

BILL ANALYSIS

Senate Research Center

S.B. 1747
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Business & Commerce
4/4/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Public Utility Regulatory Act requires the Public Utility Commission (commission) to set an interest rate for utility customer deposits once per year, but also requires that the rate be at least six percent. Today, six percent is above what financial institutions are paying on deposits.

S.B. 1747 provides that the commission set the interest rate at an amount that equals the average rate paid over the previous twelve-month period on United States Treasury bills with a 26 week maturity.

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, by amending Subsection (b) and deleting Subsection (c), to require the Public Utility Commission of Texas (commission) to set the rate to be paid on a utility deposit at an amount that equals the average rate paid over the previous 12-month period on United States Treasury bills with a 26 week maturity. Deletes existing text prohibiting the commission from setting the rate at an amount that exceeds the lesser of certain amounts.

SECTION 2. Effective date: September 1, 2005.