



PUBLIC UTILITY CONNECTION



VOLUME 11, ISSUE 1

AUGUST 2009

Customers to benefit from new rules

This spring, the PUC adopted several new rules that will enhance customer protections in the retail electric market.

Following last year's sudden exit of five retail providers from the market, the PUC considered and approved revisions to the retail electric provider (REP) certification rules as well as the provider of last resort (POLR) rules. In addition, REP disclosure rules have been amended and the time it takes to complete a retail switch has been reduced from a maximum of 45 days to seven business days.

Under the new certification rules, companies wishing to offer service in Texas' retail electric market will have to have considerably more capital than under the previous rule. Instead of the

previous minimum capital requirement of \$100,000, companies seeking REP certification will require shareholder equity of at least \$1 million, net of assets pledged to secure a required half million dollar irrevocable letter of credit payable to the Commission. REPs will be required to maintain that level of shareholder equity after any distributions for two years after the REP is certified by the PUC. REPs serving load on or before January 1, 2009 won't have to comply with the new shareholder equity requirement but will have to post the letter of credit if the REP or its guarantor is not investment grade or does



not have a tangible net worth of at least \$100 million.

The new rules also require REPs to provide more detailed and frequent financial reports to the PUC and to have stronger technical and management experience on their executive teams.

The new certification rules will also require REPs to place customer deposits and advance payments (such as for prepaid service customers) in escrow or segregated accounts or, alternatively, provide an irrevocable letter of credit that covers 100% of the REP's customer deposits and/or advance payments.

The POLR rule was modified to improve three important components of the process: (1) notification to the customer when being transferred to the

See PUC cuts, page 2

From the Commissioners

Summer brings low rates, good supply

Dear customer,

We're well into the summer months with positive signs on the electricity front. Prices are lower than last year, and the supply of reserve margin power is the highest it's been in several years.

If you switched providers in the past several months, you're almost certainly facing lower electricity rates.

We're still seeing some offers below 10 cents a kilowatt-hour (kWh), or less than \$100 a month

based on 1,000 kWh.

At the same time a healthy demand for electricity encouraged power plant development, and in recent months we've seen several new projects go online. Three years ago we were looking at a potential electricity supply shortage. Since then the market has responded, and today we have a healthy cushion of reserve power.

The primary grid operator for the state, ERCOT, now reports an adequate supply of power through

the year 2014. Included in this supply is an unprecedented development of clean wind power and the first steps to add more nuclear energy at a pace faster than the rest of the country.

Our competitive market is more adaptable than one designed for a monopoly. That's why it pays for you to maintain on continuous watch, not only on prices but on factors such as the weather. Our dependence on air conditioning

See Check, page 2



Smitherman



Nelson



Anderson

PUC cuts time for electric provider switch

(continued from page 1)

POLR (2) ability for customers who want to leave the POLR to switch for free for up to 60 days and (3) better pricing and deposit options for customers. Finally, a deposit waiver was added for the most vulnerable low-income customers caught in a mass transition.

The Commission also dramatically shortened the time it takes for a customer to switch electric providers to a maximum of seven business days. Under the previous rules, it could take as long as 45 days to complete a retail switch. This rule change eliminates the need for customers to request an out-of-cycle meter read in order to quickly switch providers and take advantage of a lower rate plan.

The last major rulemaking amended the Commission's REP disclosure rules. Under the new rules, retail offers will have to fall into one of three rate categories: fixed rate

(where the energy rate may not change during the term of a contract), indexed rate (tied to a benchmark so that customers may easily see what their rates will be as the benchmarks change), and variable rate. REPs may no longer claim that a rate is fixed for a month-to-month product; a fixed rate offer must now be at least three months long.

Customers on fixed rate plans must now be notified in advance of their contract expiration date that it's time to start shopping for a new plan. Under the previous rules, the terms of service for a fixed rate plan could lead to an automatic renewal on a more-expensive, month-to-month plan until the customer affirmatively switched to another plan or provider. Now fixed rate customers will have enough notice to select a new plan and avoid the rate shock that many customers experienced when their plans rolled over to a variable rate service plan.

Check and report tree limbs near lines to prevent outages

(continued from page 1)

causes us to use more electricity during the summer, and for the next few months the National Weather Service predicts higher than normal temperatures in Texas.

