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ELECTRIC PROVIDER INFORMATION 08/15/11

When you have problems related to your electricity service or your bill, you can use this guide to locate the people who are most likely to be able to help you.

The first question you must answer is about your electric service provider. This information will get you pointed in the right direction for help. Which of these situations apply to you?

- My electric utility has been deregulated and I am able to choose my electric provider.
- My electric utility is regulated and I am unable to choose my electric provider.
- My electricity is provided by a city owned utility.
- My electricity is provided by a rural electric cooperative.

If you are uncertain, the following should help you decide.

Deregulated Service Areas

The areas of Texas where customers have the right to choose their electric provider were deregulated in 2002. The names of the wires companies responsible for delivering your electricity are AEP Texas Central Company, Centerpoint Electric Houston, Southwestern Electric Service Company, Texas-New Mexico Power Company, Oncor, and AEP Texas North Company. They are also called transmission and distribution utilities and transmission and distribution service providers. The wires company remains regulated.

Residential customers on the system are obligated to select a retail electric provider (REP). The REPs are certified by the PUC to sell electricity to residential customers. Every consumer must have a REP. Many consumers take service from their formerly regulated utility. All REPs certified by the PUC must follow PUC customer protection rules.

Regulated Service Areas

Some areas of Texas are still served by fully regulated utilities. Customers in regulated service areas can only buy power from the utility certificated to serve the area. These include El Paso Electric Company,

Entergy Gulf States, Inc., Southwestern Electric Power Company, and Southwestern Public Service Company (Xcel) .

Municipally Owned Utilities

Some areas of Texas are served by about 70 municipally owned utilities. Examples are Austin Energy (City of Austin), City Public Service (San Antonio), Lubbock, Brownsville, Georgetown, Fredericksburg, Giddings and many more. Each city council has the authority to “opt in” to the deregulated market. No municipal utility has opted into deregulation.

Rural Electric Cooperatives

Some areas are served by about 70 rural electric cooperatives. Examples are: Bluebonnet Electric Cooperative, Guadalupe Valley Electric Cooperative, Pedernales Electric Cooperative, Bandera Electric Cooperative, Central Texas Electric Cooperative, DeWitt Electric Cooperative, Hamilton Electric Cooperative, Navasota Valley Electric Cooperative, and Tri-County Electric Cooperative. Each electric cooperative board has the authority to deregulate. Two electric cooperatives – San Patricio Electric Cooperative and Nueces Electric Cooperative have voted to opt in the open market.

Who do I contact if I have a problem with an electric provider?

If you have a problem with any electric provider you should contact the electric provider first and ask them to fix it.

If you get an answer that you do not like from the customer service line, *ask to speak to a supervisor*. A supervisory review is a step in the PUC customer complaint procedure. Supervisors should be more knowledgeable about rules and regulations. Supervisors also have the discretion to make decisions that the people answering the phones do not have. If your problem is not fixed through the customer service network file a complaint. See page 9.

Customer Service and Protection Standards - Statewide

The PUC has different rules for regulated utilities, the provider of last resort, competitive REPs, and transmission and distribution utilities. If you are buying power from a competitive REP many of the standards may be unique to your terms of service agreement. If you are uncertain about the standard your electric provider should be following contact the PUC.

While the PUC regulates only investor owned utilities, many electric cooperatives and municipal utilities say they follow the PUC's customer protection rules. The PUC's rules can serve as a benchmark or industry standard and can be used to justify exceptions from weaker unregulated utility standards. The PUC's Substantive Rules can be found on the PUC web site at www.puc.state.tx.us. Click on rules and laws and then Substantive Rules Electric. Scroll the table of contents and click on the sections of interest. Customer protection is in Subchapters B and R. Subchapter B covers the fully regulated utilities. Subchapter R covers the deregulated market.

Customer Service and Protection Standards - Local

Rules and policies applied by electric cooperatives and municipal utilities must be researched. Call the cooperative or the city and ask for information; in particular, the customer service and protection standards set by the cooperative's board of directors or the city council.

Many municipal utilities and electric cooperatives claim to follow the same rules as the PUC. Be sure to check the PUC rules so you will know what to expect. Contact the utility staff about the PUC rules. If you get no result speak to the mayor, a city council member, or an electric cooperative board member. If you get no result, ask to speak at the next city council or board of directors meeting.

After opting into the deregulated market, electric cooperatives and municipal utilities will be required to meet the same standards as other REPs but the standards will be enforced by the city or the electric cooperative board, not by the PUC.

Energy Assistance Information

PUC rules require utilities to maintain information about bill payment assistance and energy efficiency programs.

Texas Department of Housing and Community Affairs (TDHCA) is the state agency responsible for contracting with local agencies to provide billing assistance under the Low-Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program.

Congress appropriates funds annually for both. To qualify in Texas household income must be at or below 200 percent¹ of the federal poverty guideline. LIHEAP and weatherization are not entitlement programs and access is limited by funding.

The LIHEAP and weatherization programs are available in each of the 254 Texas counties. The toll-free Hotline for locating the billing assistance and weatherization program agencies that serve your area is 1 (877) 399-8939. You can also locate information online at www.tdhca.state.tx.us.

