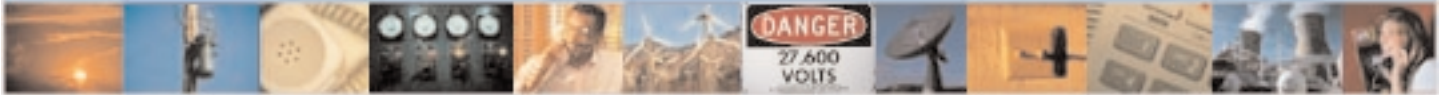




# PUBLIC UTILITY CONNECTION



VOLUME 8, ISSUE 4

MAY 2006

## PUC begins new push to tout Electric Choice

*REPs contribute \$3 million to education campaign*

A major customer education initiative on Texans' right to choose their electric provider kicks off this month in all areas of the state that have retail electric competition.

Funded largely by six retail electric providers that donated nearly \$3 million, this summer's "Texas Electric Choice" campaign is the largest customer education effort by the PUC since 2003.

The bilingual campaign is multi-faceted, with a barrage of radio, television, billboards, print and Web media targeting residential electric customers throughout the summer. The initiative will also feature public service telethons sponsored by television stations in Dallas-Fort Worth, Houston and the Rio Grande Valley and other grassroots outreach efforts.

All the new media are presented under the PUC's ongoing campaign tag

line, "The Power Is Yours – Use It." At the center of the new media campaign is a talking electric meter who educates Texans about their right to choose an electric provider, on the reliability of

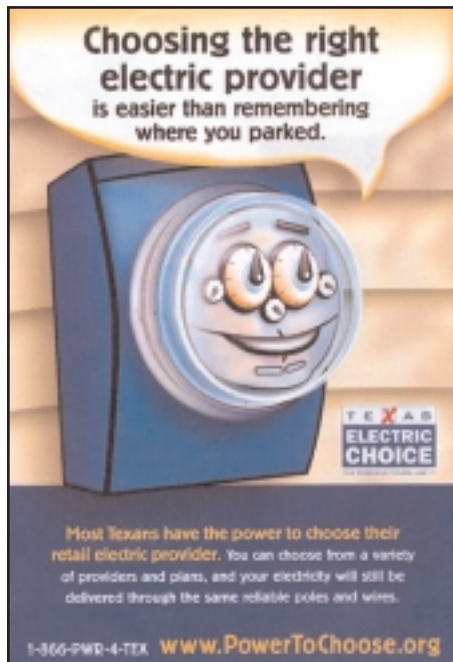
electric service when switching providers and on lowering electric bills through conservation and energy efficiency efforts.

Two complementary billboard themes will be displayed across the state. Over 1,000 billboards will feature the talking electric meter, while several hundred more will tell Texans: "Cool. What It Feels Like To Save A Bundle

on Electricity." The "Cool" campaign will also appear in Spanish in selected markets.

For the first time, the PUC will place advertising on gas pumps at hundreds of gas stations statewide. While media such as billboards require a very brief

**See Education effort, p. 2**



**Mall poster touting electric choice.**

### From the Commissioners

## *Looking into events that led to power outages*

Dear Customer,

On the afternoon of April 17 this year some of you had your electricity cut off.

Your electric utility did it on purpose because it was ordered to do so.

To refresh your memory, many Texas communities experienced record heat that Monday, with some areas topping 100 degrees. The fact is, for a few hours, there wasn't enough electricity to go around.

When the thermometer climbs, one of the first reactions is to turn on the air conditioning. That's exactly what happened that day. The demand is greatest in the late afternoon between the hours of four and six p.m. It's because most workplaces requiring electricity are still open for business. It's also the time

**See Several factors p. 3**



Hudson



Parsley



Smitherman

# Education effort includes billboards, PSAs

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message that can be easily noted by driving motorists, pump-topper ads have a captive audience – drivers filling their tanks – and can impart more in-depth messages. The PUC's pump topper ads will emphasize energy-saving tips that can help Texans lower their summer electric bills, as well as the central choice and reliability messages.

