

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter R. CUSTOMER PROTECTION RULES FOR RETAIL ELECTRIC SERVICE.

§25.498. Retail Electric Service Using a Customer Prepayment Device or System.

- (a) **Application.** This section applies to a retail electric provider (REP) that offers prepaid service using a customer prepayment device or system with prepayment capabilities consistent with this section.
- (1) If a REP meets the requirements of this section, its prepaid service using a customer prepayment devices or system is exempt from the following requirements:
- (A) §25.479(b) of this title (relating to Issuance and Format of Bills);
 - (B) §25.479(c)(1) of this title; and
 - (C) §25.480(b), (h), (i), (j), and (k) of this title (relating to Bill Payment and Adjustments).
- (2) If a REP meets the requirements of this section, interruption of a customer's electric service is exempt from the requirements of §25.483 of this title (relating to Disconnection of Service), except for subsections (b)(2)(A) and (B), (d) and (e) of that section.
- (b) **Definitions.**
- (1) Customer Prepayment Device or System (CPDS) – a device or technology owned by a REP that is used to support prepayment services consistent with this section.
- (2) Interruption of service – the cessation of retail electric service through the use of a CPDS.
- (c) **Minimum requirements for retail electric service using a customer prepayment device or system.**
- (1) A REP shall file with the commission a statement of intent to provide retail electric services using a CPDS prior to offering such services and provide a copy of the statement of intent to the Office of Public Utility Counsel. The statement of intent shall include a general description of its CPDS, its initial Electricity Facts Label (EFL), Terms of Service (TOS), and Disclosure Document as described in subsection (d) of this section. The commission may maintain a list of REPs who have noticed their intent to provide prepaid services pursuant to this rule.
- (2) A CPDS device may either be a meter with prepayment capabilities that is owned or controlled by a REP and installed on the customer's side of the transmission and distribution utility (TDU) meter or a device or a system that can obtain usage information from advanced meter so that the customer's electric service may be interrupted if the customer's prepayment is exhausted, and interruption of electric service is not prohibited under this section. A CPDS that includes a meter installed on the customer's side of the TDU meter shall conform to the requirements and standards specified in §25.121(e) of this title (relating to Meter Requirements), §25.122 of this title (relating to Meter Records), and section 4.7.3 of the tariff for retail electric delivery service (relating to Meter Testing). A CPDS may be capable of performing other functions than those required by this section.
- (3) A TDU may, at its option and upon payment of the appropriate charges, install CPDS equipment, including but not limited to, meter adapters and collars, on the customer's side of the point of delivery, and such installation shall not constitute the provision of a competitive energy service as that term is defined in §25.341(3) of this title (relating to Definitions).
- (4) A CPDS, including any associated communication equipment, shall not cause harmful interference with the operation of the TDU meter or equipment, or the performance of any of the services of the TDU. If a CPDS is incorrectly installed or interferes with the TDU meter or equipment, or TDU services, the CPDS shall be promptly corrected or removed.
- (5) A REP shall not deploy a CPDS that has not been successfully installed in at least 500 residences in North America, Australia, Japan, or Western Europe. Upgrades to existing CPDS or other equipment used as part of prepayment service are not subject to this requirement. No CPDS that violates the test calibration limits as set by the American

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National Standards Institute, Incorporated shall be placed in service or left in service. Whenever a test indicates a CPDS violates these limits, the CPDS shall promptly be replaced or made to comply with these limits.

- (6) Prepaid retail electric service shall include a means by which the REP may communicate the information required by this subsection to the customer, such as, but not limited to, a customer information unit in the customer's premises, email, telephone, or mobile phone communications or other electronic communications as described in the REP's terms of service. If a REP offers multiple means by which it communicates information required by this subsection to the customer, it shall allow the customer to choose the means by which the customer receives communication.
- (7) Prepaid retail electric service shall include a means by which the customer may make payments for service at the customer's premises by phone, internet, or other means that can be accomplished in the premises, or at a location near the customer's premises. The payment mechanism may include a requirement that a customer who has made a payment to subsequently verify the payment using a card, code, or other similar method.
- (8) A REP offering retail electric service using a CPDS shall:
 - (A) allow a customer to prepay a REP for electric service;
 - (B) communicate to the customer the customer's current balance, time and date, electricity rate, and estimated time or days of paid electricity remaining;
 - (C) communicate to the customer the name of the REP and the REP's toll-free customer service telephone number;
 - (D) communicate a warning to the customer at an event trigger explained in the customer's TOS and Disclosure Document, at least three days and not more than seven days before a customer's prepaid balance is estimated to drop to zero or at a dollar amount specified in the TOS;
 - (E) when a customer makes a payment, provide in writing, a receipt or confirmation of payment or confirmation code that includes the customer's account number, or (ESI ID), payment amount, and itemization of any charges in addition to the prepayment or provide a confirmation code that will permit the customer to access such information; and, if applicable, a statement in writing that indicates that the customer is receiving the LITE-UP Discount pursuant to §25.454 of this title (relating to Rate Reduction Program); and
 - (F) ensure that the CPDS can be removed or switched into bypass mode for customers who choose a different REP or an electric service that does not require prepayment. When a REP receives advance notice that a customer using a CPDS has chosen a new provider, the REP must remove or switch the device into bypass mode on a schedule that is consistent with the effective date stated on the ERCOT enrollment transaction and the rules or guidelines for processing such transactions.
- (9) The communication provided under paragraph (8)(B) of this subsection shall either be available to the customer continuously, or the information to the customer by the REP shall be provided within two hours of the request. Nothing in this subsection precludes a customer from receiving a payment and usage summary, in accordance with subsection (f) of this section.
- (10) The communications required under this subsection shall be available in English or Spanish, at the customer's election.
- (11) A REP shall cooperate with energy assistance agencies to facilitate the provision of energy assistance payments to requesting, eligible customers.

