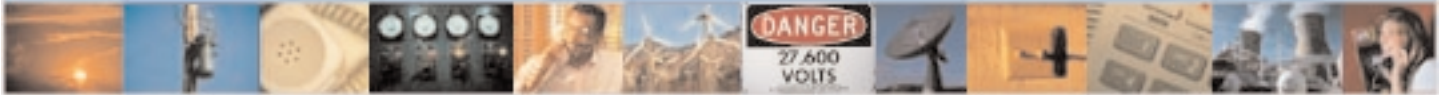




PUBLIC UTILITY CONNECTION



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AUGUST 2006

PUC limits summer electric cutoffs

Emergency rule helps low-income, critical care customers until October

The Public Utility Commission (PUC) approved an emergency rule on July 21, 2006 prohibiting disconnections to elderly low-income customers until Oct. 1, 2006 and expanding payment options to all low-income customers during the Texas summer.

“In the face of extremely hot temperatures, today’s decisive action helps protect our state’s most vulnerable electric customers,” said PUC Chairman Paul Hudson.

The emergency rule took effect immediately and contains three main components that strengthen existing prohibitions on disconnections:

- Electric providers are prohibited until Oct. 1 from disconnecting all critical care customers (customers in which a suspension of electric service will create a life-threatening situation). These customers will be required to pay at least 25 percent of their outstanding bill starting in October with the remainder due within five months.

- Electric providers are prohibited until Oct. 1 from disconnecting all low-income customers who are at least 65 years old. These customers will be required to pay at least 25 percent of their outstanding bill starting in October with the remainder due within five months.

- Low income customers under age 65 can prevent disconnection through September with a deferred plan requiring payment of no more than 25 percent of

their bill. The deferred amount would be due within five months.

Electric customers qualifying for the low-income plan have a household income at or below 125 percent of the federal poverty guidelines, or receive Medicaid or Food Stamps from a Texas state agency. Eligible customers are required to contact their electric providers to prevent disconnection. These customers will not be charged late fees on bills dated through Sept. 30.

The new rule applies to residential customers of retail electric providers in competitive areas and to residential customers of regulated investor-owned utilities. It does not apply to municipal electric utilities and electric cooperatives. However, the PUC encourages these providers to consider

See Rule, p. 2

From the Commissioners

Take active role in cutting electric costs

Dear Customer,

We urge you to take an active role in managing your costs for electricity. We want to emphasize this point because recent issues underscore our limited role in bringing you relief from rising costs.

Since retail electric competition began in 2002, the only reason a traditional provider can raise its price is if there is an increase in the market price of natural gas, the main fuel in Texas used to generate electricity. Unfortunately, the price of this fuel has more than tripled in the past several years.

However, there are two ways you

can reduce the effect of this increase. First, shop for a better value. By logging on to www.powertochoose.org and entering your ZIP code (customers without Internet access can call 1-866-797-4839 toll-free), you can shop for discounts as much as 10 to 20 percent lower than the Price-to-Beat depending on current offers. Second, you can take an active role in reducing your electricity usage and remain comfortable at the same time. Savings tips are available at www.puc.state.tx.us/conservation/index.cfm (or call toll-free at 1-888-PUC-TIPS).

You may have read, watched or

heard news reports about our recent order limiting electricity disconnections during the hot Texas summer until Oct. 1, 2006. More information is available in this newsletter. This action is designed to protect our state’s most vulnerable customers from losing electricity during the time of year it is most needed. However, this protection won’t prevent you from eventually having to pay for the electricity you use.

We urge you to use this protection as a tool to help manage your own budget. Contact your provider to arrange a payment plan that best fits your financial situation, one that has

See Take, p. 2



Hudson



Parsley



Smitherman

Police pitch in during National Night Out

Police departments in more than 44 cities across Texas assisted the Public Utility Commission's Texas Electric Choice Education campaign by distributing 150,000 brochures and other materials during the "23rd Annual National Night Out" (NNO) on Aug. 1.

The materials offered Electric Choice information and directed citizens to the Power To Choose Web site at www.powertochoose.org to assist them in comparing electric rates in their area. The materials also offered a toll-free telephone number to the Texas Power To Choose call center at 1-866-PWR-4-TEX (1-866-797-4839).

National Night Out is a unique crime/drug prevention event sponsored by the National Association of Town Watch (NATW).

According to NATW, last year's National Night Out campaign involved citizens, law enforcement agencies, civic groups, businesses, neighborhood organizations and local officials from more than 10,000 communities in all 50 states, U.S. territories, Canadian cities and military bases worldwide. In all, more than 34 million people participated in NNO 2005.



National Night Out is designed to:

- Heighten crime and drug prevention awareness;
- Generate support for, and participa-

tion in, local anti-crime programs;

- Strengthen neighborhood spirit and police-community partnerships; and
- Send a message to criminals letting them know that neighborhoods are organized and fighting back.