Some areas of the state experienced a string of 100-degree days in mid-June and early July. A sharp increase in electricity use could negate any price savings you might enjoy over last year. You can reduce your usage and find savings by following the energy efficiency tips published in this newsletter.

The weather is always a concern in Texas. No one knows that more than last year's victims of Hurricanes Dolly and Ike. For many, the recovery process continues. More recently some 830,000 customers in the Oncor service area in and around the Dallas-Fort Worth Metroplex experienced outages after being hit with rain, wind and tornadoes.

Reminding you of these storms is helpful so you can check your property and neighborhood to see if any tree-trimming is needed to help protect power lines from potential damage. We realize no one likes to cut down healthy trees, but it's the most cost-effective way you can avoid future outages. Often this can be done free of charge by contacting your utility. No one in Texas is immune from the threat of storm-related power outages.

Take a few minutes to consider some changes you might make to reduce your electricity use and protect your home from threatening weather. And if you're still looking for a lower rate, check out www.powertochoose.org. The extra savings and peace of mind will make for a more enjoyable summer.

Sincerely,
Barry T. Smitherman, Chairman
Donna L. Nelson, Commissioner
Kenneth W. Anderson, Jr., Commissioner

Public Utility Commission

Customer Protection Division
Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711-3326

Editor: Henry Garza

Contributors: Henry Garza,
Kimberley Gilbertson, Terry Hadley,
Steve Hudson

Publication design: Henry Garza

For a free online subscription to this newsletter, please visit:

www.puclist.puc.state.tx.us/scripts/pucsubscribe.asp

Phone: 512-936-7000

Fax: 512-936-7003

TTY: 512-936-7136

E-mail: publications@puc.state.tx.us

Questions or Complaints:

1-888-782-8477

Website: www.puc.state.tx.us

TEXAS ELECTRIC CHOICE

1-866-PWR-4-TEX

(1-866-797-4839)

www.powertochoose.org

NAGC gives PUC Award of Excellence for hand fan design

The Public Utility Commission was recently honored by the National Association of Government Communicators (NAGC) with a 2009 Blue Pencil & Gold Screen Award of Excellence for our “Thermostat” Hand Fan. Shaped like a programmable thermostat, the fans feature the message “Not a fan of high electric bills?” and highlight the “Shop. Switch. Save.” message that corresponds to the PowerToChoose.org Website.

The fans have been a hit at Independence Day and National Night Out events all over the state for the last four summers. Last year more than 122,000 “brochures on a stick” were passed out at various community-wide festivities. So far, 100,000 fans have

been requested at 18 different summer events in 10 cities, including the Farmers Branch Baseball Association and Independence Day Celebration, Duncanville Stars, Stripes, and Sports Festival, Plano All American Fourth, Midland Mex-Tex Fiesta, and the Waxahachie Crepe Myrtle Festival.

This is the fourth major distinction for the Texas Electric Choice campaign since its inception in 2002.

The PUC won silver and bronze Addys for its public service announcements in 2002 and 2006 and the top 2008 Blue Pencil & Gold Screen Award for the “Official Guide to Electric Choice” brochure on electric deregulation and how to shop for a retail electric provider.



Things families can do to reduce energy use

Summer's hot weather can bring an increase in energy use. Below are some tips to help you reduce your energy bills and help the environment at the same time.

- Replace all incandescent bulbs with compact fluorescent bulbs.
- Set your thermostat at 78 degrees or higher. Each degree below 78 degrees can increase your energy consumption 6 to 8%.
- Replace air conditioning/heating filters regularly with a filter that has a MERV II rating or higher.
- Always choose Energy Star-labeled appliances.
- Improve your roof by installing light-colored, durable materials and by adding insulation.
- Only run dishwashers and clothes washers when fully loaded.
- Install weather stripping, and seal cracks around windows and other wall penetrations.
- Lower the thermostat on your water heater.
- Except for refrigerators and freezers that keep food cold, unplug appliances when they are not being used.
- Utilize programmable thermostats.

PUC updates, expands consumer factsheets

As we reported in the last issue of the PUC Connection, the Information and Education (I&E) section of the Customer Protection Division has recently updated all of the Consumer Fact Sheets that we offer to electric and telecommunications customers. This effort included not only updating facts and figures on our regular sheets but also adding new sheets to expand our subject list and keep our customers knowledgeable about current industry topics.