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- (12) The following provisions apply to a REP providing prepay service using a CPDS except for service provided pursuant to §25.142 of this title (relating to Submetering for Apartments, Condominiums, and Mobile Home Parks). A REP shall not:
 - (A) tie the duration of an electric service contract to the duration of a tenant's lease;
 - (B) require that a tenant select the REP as a condition of a lease;
 - (C) allow the property owner or owner's agent designated as the customer of record to disconnect service or request disconnection of prepaid service provided to the prepay customer, except as provided in §25.483(d) of this title;
 - (D) require a minimum prepayment transaction amount by a customer; and
 - (E) collect security deposits pursuant to §25.478 of this title (relating to Credit Requirements and Deposits). A REP, however, may collect an equipment deposit to ensure the return of equipment that is within the control of the customer.
 - (13) A REP providing electric service using a CPDS shall not charge a customer any fees for the cancellation of service, company removal of equipment or any other purpose when the customer switches to another REP or otherwise discontinues taking prepaid electric service.
- (d) **Disclosures.** In addition to the other disclosures required by this title, REPs shall provide customers a Disclosure Statement that notifies customers of the nature of the service, and shall provide customers a copy of the disclosure signed by the person taking prepaid service, or if the person taking prepaid service is a tenant in a residential property in which the property manager is acting as an agent of the REP, a copy of the disclosure signed by both the person taking prepaid service and the property owner or property owner's agent. The Disclosure Statement:
- (1) shall be, at a minimum, written in 12-point font;
 - (2) shall be prominently displayed in the property management office of any single location at which the REP is offering service to multiple tenants and the landlord or property manager is acting as an agent of the REP;
 - (3) shall prominently state that the continuation of service depends on the customer prepaying for service on a timely basis and that if the customer's prepayment balance is exhausted, the customer's service may be interrupted;
 - (4) shall provide notice to the customer that he or she has the right to choose an electric service that does not require prepayment;
 - (5) shall inform the customer:
 - (A) the amount and terms and conditions of any equipment deposits that may apply;
 - (B) the acceptable form(s) of payment, payment location(s) and hours, and instructions on how to make payments;
 - (C) how service can be interrupted and the consequences of interruption;
 - (D) of the waiver provision for service to critical care and seriously ill customers;
 - (E) the availability of and payments related to deferred payment plans; and
 - (F) the availability of energy bill payment assistance.
- (e) **Notice of customer names of record; notification and obligations.** A REP offering retail electric service using a CPDS may designate a property owner or the owner's agent as the customer of record for the purpose of transactions with the Electric Reliability Council of Texas (ERCOT) and the TDU.
- (1) For each electric service identifier (ESI ID) at which a REP chooses to designate a property owner or the owner's agent as the customer of record, the REP shall provide the TDU the name, service and mailing addresses, and (ESI ID) of each end-use customer taking prepaid service with such a device, and keep that information updated as required in the TDU Tariff for Retail Delivery Service.

