

BILL ANALYSIS

S.B. 885
By: Hinojosa
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Gas utilities, which are required by law to provide public notice of a proposed rate increase, generally do so by publishing notices of rate increases in local newspapers in accordance with the law. However, a gas utility may provide the notice by mailing the notice to or including it in the monthly bills of customers who reside in certain areas with a relatively low population. In recent years, there has been a growing number of customers in all areas, regardless of an area's population size or density, who pay bills and manage their accounts electronically and through the use of electronic communications. Interested parties point out that electronic communications could be used as another alternative method of informing gas utility customers of rate increases. S.B. 885 seeks to authorize the use of e-mail communications as an alternative method of delivering such a notice and to make all alternative methods of delivery generally available without regard to a service area's population characteristics.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 885 amends the Utilities Code, in a provision authorizing a gas utility to provide notice of a utility rate increase by mailing the notice to each directly affected customer or including the notice in the bill of each directly affected customer, as alternatives to publishing notice in a newspaper, to remove a specification limiting the provision of notice by those alternative methods to the provision of notice to the public in an area outside the affected municipality or in a municipality with a population of less than 2,500. The bill adds sending the notice by e-mail to each directly affected customer, if that e-mail address is available and if the customer has consented in writing to the use of the customer's e-mail address for that purpose, to the other alternative methods of providing notice to each directly affected customer.

EFFECTIVE DATE

September 1, 2013.