

HOUSE BILL 1494

By Clemmons

AN ACT to amend Tennessee Code Annotated, Title 7;
Title 65 and Title 68, relative to utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 51, is amended by adding the following as a new part:

7-51-2401.

As used in this part:

(1) "Extended interruption or loss" means a loss of a vital utility service for twelve (12) consecutive hours or longer, or twelve (12) cumulative hours over a twenty-four-hour period;

(2) "Utility" means:

(A) An entity subject to the jurisdiction of the water and wastewater financing board, or a successor board, in accordance with § 68-221-1008;

(B) An entity subject to the utility management review board, or a successor board, in accordance with § 7-82-702;

(C) A cooperative, as defined in § 65-25-102; or

(D) A county-owned or municipality-owned utility that provides electric, natural gas, or water and wastewater services to the public; and

(3) "Vital utility service" means electric, natural gas, or water and wastewater service.

7-51-2402.

(a)

(1) A utility shall provide a refund or reimbursement, or a rebate against future billing for a vital utility service, to a customer who experiences an extended interruption or loss, or a permanent loss, of a vital utility service if the loss or interruption of service was the direct result of the utility's:

(A) Failure to maintain, repair, or secure its network, equipment, or property, when the utility knew or should have known about the need for the maintenance, repair, or security in advance of the interruption or loss of service;

(B) Negligence or gross negligence in maintaining, repairing, or securing its network, equipment, or property, or in providing the service;
or

(C) Willful or intentional conduct that led to the loss or interruption of service.

(2)

(A) A utility that is required to provide a refund, reimbursement, or rebate, pursuant to subdivision (a)(1), shall provide a refund, reimbursement, or rebate that is equal to the actual costs reasonably and necessarily incurred by a customer as a direct result of the interruption or loss of service.

(B) The full refund, reimbursement, or rebate must be provided within six (6) months of the date the utility received a claim filed by the customer pursuant to § 7-51-2403.

(b) For purposes of this part, the conduct of a utility's employee, agent, or a third party, acting within the scope of the employee's, agent's, or third party's employment or other capacity on behalf of the utility are imputed to the utility.

7-51-2403.

(a) By July 1, 2024, or within one (1) year after a utility is formed, whichever is later, a utility shall prepare and implement a claim filing system for use by a utility's customer for purposes of submitting a claim for a refund, reimbursement, or rebate, described in § 7-51-2402. The system must include the capability of accepting a claim filed either electronically or in person.

(b) A utility may require a customer to reasonably demonstrate and provide evidence for the claimed damages and costs, excluding the actual billing rates at which the utility will be charged with computing, for which the customer submits a claim.

(c) A utility shall provide notice to its customers about the claims filing system. The notice must be provided to each customer within five (5) days following a permanent or extended interruption or loss of a vital utility service, as well as in the next invoice or billing statement delivered to each customer immediately after a permanent or extended interruption or loss, and must include the following information:

- (1) What constitutes an extended interruption or loss of a vital utility service;
- (2) Acknowledgement of the extended interruption or loss;
- (3) What services are considered a vital utility service, for purposes of this part;
- (4) Whether the loss resulted from conduct described in § 7-51-2402;
- (5) Instructions on how to file a claim using the utility's claim filing system;

(6) The timeframe in which the claim must be filed and in which the utility must issue a refund, reimbursement, or rebate;

(7) A description of recoverable amounts; and

(8) The customer's right to bring a civil action for a utility's violation of this part.

7-51-2404.

(a) In addition to filing a claim pursuant to § 7-51-2403, a customer of a utility that violates this part may bring a civil action against the utility in the chancery court or circuit court in the jurisdiction within the county in which the customer receives the vital utility service.

(b) A court that finds that a utility violated this part may award the following to the customer:

(1) Compensatory damages;

(2) Prejudgment interest;

(3) Reasonable attorneys' fees; and

(4) Other legal or equitable relief that will effectuate this part.