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- (2) The REP shall treat each end-use customer taking prepaid service with a CPDS as a customer for purposes of this subchapter, including §25.471 of this title (relating to General Provisions of Customer Protection Rules). Nothing in this subsection affects a REP's responsibility to provide customer billing contact information to ERCOT in the format required by ERCOT.
- (f) **Payment and Usage Summary.**
- (1) REPs providing retail electric service using a CPDS are not required to issue traditional bills or invoices to their customers. A REP using a CPDS shall issue a payment and usage summary of electric charges to each prepaid electric service customer upon request. A summary of electric charges shall be in writing and delivered by the REP's employee or agent or by the United States Postal Service; or, if the customer agrees in writing, by an electronic means of communications that provides a durable record of the summary.
- (2) A summary of electric charges shall include the following information:
- (A) The certified name and address of the REP and the number of the license issued to the REP by the commission;
- (B) A toll-free telephone number, in bold-face type, that the customer can call during specified hours for inquires and to make complaints to the REP about the summary of electric charges;
- (C) The name, account number or ESI ID of the customer, and the service address of the customer;
- (D) The dates and amounts of payments made during the period covered by the summary;
- (E) A summary of the customer's consumption during the period covered by the summary;
- (F) Unless another time period is requested by the customer, the payment and usage data for 12 months, if available.
- (3) A REP shall maintain records necessary to produce a summary of electric charges for the most recent 24 months.
- (4) Pursuant to §25.472(b)(1)(D) of this title (relating to Privacy of Customer Information), within one business day of receiving a request from a customer or an energy assistance agency, a REP providing retail electric service using a CPDS shall provide a summary of electric charges showing a customer's electric payments and usage for the lesser of the duration of the customer's service with the REP, or one year. This information shall be provided free of charge to an energy assistance agency.
- (g) **Deferred payment plans.** A deferred payment plan for a customer taking prepaid service using a CPDS is an agreement between the REP and a customer that allows a customer to pay a deficit balance of \$50 or larger that may have accrued on an account, -in installments. A deferred payment plan may be established in person or by telephone, but shall be confirmed in writing by the REP.
- (1) A REP shall offer a deferred payment plan to customers, upon request, whose prepaid account balance is exhausted during an extreme weather emergency, in accordance with paragraph (5) of this subsection.
- (2) A REP shall offer a deferred payment plan to a customer who has been underbilled, as described in §25.480(e) of this title in accordance with paragraph (5) of this subsection.
- (3) For customers who have expressed an inability to pay, a REP may offer a deferred payment plan. Such a plan is not subject to paragraph (5) of this subsection.

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- (4) A REP shall not refuse a customer's participation in any deferred payment plan on any basis set forth in §25.471(c) of this title.
 - (5) A deferred payment plan required by this subsection shall provide that any deferred payment shall be paid in installments. A REP may require that no more than 25% of each transaction amount be applied towards the deferred payment plan.
 - (6) A copy of the deferred payment plan shall be provided to the customer and:
 - (A) shall include a statement, in clear and conspicuous type, that states, "If you are not satisfied with this agreement, or if the agreement was made by telephone and you believe this does not reflect your understanding of that agreement, contact (insert name of REP)." In addition, where the customer and the REP's representative or agent meet in person, the representative shall read the preceding statement to the customer;
 - (B) may include a penalty not to exceed 5.0% for late payment, but shall not include a finance charge;
 - (C) shall state the percentage of each transaction that will be applied towards the plan;
 - (D) shall state the total amount to be paid under the plan;
 - (E) shall state that a customer's electric service will be interrupted if the customer does not fulfill the terms of the deferred payment plan, and;
 - (F) shall allow either the customer or the REP to initiate a renegotiation of the deferred payment plan if the customer's economic or financial circumstances change substantially during the time of the deferred payment plan.
 - (7) A REP providing prepay electric service using a CPDS may pursue disconnection of service if a customer does not meet the terms of a deferred payment plan. However, service shall not be disconnected until appropriate notice has been issued, pursuant to §25.483(c)(1) of this title, notifying the customer that the customer has not met the terms of the plan.
- (h) **Interruption of electric service.**
- (1) A REP shall not allow a customer's electric service to be interrupted on a weekend day because the customer's prepaid balance has been exhausted, or during any period in which the prepayment mechanisms are not available or the REP's customer service center is not operating.
 - (2) If the REP receives a pledge, letter of intent, purchase order, or other notification from an electric assistance provider that it is forwarding payment to be added to the customer's account balance, the REP shall either immediately credit the customer's account with the amount of the pledge, or not allow a customer's electric service to be interrupted.
 - (A) A REP may require the customer to take steps necessary to ensure the customer's CPDS records the payment, such as a revaluing transaction.
 - (B) A REP may disconnect or interrupt a customer's electric service if payment from the energy assistance provider's commitment is not timely received, or if the customer fails to pay any portion of the amount not covered by the commitment.
 - (3) A REP shall not allow a customer's electric supply service to be interrupted because the prepaid balance has been exhausted during an extreme weather emergency in the county in which the service is provided.
 - (A) The definition of "extreme weather emergency" under this section shall be the same as its definition in §25.483(i)(1) of this title.
 - (B) During an extreme weather emergency, a REP shall offer a residential customer a deferred payment plan upon request by the customer that complies with the requirements of subsection (g)(1) of this section.

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- (4) Where a customer's electric service has been interrupted for failure to maintain a positive credit balance, the service must be restored no later than the times required by §25.483(m) of this title, until June 1, 2008, at which service must be restored within two hours.
 - (5) A customer's service may be interrupted if a customer fails to comply with a deferred payment plan.
- (i) **Service to Critical Care Customers and the Seriously Ill.**
If a customer or applicant provides information that the TDU has qualified such person a critical care customer or if the customer or applicant states that interruption of electric service will cause a person residing at the customer's residence to become seriously ill or more seriously ill, a REP shall refuse to provide prepayment service using a CPDS, if the customer does not sign a waiver, provided by the REP, which states the customer understands the medical risks associated with the fact that retail electric service can be interrupted. If a customer chooses not to sign such a waiver, the REP shall work with the customer to transition the customer to another product or provider in a manner that avoids a service disruption.