

ORDINANCE 2012-29

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, AMENDING CHAPTER 58, UTILITIES, ARTICLE II, DIVISION 1, SECTION 58-42 OF THE CODE OF ORDINANCES, ENTITLED “BUDGET BILLING PAYMENT PLAN,” TO PROVIDE FOR AN OPTIONAL ELECTRIC UTILITY PAYMENT PLAN FOR RESIDENTIAL CUSTOMERS BASED ON AVERAGE CONSUMPTION; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Lockhart City Council desires to amend Chapter 58, “Utilities”, Section 58-42, “Budget billing payment plan” in order to provide an optional electric utility payment plan for residential customers calculated as a rolling average based on a customer’s current bill plus their last eleven bills and plus or minus any adjustments to the customer’s account, in order to make electric utility payments more manageable during peak electric consumption periods during each year; and

WHEREAS, the Lockhart City Council, at the recommendation of City staff, wishes to implement the new optional electric utility payment plan with the first electric utility billing cycle in January, 2013; and

WHEREAS, the Lockhart City Council has determined that it serves a public purpose to provide such flexibility in electric utility billing for residential customers because it provides for more affordable payments each month for customers, particularly customers with limited incomes or high consumption during peak consumption periods.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS that Section 58-42 of the Code of Ordinances, City of Lockhart, Texas, is hereby amended to read as follows:

I. Section 58-42. – Budget billing payment plan.

(a) A customer may apply to participate in an optional payment plan, designed to make monthly bills more manageable throughout the year. Under this plan the customer will be charged each month for actual consumption, including any adjustments, but will pay an amount each month based upon an average. The average is calculated as a rolling average based on a customer’s current bill plus their last eleven bills and plus or minus any adjustments to the customer’s account. When a customer finalizes their account, payment of the balance owed on their utility account will occur. The optional payment plan is not intended to be used to defer payment of delinquent bills.

(b) Eligibility requirements:

- (1) An applicant for budget billing must meet certain qualifications. All applications are subject to city approval. The budget payment plan will be available only to residential customers. A customer can be budgeted on one service or more services without being budgeted on all services. Budget billing can only occur on consumption type services. Flat or other services are not eligible for budget billing.

- (2) Customers or the premises must have a minimum of 12 months of continuous service on city utilities to be eligible. This may have been attained at one or more addresses within the city's billing service area, and applies only to the customer's primary residence. A customer transferring from one address to another address may continue to participate.
- (3) To be eligible, customers who make application to be on budget billing must not have had any of their service(s) disconnected during the preceding six months for nonpayment or must not have had any insufficient funds check returned during the preceding six months. Applicant must also have maintained a good utility payment history with no more than one late payment within the preceding six months and no previous balance on their account. They must also not be facing or subject to bankruptcy proceedings.
- (4) A customer who is already on budget billing and whose service is disconnected for non-payment, or who submits an insufficient funds check, rejected bank or credit card draft or has a credit card payment declined during their enrollment period on the program, shall be removed from budget billing. Any amounts due will be subject to immediate collection. Such customers may then become eligible for re-enrollment after establishing a good pay history and meeting the eligibility requirements to participate in this plan.
- (5) A customer may voluntarily discontinue their participation in budget billing and revert to regular billing at any time. Upon discontinuation, the customer is ineligible to apply for re-enrollment in budget billing for a minimum of 12 months and meeting the eligibility requirements.
- (6) A customer who terminates services entirely, and reconnects at a future date is also ineligible for re-enrollment in budget billing for a minimum of 12 months and meeting the eligibility requirements.

(c) Method of billing:

- (1) The monthly budget bill will be the rolling average amount each month during a calendar year. The average is calculated as a rolling average based on a customer's current bill plus their last eleven bills and plus or minus any adjustments to the customer's account. Flat and other service amounts are not eligible for averaging but will be factored into the budget billing amount. This method of billing will result in an accumulated debit or credit on a customer's account.
- (2) No interest will be charged on any account debit balance accrued under budget billing. Neither will interest be paid on any account credit balance accrued under budget billing.

- (3) Customers who discontinue budget billing at any time or for any reason will have their account settled up. Any debit, or a balance owed to the city reflecting actual billings higher than the total budget bill will be due and payable with the next billing for those customers who continue city electric utility service.
- (4) Finalized accounts (terminating and not involving transfer of service) reflecting a credit balance will have the amount credited against the final bill. If the credit balance is larger than the final bill, a refund check will be issued to the customer for the difference. If a final account reflects a debit balance, this amount as well as any other charges owed by the customer will be due and payable immediately to the city.
- (5) Under no circumstances will any accumulated credit be used to reduce a customer's bill unless participation is discontinued.
- (6) The city will continue to read the meters each month and will provide full information on the billing statement. Monthly bills will show the actual consumption, the regular itemized charges computed on the actual consumption, and the total payment due under the budget billing.
- (7) Utility rates are not changed for budget billing, but it allows a customer to pay the same amount each month rather than more in high usage months and less in low usage months.
- (d) If utility rates are changed at any time, the new rates will be factored into the billing.
- (e) Customers can apply for budget billing at any time. If eligible, the customer can go on this payment plan at any time during the year. Terms of agreement and the application form will be furnished by the city.
- (f) If a customer on budget billing experiences a rate classification change, such as from residential to commercial or industrial, they will be discontinued from the program as budget billing applies only to single residential service. The account will then be adjusted as described in subsection (c)(3) of this section. No cash refunds will be made for any credit accrued unless the customer discontinues receiving service and the account is finalized.
- (g) Budget billing accounts shall be subject to the same rules, rates, charges, fees, penalties, and policies established by the city as regular utility customer accounts.

II. Preamble: The matters and facts set forth in the preamble are hereby found to be true.

III. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or unenforceable, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by any reasons of any unconstitutionality or invalidity of any other portion, provision, or regulation.

IV. Repealer: All other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

V. Publication: The City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

VI. Effective Date: This ordinance shall become effective immediately upon its execution and shall be implemented with the first electric utility billing cycle in January, 2013.

PASSED, APPROVED, AND ADOPTED ON THIS THE 18th DAY OF DECEMBER, 2012.

CITY OF LOCKHART

Lew White
Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Rodriguez
City Secretary

Peter Gruning
City Attorney