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Texans are Well Protected in Today's Competitive Retail Electricity Market

Regulatory Compliance Services releases new study about available consumer protections

Austin, Texas – A new study released today by Austin-based Regulatory Compliance Services finds that Texans are well protected in today's competitive retail electricity market. "*Electric Restructuring and Customer Protections*" is a detailed study of the protections available to consumers in Texas' competitive retail electric market. A copy of the study is available at www.your-rcs.com.

Since retail electricity competition began in 2001, numerous studies have been released about the benefits of consumer choice, whether electric prices have increased or decreased and if retail electricity competition and consumer choice in Texas are working.

"Although there have been these other studies about electric competition in Texas, one area overlooked was a careful analysis of the consumer protections available today in the competitive retail electricity market in Texas and how well these protect consumers," said Patricia Dolese, founder of Regulatory Compliance Services. "Our new study addresses this issue in detail and concludes that Texans are well protected in today's competitive retail electricity market."

Following are some of the key conclusions from the study:

- *Texas' Public Utility Regulatory Act §39.101 requires at least the same level of protection in the competitive retail electricity market as was provided by regulated monopoly utilities prior to competition.*
- *The Public Utility Commission of Texas (PUCT) has adequate authority under existing law to adopt customer protection rules as necessary to further protect Texans.*
- *A customer's power to choose a new provider is a unique and powerful protection.*
 - This protection was not available prior to the opening of the competitive retail electric market.
- *The competitive retail electricity market is **not** "de-regulated"; it remains very heavily regulated.*
 - Extensive statutory requirements and restrictions under the Public Utility Regulatory Act and other state laws
 - Comprehensive consumer protection and other rules issued and policed by the PUCT

(more)

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- *PUCT rules for the competitive retail electricity market provide many of the same protections that apply to regulated monopoly utilities.ⁱ*
 - Timing for payment due dates and disconnection notices
 - Limits on disconnections on holidays and weekends
 - Limits on disconnections of ill and disabled customers
 - Requirement to offer deferred payment plans
 - Requirements to pay interest on and return deposits

- *Some of these PUCT rules provide better protection than provided by regulated monopoly utilities.*
 - Deposit waiver for medically indigent and victims of family violence
 - Budget billing plans
 - Procedures for protecting critical care customers
 - Access to price information
 - Availability of information in Spanish and other languages

- *The PUCT has responded quickly to add or change rules in order to make sure Texans stay protected. The PUCT has adopted or soon will adopt new rules covering:*
 - Improved disclosures by retail electric providers concerning pricing and other terms and conditions of service
 - Higher financial and managerial standards for retail electric providers
 - Increased protection of customer deposits
 - Improved provider of last resort (POLR) service to protect customers if their retail electric provider fails

- *The PUCT has vigorously enforced its rules since the competitive retail electricity market opened in 2002.*
 - 46 formal enforcement actions brought
 - \$8.5 million in fines assessed

- *The PUCT has responded quickly to protect consumers exposed to extreme weather and natural disasters.*
 - September 2005: required deposit waivers for victims of Hurricane Katrina
 - Summer 2006: imposed disconnect moratorium due to extreme heat
 - September 2008: imposed disconnect moratorium and prohibited increase fees for emergency reconnections and move-in requests

- *Voluntary programs and protections offered by retail electric providers (REPs) have supplemented statutory and regulatory protections.*
 - Donations to bill payment assistance funds
 - Low-income deferred payment plans and disconnect restrictions offered to victims of Hurricane Ike

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About Regulatory Compliance Services:

Regulatory Compliance Services was founded by Patricia Dolese in 2002. The mission of Regulatory Compliance Services is to help our clients navigate the complex world of retail utility regulation. With specific expertise in customer protection regulation, strategic planning, data management and reporting, and government regulatory affairs, Regulatory Compliance Services is well positioned to provide expert advice to its clients. For more information, visit www.your-rs.com

ⁱ The PUCT consumer protection rules that apply today to the remaining regulated monopoly utilities are the same as the rules that applied in the areas comprising the competitive retail electricity market before restructuring under S.B. 7.