(c) A civil action under this section shall not be filed more than one (1) year after the customer's receipt of the notice required in § 7-51-2403(c).

SECTION 2. Tennessee Code Annotated, Title 65, is amended by adding the following as a new chapter:

65-38-101.

As used in this chapter:

(1) "Extended interruption or loss" means a loss of a vital utility service for twelve (12) consecutive hours or longer, or twelve (12) cumulative hours over a twenty-four-hour period;

(2) "Utility" means a public utility that provides electric, natural gas, or water and wastewater services to the public; and

(3) "Vital utility service" means electric, natural gas, or water and wastewater service.

65-38-102.

(a)

(1) A utility shall provide a refund or reimbursement, or a rebate against future billing for a vital utility service, to a customer who experiences an extended interruption or loss, or a permanent loss, of a vital utility service if the loss or interruption of service was the direct result of the utility's:

(A) Failure to maintain, repair, or secure its network, equipment, or property, when the utility knew or should have known about the need for the maintenance, repair, or security in advance of the interruption or loss of service;

(B) Negligence or gross negligence in maintaining, repairing, or securing its network, equipment, or property, or in providing the service;
or

(C) Willful or intentional conduct that led to the loss or interruption of service.

(2)

(A) A utility that is required to provide a refund, reimbursement, or rebate, pursuant to subdivision (a)(1), shall provide a refund, reimbursement, or rebate that is equal to the actual costs reasonably and necessarily incurred by a customer as a direct result of the interruption or loss of service.

(B) The full refund, reimbursement, or rebate must be provided within six (6) months of the date the utility received a claim filed by the customer pursuant to § 65-38-103.

(b) For purposes of this chapter, the conduct of a utility's employee, agent, or a third party, acting within the scope of the employee's, agent's, or third party's employment or other capacity on behalf of the utility are imputed to the utility.

65-38-103.

(a) By July 1, 2024, or within one (1) year after a utility is formed, whichever is later, a utility shall prepare and implement a claim filing system for use by a utility's customer for purposes of submitting a claim for a refund, reimbursement, or rebate, described in § 65-38-102. The system must include the capability of accepting a claim filed either electronically or in person.

(b) A utility may require a customer to reasonably demonstrate and provide evidence for the claimed damages and costs, excluding the actual billing rates at which the utility will be charged with computing, for which the customer submits a claim.

(c) A utility shall provide notice to its customers about the claims filing system. The notice must be provided to each customer within five (5) days following a permanent or extended interruption or loss of a vital utility service, as well as in the next invoice or billing statement delivered to each customer immediately after a permanent or extended interruption or loss, and must include the following information:

- (1) What constitutes an extended interruption or loss of a vital utility service;
- (2) Acknowledgement of the extended interruption or loss;
- (3) What services are considered a vital utility service, for purposes of this part;

- (4) Whether the loss resulted from conduct described in § 65-38-102;
- (5) Instructions on how to file a claim using the utility's claim filing system;
- (6) The timeframe in which the claim must be filed and in which the utility must issue a refund, reimbursement, or rebate;
- (7) A description of recoverable amounts; and
- (8) The customer's right to bring a civil action for a utility's violation of this part.

65-38-104.

(a) In addition to filing a claim pursuant to § 65-38-103, a customer of a utility that violates this part may bring a civil action against the utility in the chancery court or circuit court in the jurisdiction within the county in which the customer receives the vital utility service.

(b) A court that finds that a utility violated this part may award the following to the customer:

- (1) Compensatory damages;
- (2) Prejudgment interest;
- (3) Reasonable attorneys' fees; and
- (4) Other legal or equitable relief that will effectuate this chapter.

(c) A civil action under this section shall not be filed more than one (1) year after the customer's receipt of the notice required in § 65-38-103(c).

SECTION 3. This act takes effect July 1, 2023, the public welfare requiring it, and applies to extended interruptions or losses, or permanent losses, of vital utility services occurring on or after that date.