LITE-UP TEXAS

There is a 10% to 20% rate discount provided in deregulated service areas called LITE-UP TEXAS. To qualify household income must be at or below 125 percent of the federal poverty guideline or the customer must receive benefits from the Texas Department of Human Services (TDHS).

The rate discount is currently funded only during the summer months. An additional benefit is that late fees are waived for customers enrolled in LITE-UP TEXAS. In addition a REP is required to allow eligible customers to pay a security deposit in two equal installments in two months.

A third party central administrator manages the LITE-UP rate discount program. Many recipients of benefits from TDHS are enrolled automatically. Call toll free at 1-866-454-8387 for more information. You may also access an application on the PUC website at www.puc.state.tx.us. The LITE-UP TEXAS office also qualifies households for telephone lifeline rates.

Other Rate Discount Programs

Some regulated and municipal electric providers waive fees or provide other discounts to low-income customers. Examples are Austin Energy, El Paso Electric, and Entergy Gulf States. TXU Energy provides a rate discount to low-income customers over and above the LITE-Up Texas discount. Ask your electricity provider if you are eligible for any special programs.

¹ The eligibility guideline was previously 125 percent of the Federal Poverty guideline. The Texas Department of Housing and Community Affairs raised the limit to 200 percent of the Federal Poverty guideline as allowed by the federal stimulus funding law.

Bill Payment Assistance – Standard Service

PUC rules require REPs and utilities to maintain information about bill payment assistance and energy efficiency programs for their customers. The largest bill payment assistance program is the federal Low-Income Home Energy Assistance Program (LIHEAP) operated by the Texas Department of Housing and Community Affairs (TDHCA). LIHEAP helps pay utility bills for eligible households when funds are available. Other bill payment assistance programs funded through charitable donations (dollar check off programs, stockholder donations, employee contributions) are run by local organizations such as community action agencies, Salvation Army, Red Cross, senior citizen centers, and churches. Locate the billing assistance program agencies that serve your area by calling toll free 1 (877) 399-8939. You can also locate information online at www.tdhca.state.tx.us.

Bill Payment Assistance - Prepaid Service

Many REPs are now offering prepaid service to residential customers. The target market for prepaid service is low-income households. Under a prepaid plan the customer does not receive a monthly bill. It is the customer's responsibility to monitor the account. It is the REPs responsibility to provide information electronically about the account. Many bill payment assistance programs including the federally funded program and programs funded by counties do not provide energy assistance to customers taking prepaid service.

Weatherization Assistance

The weatherization assistance program makes building improvements to reduce a low-income customer's energy use. The program is provided at no cost to the customer. Some examples of the energy saving improvements provided under the program are insulation, caulking and weatherstripping, emergency repair of air conditioners and furnaces, replacement high efficiency window air conditioners, high efficiency lighting and refrigerators. Weatherization funds are very limited in deregulated service areas. Locate the weatherization assistance program agencies that serves your area by calling toll free 1 (888) 606-8889. You can also locate information online at www.tdhca.state.tx.us.

For Profit Energy Efficiency Programs

Many utilities fund energy efficiency programs to serve low-income consumers that are operated by for-profit contractors. The programs are

available at no or low cost. Contact your REP for information about programs available in your area.

How to Prevent Disconnection of Electricity

The best way to prevent disconnection of your electricity is to stay in contact with your electric provider when you have trouble making your payments. Take advantage of available payment assistance, the weatherization program, or other energy efficiency programs that will reduce your usage while maintaining your usual level of comfort and service. Make alternative payment arrangements. Ask for a deferred payment plan and a levelized or average payment plan where you would pay the same amount every month. Most important, make sure you agree only to a deferred payment arrangement you can afford to pay. If you default on the deferred payment plan you will be disconnected.

Please note: If you are having problems with a delinquent bill your REP is required *to offer* you a deferred payment plan. Your REP *is required to provide* you a deferred payment plan only if you meet the REP's credit requirements. Different standards apply when the weather is extreme and during the summer months even if the weather is normal.

Special Payment Arrangements

During a heat advisory or extended below freezing weather your electricity cannot be disconnected under state law, even if you have prepaid service. See prohibitions in the next paragraph. REPs must provide you a deferred payment plan or advance you credit on a prepaid service plan.

To receive the special payment plan the customer must contact the REP. In July, August and September many customers are eligible for a deferred payment plan or a level billing plan. This includes low-income customers receiving the LITE-UP TEXAS discount and critical care and chronic condition customers that express an inability to pay. See page 4 for information on LITE-UP TEXAS. Critical care is a medical status for households with a member on life support equipment. Chronic condition is a medical status that indicates serious long-term illness that makes a person extremely sensitive to temperature as is the case with multiple sclerosis patients.

Customers that do not receive the LITE-UP discount and are not critical care or chronic care qualify for payment plans during the summer if they meet the three criteria. These are: 1) be a customer of the REP for at least 3 months, 2) no disconnection of electricity service in the past 12 months, and 3) no more than 2 not sufficient funds (NSF) charges in the past 12 months.

