

- SUBJECT:** Allowing reduced water utility rates for elderly customers
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 11 ayes — Larson, Phelan, Ashby, Burns, Frank, Kacal, T. King, Lucio, Nevárez, Price, Workman
- 0 nays
- WITNESSES:** For — (*Registered, but did not testify:* Kerry Cammack, SouthWest Water Company; Joshua Houston, Texas Impact; Sacha Jacobson)
- Against — None
- On — (*Registered, but did not testify:* Tammy Benter, Public Utility Commission of Texas)
- BACKGROUND:** Water Code, sec. 13.182 prohibits water utilities from setting rates that are unreasonably preferential, prejudicial, or discriminatory. Rates must be sufficient, equitable, and consistent in application to each class of consumers.
- DIGEST:** HB 1083 would allow the regulatory authority of a water utility to authorize the utility to establish reduced rates for a minimal level of service for elderly customers. Utilities would be able to establish a donation fund to recover the costs of providing these reduced rates. The utility could not recover costs through charges to other customers.
- The bill would specify that a reduced rate for elderly customers did not constitute an unreasonable preference, advantage, prejudice or disadvantage to any corporation or person or an unreasonable difference in rates between classes of service.
- The bill would apply only to water utility rates filed on or after January 1, 2018. The Public Utility Commission of Texas and other regulatory authorities would be required to adopt rules necessary to implement the

provisions of the bill by December 31, 2017.

The bill would take effect September 1, 2017.

**SUPPORTERS  
SAY:**

HB 1083 would allow water utilities to provide subsidized rates for elderly customers without burdening taxpayers. Many senior citizens live on a fixed income and have difficulties paying utility bills, threatening their access to water. This bill specifically would allow utilities to join a voluntary program providing reduced rates for elderly customers. The cost would be made up by donations, so other customers would not be penalized for the subsidized rates.

The bill is specifically tailored to meet the needs of senior citizens but would leave room for utilities to develop programs and rates to address local needs. Utilities identify elderly customers internally through their policies, so defining the term for a voluntary program in this bill would be unnecessary.

**OPPONENTS  
SAY:**

While HB 1083 is well intended, the language of the bill is not detailed enough. It does not clarify how much the water utility rate discount would be for elderly customers, and there is no definition of "elderly," making it unclear at what age the rate discount would apply.

**OTHER  
OPPONENTS  
SAY:**

Like many senior citizens, low-income Texans often have difficulty paying their utility bills. The bill should go further by including this vulnerable population in the discount program.