

**SUBJECT:** Changing the date for setting utility deposit interest rates by PUC

**COMMITTEE:** State Affairs — favorable, without amendment

**VOTE:** 11 ayes — Cook, Giddings, Craddick, Farney, Farrar, Harless, Huberty, Kuempel, Minjarez, Smithee, Sylvester Turner

1 nay — Oliveira

1 absent — Geren

**SENATE VOTE:** On final passage, April 9 — 31-0, on local and uncontested calendar

**WITNESSES:** For — (*Registered, but did not testify*: John W. Fainter, Jr., the Association of Electric Companies of Texas, Inc.; Stephanie Simpson, Texas Association of Manufacturers)

Against — None

On — (*Registered, but did not testify*: Brian Lloyd, Public Utility Commission)

**BACKGROUND:** Utilities Code, ch. 183 establishes rules for deposits that utilities may require from users to establish service. Sec. 183.002 requires that utilities pay interest on deposits if they are required for service. Under sec. 183.003, the Public Utility Commission (PUC) is required on December 1 of each year to establish the annual interest rate on deposits for the next calendar year. If December 1 falls on a weekend or a holiday, the PUC must establish the rate on the first regular workday after December 1.

In its 2015 Scope of Competition in the Electric Markets in Texas report to the 84th Legislature, the PUC included a recommendation to amend Utilities Code, sec. 183.003 to allow the commission to set the deposit interest rate on any day in the fourth quarter, rather than December 1. According to the report, this would give the agency logistical flexibility on the posting and scheduling of open meetings.

**DIGEST:** SB 734 would amend Utilities Code, sec. 183.003 to require the Public Utility Commission on or before December 1 to establish the annual interest rate on utility deposits for the next calendar year.

The bill would take effect September 1, 2015.