The PUC is reprising its successful public service announcements on electric choice that aired last summer. The PUC's English-language PSAs, featuring the cast of the award-winning cast of the Greater Tuna theatrical series, recently won a national Telly for outstanding non-commercial service announcement (see below). This was the second Telly awarded to a PUC



One of the PUC's summer billboards to be used across the state.

PSA on electric choice. The PUC will also air the Spanish-language "Weatherman" spots urging Texans to save money by switching electric providers.

The summer education efforts will also feature poster ads in selected shopping malls in areas with electric choice.

The new campaign was funded by TXU, First Choice Energy, Constellation Energy, Green Mountain,

Centrica/Direct Energy and Gexa. Warren Douglas Creative Brand Marketing of Fort Worth is managing the campaign.

The summer campaign was launched in April, when affiliated retail electric providers in Texas included bill inserts to all retail electric customers that featured a reminder that most Texans can choose their retail electric provider.

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## 'Greater Tuna' spot wins Telly award

The PUC's 2005 public service announcement on electric choice featuring the cast of the heralded "Greater Tuna" cast has been awarded a bronze Telly in this year's nationwide competition.

The Telly Awards, in their 27th year, recognize excellence in national, regional and local commercials and programming.

Over 12,000 entries were submitted for last year's awards.

The PUC's "Tuna" television spot features cast members Joe Sears and Jaston Williams in several of the myriad characters they portray in the award-winning "Greater Tuna" theatrical shows. Sears and Williams use their unique brand of Texas humor to drive home the PUC's message of saving money by shopping for and choos-

ing an electric provider.

The public service announcement was created and produced by Sherry Matthews Advocacy Marketing of Austin, which serves as the marketing agency of record for the PUC's ongoing electric choice customer education campaign.

The "Tuna" PSA, as well as a Spanish-language PSA and corresponding radio PSAs, will air again throughout the summer in all areas of Texas with electric choice in conjunction with the Texas Association of Broadcasters' non-commercial service announcement (NCSA) program.

The TAB NCSA program will leverage the PUC's paid media dollars by providing nine times the number of PSA airings that would normally be available for the amount budgeted.



# Several factors contributed to forced power outages

continued from p. 1

many of you arrive home for the day and you want air conditioning and the use of other electric appliances as soon as you get in your homes.

Most of the time the Texas electric grid operator, the Electric Reliability Council of Texas (ERCOT), accurately forecasts in the morning how much electricity Texans will use the rest of the day. This forecast ensures you will have all the electricity you want. On April 17, however, the forecasting was off the mark.

First, the weather forecasting was inaccurate. ERCOT realized temperatures would be higher than normal, but its forecasting did not predict record temperatures in the triple digits. As a result of the high temperatures on April 17, electricity demand set a daily all-time high for the month.

Second, electricity generating plants undergo maintenance in the spring so they can run at full capacity when demand peaks in the summer. On any given day in April and May, maintenance may reduce generating capacity as much as 20 percent. On April 17 electricity supply was reduced.

Finally, unexpected outages can occur and further lower the supply. While not a common event, ERCOT plans for a supply cushion in the event of unplanned power plant outages. But on the afternoon of April 17, five unplanned outages happened within 26 minutes. There wasn't enough electricity in the ERCOT grid to meet the demand.

When this happens, ERCOT uses its Emergency Electric Curtailment Plan to prevent system-wide outages. The plan includes measures for power

plants to increase generation. If there still is not enough electricity to go around, then ERCOT begins a controlled reduction by having utilities rotate planned outages within their distribution systems. This process prevents larger, uncontrolled outages affecting many more customers.

Your local electric utility designs the controlled outages to last no more than 15 to 45 minutes. These outages can last longer if overloads occur during power restoration. Most of you did not experience any outages on April 17. Out of more than six million electric customers in ERCOT, only about 200,000 lost electricity.

While we are pleased that Texans didn't have to endure a massive outage like the one that hit the Northeast U.S. two summers ago, we believe there were 200,000 inconvenienced customers too many.

To that end, we have launched an investigation into the events of April 17 to determine what needs to be done to improve the process. This includes a critical look at ERCOT forecasting methods and a thorough review of ERCOT notification procedures, including the issuance of public calls for conservation when appropriate.

