885
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Natural Resources
7/11/2013
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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

In recent years, the increase in electronic communications has led to an ever-increasing number of customers handling their billing and payments by electronic communication. S.B. 885 allows gas utilities to inform customers of rate changes by newspaper notification, mail piece, or electronic notification from the natural gas utility company.

Electronic notifications can only be sent if the customer provides the utility company with the customer's e-mail address.

S.B. 885 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, Utilities Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Authorizes a gas utility, instead of publishing newspaper notice, to provide notice, rather than authorizing a gas utility to 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.

(c) Authorizes a gas utility to provide a customer with notice of the utility's intent to increase rates by e-mail as described by Subsection (b)(3) only if the customer has consented in writing to the use of the customer's e-mail address for that purpose.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2013.