

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS

Subchapter R. CUSTOMER PROTECTION RULES FOR RETAIL ELECTRIC SERVICE.

§25.477. Refusal of Electric Service.

- (a) **Acceptable reasons to refuse electric service.** A retail electric provider (REP) may refuse to provide electric service to an applicant or customer for one or more of the reasons specified in this subsection:
- (1) **Customer's or applicant's inadequate facilities.** The customer's or applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given, or the customer's or applicant's facilities do not comply with all applicable state and municipal regulations.
 - (2) **Use of prohibited equipment or attachments.** The customer or applicant fails to comply with the transmission and distribution utility's, municipally owned utility's, or electric cooperative's tariff pertaining to operation of nonstandard equipment or unauthorized attachments that interfere with the service of others.
 - (3) **Intent to deceive.** The applicant applies for service at a location where another customer received, or continues to receive, service and the REP can reasonably demonstrate that the change of account holder and billing name is made to avoid or evade payment of a bill owed to the REP.
 - (4) **For indebtedness.** The applicant or customer owes a bona fide debt to the REP for electric service. An affiliated REP or provider of last resort (POLR) shall offer the applicant or customer an opportunity to pay the outstanding debt to receive service. In the event the applicant's or customer's indebtedness is in dispute, the applicant or customer shall be provided service upon paying the undisputed debt amount and a deposit pursuant to §25.478 of this title (relating to Credit Requirements and Deposits).
 - (5) **Failure to pay guarantee.** An applicant or customer has acted as a guarantor for another applicant or customer and failed to pay the guaranteed amount, where such guarantee was made in writing and was a condition of service.
 - (6) **Failure to comply with credit requirements.** The applicant or customer fails to comply with the credit and deposit requirements set forth in §25.478 of this title.
 - (7) **Other acceptable reasons to refuse electric service.** In addition to the reasons specified in paragraphs (1) – (6) of this subsection, a REP other than the affiliated REP or POLR may refuse to provide electric service to an applicant or customer for any other reason that is not otherwise discriminatory pursuant to §25.471(c) of this title (relating to General Provisions of Customer Protection Rules).
- (b) **Insufficient grounds for refusal to serve.** The following reasons are not sufficient cause for refusal of service to an applicant or customer by a REP:
- (1) delinquency in payment for electric service by a previous occupant of the premises to be served;
 - (2) failure to pay for any charge that is not related to electric service, including a competitive energy service, merchandise, or other services that are optional and are not included in electric service;
 - (3) failure to pay a bill that includes more than the allowed six months of underbilling, unless the underbilling is the result of theft of service; and
 - (4) failure to pay the unpaid bill of another customer for usage incurred at the same address, except where the REP has reasonable and specific grounds to believe that the applicant or customer that currently receives service has applied for service to avoid or evade payment of a bill issued to a current occupant of the same address.

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- (c) **Disclosure upon refusal of service.**
- (1) A REP that denies electric service to an applicant or customer shall inform the applicant or customer of the reason for the denial. Upon the applicant's or customer's request, this disclosure shall be furnished in writing to the applicant or customer. This disclosure may be combined with any disclosures required by applicable federal or state law, such as the Equal Credit Opportunity Act (15 U.S.C. §1691(d), et seq.) or the Fair Credit Reporting Act (15 U.S.C. §1681(m), et seq.).
 - (2) A written disclosure is not required when the REP notifies the applicant or customer verbally that the applicant's or customer's premise is not located in a geographic area served by REP, does not have the type of usage characteristics served by the REP, or is not part of a customer class served by the REP.
 - (3) Specifically, the REP shall inform the applicant or customer:
 - (A) of the specific reasons for the refusal of service;
 - (B) that the applicant or customer may be eligible for service if the applicant or customer remedies the reasons for refusal and complies with the REP's terms and conditions of service;
 - (C) that the REP cannot refuse service based on the prohibited grounds set forth in §25.471(c) of this title;
 - (D) that an applicant or customer who is dissatisfied may submit a complaint with the commission pursuant to §25.485 of this title (relating to Customer Access and Complaint Handling); and
 - (E) of the possible availability or existence of other providers and the toll-free telephone number designated by the commission to allow the applicant or customer to contact the available REPs.
- (d) This section is effective June 1, 2004.