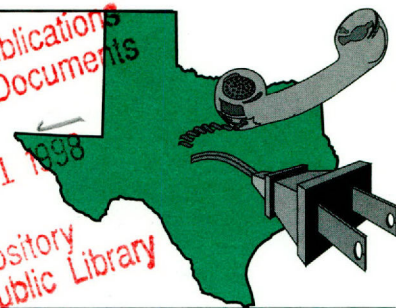


Public Utility Connection

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Volume 1 Issue 2

Public Utility Commission of Texas

Summer 1998

Wrong Numbers

Slamming

These companies received the most complaints from the PUC about slamming since March 1, 1998. Slamming is the unauthorized change of your long distance provider.

1. AT&T (306)
2. Axces, Inc. (235)
3. Business Discount Plan (89)
4. MCI (73)
5. TelOne Telecommunications (62)

Cramming

These companies received the most complaints from the PUC about cramming since March 1, 1998. Cramming is adding unauthorized charges to your telephone bill.

1. AT&T (41)
2. Payless Communications (38)
3. Axces, Inc. (31)
4. Direct American Marketing (22)
5. Brittan Communications (20)

These complaints do not necessarily indicate wrongdoing by the companies, because, in many cases, the complaints are not yet resolved.

Texans get \$108,000 in refunds from slammers and crammers

The Public Utility Commission (PUC) has helped Texas consumers recover nearly \$108,000 in refunds from telecommunications companies since the state's slamming law became effective last Sept. 1. These refunds came to customers who were slammed or crammed.

Slamming – the unauthorized change of your long distance provider – and cramming – unauthorized charges added to your telephone bill – are the leading consumer complaints to the PUC, with 9,500 slamming complaints and 3,100 cramming complaints since Sept. 1.

The PUC attacked slamming on two fronts: by seeking fines from violators and by seeking refunds for overcharged customers. The first company to be assessed penalties was Axces, Inc., which agreed to pay \$155,000 as a result of efforts of the PUC and

the Texas Attorney General (See story, p. 4).

Just as important to customers are the refunds granted. The law that made slamming illegal also required companies to refund the switching fee and any charges that were higher than the customer's authorized provider would have charged. Refunds made to customers who were slammed totaled \$98,638 as of May 31.

PUC staff have also pursued companies that charge customers for things they didn't order and don't want. Refunds for cramming charges totaled \$8,991 as of May 31. Texas has no specific law outlawing cramming, but other laws set penalties for fraudulent charges.

Consumers can choose the provider which gives the best service at the best prices. You can avoid those companies which abuse customers by slamming and cramming.

Letter from the Commissioners

Fees can add up – Be a smart shopper

Dear Customer,

Every day, 60 to 75 people call our customer hotline with questions and complaints about fees on their telephone bills. Their confusion is understandable. As part of the effort to reform telephone rates for competition, the Federal Communications Commission (FCC) has recently required long distance carriers to finance some services in different ways.

One new charge on long distance bills is intended to pay for the cost of hooking up with the local telephone network. This cost has always been included in long distance charges, generally in the per-minute charge for calls. Now it is being identified as a separate, additional surcharge, called the Presubscribed Interexchange Carrier Charge (PICC).



Wood



Walsh



Curran

On local phone service bills, the federally created Subscriber Line Charge reimburses local telephone companies. And both local and long distance bills may include a charge for the federal Universal Service Fund, which pays for telephone service to high-cost rural and urban customers, as well as Internet connections for schools, libraries and rural health care providers.

The Public Utility Commission does not

See Long distance, p. 6



Do you have a utility complaint?

To reach us with a complaint or a question:

Call: 1-888-782-8477, or in Austin 512-936-7120

Fax: 512-936-7003

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

Write: PUC
Customer Protection
P.O. Box 13326
Austin, TX 78711-3326

Include:

- Your name, address and telephone number
- Utility's name, address and telephone number
- Account number, if any
- Explanation of the facts and the solution you want
- Your bill or any other documentation

Se habla español

Program offers vouchers for specialized equipment

In 1997, Texas legislators passed a law which authorizes the Texas Commission for the Deaf and Hard-of-Hearing (TCDHH) and the Public Utility Commission to create a program that provides financial assistance to individuals who are deaf, hard-of-hearing, deaf-blind, and speech-impaired.

The program enables them to purchase specialized equipment to provide telephone access that is functionally equivalent to that enjoyed by individuals who are not impaired.

If you qualify for the Specialized

Telecommunications Devices Assistance Program (STDAP), you can apply to TCDHH for an equipment voucher. There is a \$35 application fee. Once approved, you can purchase approved equipment from a registered vendor. Specialized equipment includes such items as TTYs, phone amplifiers, telebrailers and Voice Carry Over phone systems.

If you wish to get additional information regarding the STDAP, please contact the TCDHH at 512-407-

3250, or you can e-mail the PUC at stdap@puc.state.tx.us.



TTYs, or Text Telephones, are used by people who cannot hear or speak on the telephone and those who wish to communicate with them.

Companies seek approval for new surcharges on ELC

You may have noticed that your telephone company wants to charge you for Expanded Local Calling (ELC).

What is ELC?

ELC was created in 1993 by Texas legislation to allow rural residents toll-free access to important services, such as primary care hospitals, government agencies, public schools and employers.

The law sets a maximum charge for those using ELC of \$3.50 per month per residential line and \$7 per month per business line for up to five exchanges. An additional \$1.50 per month per line can be charged for each additional exchange.

The law also allows telephone companies to surcharge customers who do not receive ELC to recover revenues not paid by the ELC customer charges. These surcharges are intended to recover the company's lost toll revenue and expenditures for equipment upgrades needed to provide the service.

The PUC ordered that any surcharges be

divided equally among customers who receive ELC and those who do not.

