

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: April 12, 2018

Item Number: **005**

Austin Energy

Approve an ordinance amending Chapter 15-9 of the City Code, Utility Service Regulations, regarding utility service deposit requirements.

Lead Department	Austin Energy
Fiscal Note	There is no fiscal impact.
Prior Council Action	October 19, 2017 - Approved Resolution No. 20171019-029 relating to Austin Energy's credit security policy.
For More Information	Jeff Vice, Director, Local Government Issues (512) 322-6087; Elaine Veselka, Vice President, Customer Account Management (512) 322-6667.
Council Committee, Boards and Commission Action	March 28, 2018 - Reviewed by the Austin Energy Utility Oversight Committee. March 19, 2018 - Reviewed by the Electric Utility Commission.

Additional Backup Information:

Austin Energy is seeking approval of changes to the City of Austin Utility Service Regulations to increase the number of customers eligible for credit security deposit waivers, to strengthen the tampering

security deposit requirements, and to make several minor clarifying edits.

Two types of security deposits are required by City of Austin Utilities to deter late payments or unsafe behavior, and to mitigate the City's financial risk in the case of unpaid utility balances or property vandalism:

1. **Credit Security Deposit-** a refundable deposit is required to start services for new customers or transfer services for current customers, unless one or more waiver criteria are met (listed below) or there is an existing deposit on file.
2. **Tampering Security Deposit-** a refundable deposit is required after the second meter tampering event and again following any subsequent events.

The proposed edits address both types of deposits.

Credit Security Deposits

The proposed edits to the regulations modify the customer payment standards for credit security deposits to address situations where the residential customers have not received utility service for 12 consecutive billing cycles.

Specifically, if a residential customer has not had continuous utility service for the previous 12 billing cycles due to a voluntary break in service, the customer can now use an acceptable payment history over 12 billing cycles out of the last 18 to satisfy the customer payment standards and have the credit security deposit waived.

Additionally, residential customers who have not had utilities in their name due to an all bills paid lease can submit a signed copy of their lease and a letter from their landlords indicating that that rent payments were made on time for the preceding 12 months.

The proposed edits also authorize Austin Energy to develop guidelines establishing exceptions to the credit security requirements. The exceptions are in addition to the ones already outlined in the regulations.

In anticipation of Council action on these edited regulations, Austin Energy has begun drafting a policy which would allow the credit security deposit to be waived for new residential customers requesting to start service and for current customers who request to transfer service or start services at an additional premise, if the one or more of the following criteria are met:

1. **Enrollment in Auto Pay (Electronic Funds Transfer) and E-Bill Programs-** Subject to certain requirements, customers who enroll in both Auto Pay and E-Bill may receive a waiver if they stay on Auto Pay and E-Bill for at least 12 billing cycles.
2. **Customers 65 years of age and older-** Current customers may be eligible for the waiver if their account is not past due. New customers eligible will not be required to pay the security deposit if they provide a signed letter from another metered utility or landlord (who provides utilities) where service was provided during any of the 18 preceding months.
3. **Service Member Returning After Deployment-** Customers returning from U.S. Military Service deployment may receive a waiver if they provide a copy of their orders documenting that dates of deployment occurred within the preceding 12 months.
4. **Victims of Domestic Abuse-** Customers who are victims of domestic abuse may be eligible for the deposit waiver with a certification letter from the Texas Council on Family Violence.

5. **Displaced Tenants**- Customers who are recipients of Tenant Relocation Assistance under § 25-1-714 Tenant Relocation Program may be eligible for the deposit waiver with notification from the City's Neighborhood Housing and Community Development Department.
6. **Medically Indigent**- If any resident at the service address qualifies as medically indigent, the customer may receive a deposit waiver if they meet eligibility requirements for the Customer Assistance Program and provide a letter from a licensed health care provider.

Tampering Security Deposit

The tampering security deposit for residential and commercial customers is required after the second meter tampering event and for any subsequent tampering events throughout the life of the account. The amount of the tampering security deposit is three times the average usage over the last 12 months. If the customer has not had a full 12 months of billing, the minimum deposit amount will be set at \$400 for residential customers and \$1000 for commercial customers.

The tampering deposit may be refunded when the customer has received utility services from the City for the last 36 billing cycles during which there were no late payments, no payments returned for insufficient funds, and no tampering events; or when the customer discontinues all utility accounts and pays all outstanding invoices.