Along with the traditional display of outdoor lights and front porch vigils, cities, towns and neighborhoods "celebrate" NNO with a variety of events and activities such as block parties, cookouts, visits from local police and sheriff departments, parades, exhibits, flashlight walks, contests, and youth programs.

NNO has proven to be an effective, inexpensive and enjoyable program to promote neighborhood spirit and police-community partnerships in the fight for a safer nation.

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TEXAS ELECTRIC CHOICE

1-866-PWR-4-TEX (1-866-797-4839)

www.powertochoose.org

Rule aids low income, critical care customers

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adopting similar rules.

Current prohibitions on disconnections already include:

- Disconnection in extreme weather emergencies, including times when the National Weather Service issues a heat advisory
- Disconnection during weekends or holidays

- Disconnection to customers when the provider receives a notice pledging an energy assistance payment.

The complete rule, including a link to a guide of "Frequently Asked Questions" (FAQ) about the rule, along with other information for low-income customers, is available at

<http://www.puc.state.tx.us/ocp/assist/lowincasst.cfm>

Take advantage of tools to weather high bills

continued from p. 1

you paying as much as you can on an ongoing basis while avoiding an unmanageable balloon payment at the end of this year or early in 2007.

We are painfully aware of the rising energy costs facing you.

Please take advantage of all the available tools to weather the storm of higher electric bills.

Sincerely,

Paul Hudson, Chairman

Julie Parsley, Commissioner

Barry T. Smitherman, Commissioner



Do you have a telephone or electricity complaint?

To contact the PUC with a complaint:

Call: 1-888-782-8477

In Austin 512-936-7120

Se habla español

Fax: 512-936-7003

Write: Public Utility Commission
Customer Protection

P.O. Box 13326

Austin, TX 78711-3326

Web: www.puc.state.tx.us/ocp

What NOT to do to lower your summer electricity costs

Florida Solar Energy Center researcher Danny Parker wrote a study that revealed a dozen myths about money-saving home energy efficiency tips. Some of the **biggest energy efficiency misconceptions** are:

- **To cool down your home more quickly, crank the thermostat down.** Dead wrong, and perhaps the costliest conservation myth there is. Studies show that for every degree below 78 that you lower your thermostat, it will increase your cooling bill by ten percent and the average home electric bill by six percent. So keeping your setting on 72 degrees instead of 78 degrees will cost you dearly when the bill arrives.
- **Keeping ceiling fans on all summer will cut your cooling costs.** Doing this won't save you money unless you also raise your thermostat. Ceiling fans only make it feel cooler, and running them all the time uses more energy than it saves on cooling. Don't run ceiling fans in unoccupied rooms and turn them off when no one's at home.
- **Powered attic fans lower your electric bill.** In fact, motorized attic fans use more electricity than what they'd save by reducing your air conditioning load.

- **It doesn't matter what color your roof is.** You can actually lower the load on your AC system by up to 20 percent by using light-colored reflective roofing materials.
- **If you've got an older refrigerator that's still working, don't get rid of it.** Put it in the garage and you'll save a lot of money by buying groceries on sale and storing them there. **Not exactly.** You'll probably need to save at least \$150 each year on grocery sales to offset the cost of operating this second refrigerator. Most people would be ahead of the game if they just got rid of the old refrigerator and used the space in the garage for something else. Refrigerators more than seven years old are virtual "energy hogs" compared to the models on sale today. This is especially true for refrigerators inside your home – for every 3 kWh they use, you'll need another kWh in air conditioning to cut the heat they produce.

For more summer energy-saving ideas, check out the PUC's consumer fact sheet on how to optimize your electric service and cut your electric bill:

http://www.powertochoose.org/publications/pp_optimize.pdf

Texans can monitor status of electric grid

Texas electric customers have a new tool to use electricity more efficiently, lower their bills and reduce strain on the electric grid.

The Public Utility Commission (PUC) has launched PowerfulAdvice, which uses a color-coded system to alert Texans about current conditions on the Electric Reliability Council of Texas (ERCOT) grid. PowerfulAdvice can be accessed through the PUC's homepage www.puc.state.tx.us by clicking on the colored box at the bottom of the page displaying Today's Conservation Alert.

The web page also gives information about lowering electric bills through conservation and using electricity efficiently.

Texas No Call List Registration

Residential phone customers: You may add your name and phone number to the Texas No Call lists by using one of three methods:

1. **Online:** www.texasnocall.com. This is a free service.
2. **By Phone:** Call toll free 1-866-TXNOCAL (1-866-896-6225). An automated payment system is available 24/7. Payments may be made with MasterCard or Visa. Costs: \$2.25 for statewide list; \$2.55 for electric list.
3. **By Mail:** Ask for a registration form by calling the toll-free number (1-866-896-6225) or by downloading and printing a form from www.texasnocall.com. Payment may be made with MasterCard or Visa or by mailing a check or money order to TEXAS NO CALL, P.O. Box 313, East Walpole, MA 02032. Costs: \$2.25 for statewide list; \$2.55 for electric list.