Additionally, we have been making sure that the sheets posted on the PUC's Website are accessible to all audiences, including people with visual impairments. Before sheets are posted to the Website, the IT Department confirms their accessibility through a variety of validation software. The PUC continues its agency-wide effort to increase Website accessibility for all of our customers.

A PUBLICATION OF THE PUBLIC UTILITY COMMISSION OF TEXAS

CUSTOMER FACT SHEET

Caller ID

Caller Identification ("Caller ID") allows most phone numbers and the names of persons calling to be directly displayed on either the telephone screen or the screen of a separate display unit. Caller ID is available in all 50 states but may not be available in all areas of every state. If you are not sure if your area has Caller ID, contact your local phone company.

How does Caller ID work?
In order to use Caller ID, you must subscribe to the service through your local phone company. Use a telephone that includes a display screen, or purchase a separate display unit. Caller information is displayed on the screen upon receiving a call. However, caller information may not always be displayed. Instead, you may read "out of area," "person call," "unavailable," or "anonymous."

What does this service cost?
Caller ID is typically an optional service offered for an additional monthly fee. Fees vary by phone company. Call your local telephone service provider to find out the cost of this service. Federal law does not allow the Public Utility Commission (PUC) to regulate the price of Caller ID.

What if I don't want to be identified?
To protect personal privacy, the Federal Communications Commission (FCC) rules require telephone companies to offer a free blocking service to all customers who have the Caller ID option and who live in an area where it is available. Blocking prevents the display of your name and number. You are able to block at second calls (Pre-Call Blocking) or all calls (Per-Line Blocking).

Pre-Call Blocking:
Press *67 (1887 on a rotary phone) before dialing the phone number. The person receiving this call will see the word "anonymous" or "private" on the Caller ID screen.

Per-Line Blocking:
You can have your connecting number blocked from all calls to that number. To activate this service, you must make work calls to that number. If you wish to activate this service, you must press *82 (1887 on a rotary phone) to activate your line.

What are the limitations?
Anonymous phone line does not work for all calls. Call your local telephone service provider to find out the cost of this service.

What if I don't want to be identified?
To protect personal privacy, the Federal Communications Commission (FCC) rules require telephone companies to offer a free blocking service to all customers who have the Caller ID option and who live in an area where it is available. Blocking prevents the display of your name and number. You are able to block at second calls (Pre-Call Blocking) or all calls (Per-Line Blocking).

Per-Call Blocking:
Press *67 (1887 on a rotary phone) before dialing the phone number. The person receiving this call will see the word "anonymous" or "private" on the Caller ID screen.

Let Us Assist You
QUESTIONS: Call: 1-888-782-8477, in Austin 512-936-7130 (TTY) 512-936-7130
Visit: www.puc.state.tx.us
Email: customer@puc.state.tx.us

COMPLAINTS: Call: 1-888-782-8477, in Austin 512-936-7130 (TTY) 512-936-7130
Write: PUC, Customer Assistance, Austin, TX 78701
Fax: 512-936-7025

A PUBLICATION OF THE PUBLIC UTILITY COMMISSION OF TEXAS

CUSTOMER FACT SHEET

Electric Payment Assistance Programs

There are many electric payment assistance programs that serve low-income and victims of family violence customers. If you qualify for federal aid and are having difficulty paying for your electric service or cannot afford the service deposit, check into the following programs.

Low-Income Electric Discount Program
The Low-Income Electric Discount Program (LITE-UP Texas) provides a discount on electric rates to qualified low-income customers who live in deregulated areas and can choose their own Retail Electric Provider (REP). The program is funded for five months in 2009 and will provide discounts to eligible customers in the following billing months: May, June, July, August, and September. The amount of the discount may change depending on funding availability. Contact your REP or log on to www.puc.state.tx.us/electric/projects/24116/24116.cfm and then click on the Low-Income Discount Rates link to view the current discount rates. You may automatically be enrolled in the discount program if you are already receiving certain Health and Human Services Commission benefits, such as Food Stamps and Medicaid. You may also qualify for the discount if your total household income is at or below 125% of the federal poverty guidelines. Call toll free at 1-866-624-8968 for an application or more information on the LITE-UP Texas program.

Other Low-Income Services
• **Payment Assistance Funds** - Your Retail Electric Provider may have funds to assist you in times of need. If you can not pay your bill, contact them immediately.
• **Average Payment Plan** - All Retail Electric Providers must offer customers average payment plans that allow them to pay a similar amount every month. Certain conditions may apply.