We want to assure you that we believe we have more than enough electricity available this year, even on the hottest day of the summer.

We are determined to improve the situation so that the events of April 17 do not happen again.

Sincerely,  
Paul Hudson, Chairman  
Julie Parsley, Commissioner  
Barry T. Smitherman, Commissioner

## Dictionary of Utility Terms

### Electric Reliability Council of Texas (ERCOT)

The corporation that administers and maintains the reliability of the state's electrical power grid. When you choose a new Retail Electric Provider, this group will send you a postcard confirming your switch from one Retail Electric Provider to another.

### Kilowatt-Hour (kWh)

A unit of energy equivalent to one kilowatt (kW) of power expended for one hour of time. The amount of electricity you use each billing period is expressed in terms of a kilowatt-hour, and is noted on your bill.

### Transmission and Distribution

The actual delivery of electricity over poles and wires to your home or business. These services are provided to you by your local wires company, which is responsible for maintaining the poles and wires, and responding to emergencies and power outages as always. The PUC still regulates transmission and distribution to ensure the safety and reliability of your electric service.

### Renewable Energy

Electricity that is made from "environmentally friendly" fuel resources, such as wind, water, biomass or solar. Sometimes referred to as "green" energy. Information on a Retail Electric Provider's generation sources can be found on its Electricity Facts Label.

# A look at TUSF: What is it? Where does it go?

There are a number of charges, fees and taxes on your phone bill, and often there is not enough information on the bill to understand what the charge is, and how the money collected is spent. Let's take a look at one such charge, the Texas Universal Service Fund (TUSF) Surcharge.

**What is it?** The TUSF allows affordable service to high-cost rural customers, funds the Relay Texas and Specialized Telecommunications Assistance programs for the hearing-disabled, and funds telecommunications services discounts to low-income customers (Lifeline).

**Why is it on the bill?** It is authorized by federal and state law. Public Utility Regulatory Act, Chapter 56; Texas Legislature, in 1987 and 1999; U.S. Congress via the Federal Communications Commission in 1996.

**How much is it?** About 5.65% of intrastate taxable communications receipts.

**Who must pay it?** All providers of

telecommunications services, including wireless, pager, local and long distance telephone companies. Tax-exempt entities do not have to pay the charge.

**Who gets the money?** The largest portion of the TUSF goes to provide assistance to local telephone companies providing service in high-cost rural areas. Other monies are allocated to fund the Relay Texas and specialized equipment programs for the hearing-disabled, and to fund discounts on telecommunications services for low-income customers.

The TUSF for fiscal year (FY) 2005 totaled \$580 million. Of that amount, 91% was allocated to local telephone companies serving high cost and rural customers; 5% funded discounts to low-income customers; and approximately 2% funded programs for the hearing-disabled. The remaining percentage paid for administration of the fund, and other miscellaneous programs.

When the Public Utility Commission of

Texas (PUC) implemented TUSF, the surcharge was offset by reductions in the access charges that long-distance companies pay to local telephone companies, and by reductions in the toll charges that local telephone companies charge their customers. Long-distance companies were required to pass through these access charge reductions to their residential customers on a proportionate basis.

**What services are not subject to this charge and which customers are exempt from paying this charge?** Lifeline and Link-Up customers; long-distance services not originating and/or terminating in Texas; and tax-exempt entities such as schools and universities. At the request of the Texas Legislature, the PUC is working on a report in Project No. 31863, due in early 2007, regarding the TUSF's programs and structure. The next issue of the Connection will highlight and explain other commonly seen taxes, fee or surcharges.

## 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](http://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](http://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.

## 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 a ride in advance by dialing **2-1-1**. The **2-1-1** registry must be dialed **IN ADVANCE**. It is confidential. 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 a ride 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](http://www.txdps.state.tx.us/dem)  
FEMA Web Site: [www.Reddy.gov](http://www.Reddy.gov) Red Cross Web Site: [www.redcross.org](http://www.redcross.org)

## Gulf Coast to get hurricane guidelines in mail

Governor Rick Perry's Division of Emergency Management has issued guidelines for 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 May through October.

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