GET THE FACTS!

The Public Utility Commission of Texas is committed to giving Texans accurate and complete information on a variety of telephone and electric topics. One of the ways the Commission does this is through the distribution of fact sheets by the Information and Education (I&E) section of the PUC's Customer Protection Division. These fact sheets offer a wealth of information on topics ranging from electric submetering to slamming. You may request fact sheets by calling us toll free at 1-888-782-8477 or you may find them in the PUC Publications section of the PUC Web site at www.puc.state.tx.us.



Four-day telethon events alert Texans about Electric Choice

Four evenings of PUC-sponsored, televised customer outreach events on June 12-15 produced exceptional results in alerting Texans about their right to choose their electric provider.

Conceived by Sherry Matthews Advocacy Marketing of Austin, the novel outreach programs were just one element in the agency's summer marketing campaign to promote Electric Choice.

The telethons involved a wide range of PUC and contractor staff, four local television stations from Dallas, Houston and the Rio Grande Valley, the cooperation of five separate State agencies and over 60 volunteers from PUC staff and their friends and families.

The goal of the customer education events was to drive viewers of the sponsoring stations' local newscasts to a temporary call center. Volunteer operators would direct them to the PUC's Power To Choose Web site or offer to send callers information on shopping for and selecting an electric provider and on saving money through conservation and efficiency measures.

In an effort to reduce production costs, the Customer Protection Division's Information & Education group explored converting the mothballed Texas Education Agency (TEA) television studio in the basement of the Travis Building into a makeshift call center. With TEA's blessing, tons of surplus furniture and other items were moved from the basement of the Travis Building to a remote TEA warehouse, clearing the room to create a working TV studio for the first time in three years.

With the help of the Department of Information Resources and assistance from the PUC's Electric Choice call center contractor, Harte-Hanks, over thirty new



PUC staff answer calls from Texas customers.

phone lines were installed in the studio. The PUC's toll-free customer education line was temporarily rerouted to the new call center and forwarded back to Harte-Hanks during non-telethon hours.

CPD Director Mike Renfro personally recruited the majority of volunteer operators, who wore red "Texas Electric Choice" and "Poder De Escoger" t-shirts during the events.

Especially gratifying was the participation of PUC staff from outside CPD, including many bilingual staff who were invaluable during June 14th's Spanish-language telethon sponsored by Dallas' KUNV Univision affiliate.

Several PUC employees stepped up to the plate and participated in on-air and recorded interviews with the news reporters from sponsoring stations. Commissioner Barry T. Smitherman was interviewed by reporter Mary Benton from Houston station KPRC on June 12 and again on June 15 by KRGV morning anchor and investigative reporter Will Ripley.

PUC Spokesman Terry Hadley was interviewed on June 13 by Steve Noviello from Dallas' Fox affiliate, KDFW, while Electric Industry Oversight Director Jess Totten answered questions by KUVN Univision Dallas reporter Alexis Brito during the June 14 Spanish-language telethon.

Telethon Successes

The temporary call center answered 5,502 calls, an average of 1,376 a night, during the telethons, compared to an average weekday volume of 518 during March – May at the PUC's Electric Choice call center. Peak calls answered were 1,919 on June 13.

...

During the June 14 Univision telethon, the bank of 30 phones was far too small for the high volume of calls from Spanish speakers in Dallas-Fort Worth; over 5,500 calls didn't reach an operator due to insufficient lines.

...

Hits to the PUC's Texas Electric Choice home page rose 33%, from 28,371 for Monday-Thursday June 6-9 to 37,797 during the four days of the telethon.

...

Hits to the Spanish-language Poder De Escoger site home page rose nearly five-fold on the day of the Univision newscasts, from 172 hits to 798.

...

2,267 information packets on electric choice and conservation/efficiency measures were distributed at callers' requests.

...

Downloads of educational materials from the Power To Choose and Poder De Escoger Web sites jumped 38% during the week of the telethons from the previous week. 3,720 total downloads occurred from June 12-16, with downloads from the Spanish-language site nearly tripling from their average daily rate on the day of the Univision-sponsored telethon.

...

In concert with the other elements of the PUC's summer customer education campaign, the telethons spurred more Texans to phone in to the Electric Choice call center for information. The call center received an average of 729 calls per weekday for the month of June 2006 compared to an average daily call volume of 554 during June 2005, an increase of almost 32 percent.

...

Based on the success of these novel outreach events, the PUC hopes to include more telethons as part of its 2007 customer education efforts.