Bill Deadline Extension - If you cannot pay your electric bill on time, contact your Retail Electric Provider immediately and ask for an extension on your due date.
• **Deferred Payment Plan** - Your Retail Electric Provider may offer a deferred payment plan that will stretch out your payments over a period of time.

Victims of Family Violence
If you are a victim of family violence, you are eligible to have your electric service deposit waived. To qualify as a victim of family violence, you will need to provide a Texas Council on Family Violence deposit waiver certification letter (www.tcfv.org/policy/forms-and-information). The letter must be filled out by family violence center personnel, treating medical personnel, law enforcement personnel, a Texas District Attorney or County Attorney, Office of the Attorney General personnel, or a guardian of the Texas Equal Access to Justice Foundation. The letter must be submitted directly to the Retail Electric Provider using the REP's toll-free FAX number. A copy of the deposit waiver certification letter can also be obtained on our Web site at www.puc.state.tx.us/ocp/assist/lowincast.cfm.

2009 Federal Poverty Guidelines

Number in Household	Annual Income - 125% of Federal Poverty Level
1	\$13,586
2	\$18,213
3	\$22,888
4	\$27,563
5	\$32,238
6	\$36,913
7	\$41,588
8	\$46,263
Each additional add	\$4,675

Let Us Assist You
QUESTIONS: Call: 1-888-782-8477, in Austin 512-936-7130 (TTY) 512-936-7130
Visit: www.puc.state.tx.us
Email: customer@puc.state.tx.us

COMPLAINTS: Call: 1-888-782-8477, in Austin 512-936-7130 (TTY) 512-936-7130
Write: PUC - Customer Protection, P.O. Box 13326, Austin, TX 78711-3326
Fax: 512-936-7025 Online: www.puc.state.tx.us/ocp

Governor's Division of Emergency Management

Hurricane Preparedness Guidelines Preparing for Hurricane Season: June 1-Nov. 30

Residents of Texas Gulf Coast **EVACUATION ZONES** should **BEGIN NOW** by making an evacuation plan, preparing an emergency kit and learning evacuation routes well in advance.



If you have special health care needs, register by dialing 2-1-1:
Gulf coast residents with special health care needs (including those who are disabled or medically fragile) who live in evacuation zones and do not have friends or family to help in an evacuation should register for assisted transportation in advance by dialing **2-1-1**. The **2-1-1** transportation assistance registry must be dialed **IN ADVANCE**. Do not wait until a storm is in the Gulf to register for assistance.

If you need transportation, register with 2-1-1:
If you do not have a car or other vehicle, and you cannot get a ride with friends, neighbors or family, register **IN ADVANCE** for assisted transportation by dialing **2-1-1**.

Evacuation zone information:
If you are interested in registering and you want to find out if you are living in an evacuation zone, dial **2-1-1**.

Hurricane Preparedness tips on the web:
Governor's Division of Emergency Management Web Site: www.txdps.state.tx.us/dem
FEMA Web Site: www.Ready.gov Red Cross Web Site: www.redcross.org

Gulf Coast to get hurricane guidelines in mail

Governor Rick Perry's Division of Emergency Management has issued guidelines for the upcoming hurricane season June 1 - Nov. 30.

The guidelines are for residents of the Texas Gulf Coast and will be included in telephone and electric

bills mailed out June through November.

Perry believes the information is so important that he asked that it be sent out in English and Spanish to maximize the usefulness of the bill inserts.

Statewide "No Call List"

Residential telephone customers: You may now add your name, address and residential and wireless number to the statewide "No Call List" by using one of three methods.

Online: Go to www.texasnocall.com for free instant registration. Use this easy, automated method to expedite your registration. The site is available 24 hours a day, 7 days a week, 365 days a year.

Phone: To register by phone, call toll free 1-866-TXNOCAL(L) (1-866-896-6225). There is a \$2.25 registration charge for each phone number to be included in this list. Payment may be made by MasterCard or Visa.

Mail: To register by mail, use the Residential Registration form, or request a Registration form by calling toll-free 1-866-TXNOCAL(L) (1-866-896-6225). There is a \$2.25 registration charge for each phone number to be included in this list. Payment may be made by MasterCard or Visa. Send form with payment (credit card, or check or money order paid to Texas No Call) to: TEXAS NO CALL, P.O. Box 313, East Walpole, MA 02032.