The PUC rules covering special payment arrangements are found at §25.483(j).

Switch-hold

If a REP extends you credit under special payment arrangements during the summer or during extreme weather the REP can place a “**switch-hold**” on your account. A switch-hold is an electronic flag that is placed on your account that means you owe debt that must be paid to your current retailer before a switch to another REP will be processed.

Prohibited Disconnections of Electricity

Under certain circumstances, a regulated electric utility is prohibited from disconnecting a customer. These circumstances include:

- When there is a heat advisory in effect
- When temperatures are below freezing for more than 24 hours
- On weekends or holidays or the day immediately preceding where there is no one available to accept payment
- When the customer establishes that disconnection of service will cause some person residing at the residence to become seriously ill or more seriously ill
- When the company receives a pledge, letter of intent, purchase order, or other notification that the energy assistance provider is forwarding sufficient payment to continue service.

Time Line for Disconnection of Electricity–Standard Service

Under PUC rules, a customer can be disconnected for nonpayment on the 26th day past the due date of the bill. Sixteen days after the due date of the bill, the electric company sends a notice that service will be disconnected in ten days if payment is not received. Municipal utilities and rural electric cooperatives are not required to follow these standards. You

will have to ask the utilities to provide you with their disconnection procedures.

Time Line for Disconnection of Electricity–Prepaid Service

New rules for prepaid electric service went into effect on June 1, 2011. When you have prepaid service you must pay before you use the electricity. You do not receive a monthly bill. As you use power, the cost of that power is deducted from your account. The REP will monitor the amount of money remaining. When it drops below a certain amount you will receive an electronic disconnection notice anywhere from one to seven days prior to disconnection. Disconnection notices for prepaid customers must be electronic.

Electric Utility Security Deposits

The PUC rules establish credit requirements for the provider of last resort and competitive REPs. The provider of last resort must allow a customer who does not meet other credit requirements to pay a security deposit. Competitive REPs set their own credit requirements and can refuse service to a customer if those credit requirements are not met. The REP has the option of allowing the customer to pay a security deposit to meet credit requirements.

The PUC’s customer protection rules place a cap on security deposits. The rules say a security deposit may not exceed the greater of 80 days (one fifth of average annual usage) or the next two months’ estimated bills.

Customers who qualify for LITE-UP TEXAS must be allowed to pay a security deposit over \$50.00 in two installments.

Security Deposit Waivers

Under the rules a **customer 65 years of age** or older that is not delinquent in payment of any electric service account meets credit requirements sufficient to avoid payment of a security deposit.

Another special provision is: “A residential customer may be deemed as having established satisfactory credit if the customer has been determined to be a **victim of family violence** as defined in the Texas Family Code §71.004, by a family violence center or by treating medical personnel. This determination shall be evidenced by submission of a certification letter

developed by the Texas Council on Family Violence. The certification letter may be submitted directly to the REP or POLR.”

A customer may also waive a security deposit if the customer is medically indigent. The criteria can be found in PUC Subst. R. Subchapter R §25.478(a)(3)(E). This is a standard based on income at or below 150% of the federal poverty guideline and inability to perform three activities of daily living (bathing, dressing, grooming, routine hair and skin care, meal preparation, feeding, exercising, toileting, transfer/ambulation, positioning, and range of motion).

Late Fees

A REP may not charge late fees on the bills of customers enrolled in the LITE-UP TEXAS program.

Filing a Complaint

Where you file a complaint depends on where you live.

In deregulated and regulated service areas file a complaint at the Public Utility Commission. PUC complaint filing information can be located on the PUC web site at www.puc.state.tx.us. You can call -- toll free at 1(888) 782-8477. In Austin the number is (512) 936-7120 (TTY 1-800-735-2988). You can also email customer@puc.state.tx.us to file a complaint. Whether you call or email the PUC, be sure to include information about disconnection notices and disconnection dates you have received from your electric provider. If you are being threatened with disconnection of service or if you believe your service was unfairly disconnected the PUC is the only authority that can intervene in your behalf.

The PUC is a resource even for complaints against electric cooperatives and municipal utilities. If a cooperative or municipal utility says it follows PUC rules the next logical step is to verify the standard set by the PUC rule. In addition, the PUC’s Office of Customer Protection tracks the number of calls received from individuals turned away because of lack of jurisdiction.

Complaints by electric cooperative customers should be written, addressed to the local electric cooperative office and copied to the board of directors. Most boards have an established regular meeting date (like the third Tuesday of every month) and will permit a member time to speak at the

end of the meeting. A listing of board members and meeting times should be available from the electric cooperative. If not, electric cooperative board information can be obtained by calling Texas Electric Cooperatives, an industry association based in Austin at (512) 454-0311.

The Texas Legislature has authority over rural electric cooperatives. If you are unhappy with your service or the handling of your complaint you should contact your state representative and state senator and ask them for their help in resolving you issue.

Municipal utilities should have established procedures for handling customer complaints. If there are no clear guidelines available write to the mayor and city council members and attend a city council meeting and ask for a decision.

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