

BILL ANALYSIS

Senate Research Center

S.B. 734
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Natural Resources & Economic Development
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Texas Utilities Code requires that the Public Utility Commission of Texas (PUC) meet on December 1, or the next available work day if December 1 falls on a weekend, to set the annual interest rate for the next calendar year.

Each retail electric provider (REP) collects a deposit from customers when they sign up for service. That deposit is held by the REP, which is required to pay it back with interest when the consumer cancels service. This is the annual interest rate on deposits that are set by PUC each December 1.

PUC, in its recently adopted Scope of Competition in Electric Markets Report, made a recommendation that called on the legislature to allow the agency to meet on any date in the fourth quarter before December 1. This would give the agency logistical flexibility regarding the posting and scheduling of open meetings.

S.B. 734 allows PUC to set the annual interest rate on any date on or before December 1.

S.B. 734 amends current law relating to the setting of annual interest rates for utility deposits by the Public Utility Commission of Texas.

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 183.003, Utilities Code, as follows:

Sec. 183.003. RATE OF INTEREST. Requires the Public Utility Commission of Texas, on or before each December 1, rather than each December 1 or the next regular workday if December 1 is a Saturday, Sunday, or legal holiday, to set the annual interest rate for the next calendar year on deposits governed by this chapter at the average rate paid over the previous 12-month period on United States treasury bills with a 26-week maturity.

SECTION 2. Effective date: September 1, 2015.