In recent months, these companies have asked the PUC to approve ELC surcharges:

- **Southwestern Bell Telephone** - 26 cents per month per line.
- **United Telephone of Texas (Sprint/United)** - \$3.19 per month per line.
- **Central Telephone of Texas (Sprint)** - 41 cents per month per line.
- **Texas ALLTEL, Inc.** - \$2.26 per month per residential line and \$4.52 per month per business line.
- **Lufkin-Conroe Telephone Exchange, Inc.** - 18 cents per month per line in addition to 26 cents per month per line now charged on an interim basis.
- **ALLTEL Sugar Land Telephone** - 47 cents per month per residential line and 95 cents per month per business line with 65 percent discount for Tel-Assistance lines.

Public Utility Connection

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

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FAX: 512-936-7003

TTY: 512-936-7136

QUESTIONS OR COMPLAINTS

1-888-782-8477

customer@puc.state.tx.us

WEB SITE:

www.puc.state.tx.us



Help us help you

Join PUC's Quality Check Patrol

Texans of all ages are invited to join the PUC's new consumer volunteer program, the Quality Check Patrol, to report pay phone, submetering, and other utility violations. The citizen patrol members help PUC staff find violations of utility service rules that cause customers problems and cost them money.

One of the areas where Quality Check Patrol members can be particularly helpful is in identifying pay phones that violate PUC rules. Pay phones must be labeled with the cost of a local call, the cost of a local directory assistance call, instructions on how to get rate information at all hours, and instructions on how to reach emergency service. There must also be a toll-free number on the pay phone to call for refunds, service, and complaints.

Another area where citizen patrols can help is in apartment and recreational vehicle parks that submeter and charge tenants for electricity. The owner who submeters elec-

tricity must have billing information available for the past year so tenants know their bills are correctly calculated. Enforcement staff from the PUC Office of Customer Protection have audited several apartment and RV parks to check for violations.

The PUC provides Quality Check Patrol members with easy-to-use violation checklists and a packet on PUC rules so they can identify and report on problems. The report with a completed checklist can be sent to the PUC for possible enforcement action.

Any citizen interested in joining the PUC Quality Check Patrol can call 1-888-PUC-TIPS (1-888-782-8477) or write to the Office of Customer Protection at P.O. Box 13326, Austin, TX 78711-3326.

Customer outreach hits streets of Laredo

There's no better way to understand people's problems than to meet them face to face. That's why customer outreach is an important part of the PUC's expanded customer protection effort.

Commissioner Judy Walsh met with Laredo citizens on April 29 to discuss cramming and other telecommunications-related issues. Since September, the PUC has received more than 250 complaints from Laredo customers — more complaints per capita than any other city in the state.

During a town hall meeting at a senior citizens' center, more than 50 residents of the center and others asked for the PUC's help with such abuses as cramming, slamming and excessive charges for international collect calls.

Commissioner Walsh met with the city's Telecommunications Commission and pledged to continue to work closely with them to curb telephone abuses and inform customers of their rights. Newspapers and television stations from South Texas and

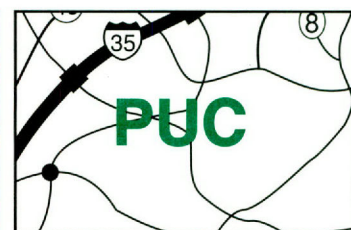
Mexico publicized the importance of customer protection efforts throughout the region.

Chairman Pat Wood, III, in Tyler on May 29 to address an energy forum on electric restructuring, answered questions from the public about electric restructuring and customer protection methods.

Callers to a live radio talk show asked the Chairman how changes in the electric industry would affect Texas customers and how to protect themselves from scams like those that have arisen out of competition in the telecommunications industry.

While the electric industry hasn't yet seen the problems that the telephone industry has, customers should still read their bills closely every month, he said.

Chairman Wood said that customers may soon be able to choose the type of electricity they use, like solar or wind-powered energy, or traditional coal-generated power. If the Texas Legislature changes the law in 1999, customers may see even more electric power alternatives.



On the road...

The PUC will be traveling the roads of East and West Texas during the next few months, spreading the word about common telephone scams and the newly-formed "Quality Check Patrol," a volunteer effort to curb pay phone and submetering abuses.



\$155,000 slamming settlements reached

Texas customer complaints lead to two penalties

Since 1993, hundreds of customers have called the Public Utility Commission of Texas complaining about the Houston-based company, Axces, Inc. They called to say that

the company had suddenly become the customers' long distance carrier without their permission (slamming), or that Axces had added unauthorized charges to customers' bills (cramming). Customers also called the Consumer Protection Division of the Texas Attorney General's Office with similar complaints.

In June, the PUC reached a \$100,000 settlement with Axces for slamming violations. The settlement is the first since the Texas Legislature told the PUC to crack down on slamming violators in 1997. In a related case, the Texas Attorney General's Office settled with Axces for

\$55,000 in May for slamming violations. The company's complaint record was cited as a "Wrong Number" in the first issue of **Public Utility Connection** published in April.

The settlement sets stiff requirements for Axces to significantly reduce its slamming and cramming complaints. Axces will meet with the PUC staff regularly to review complaints and assess the effectiveness of its anti-slamming and anti-cramming efforts.

Legislation passed in 1997 gave the PUC greater authority over long distance carriers that slam Texas customers. The legislation was sponsored by Sen. Gonzalo Barrientos, who was slammed in his Austin Senate office, and Rep. Debra Danburg. Texas and several other states now have slamming laws, but the problem is nationwide.

More than 9,500 slamming complaints and more than 3,100 cramming complaints have been reported to the PUC since Sept. 1, 1997. All telephone customers should continue to carefully read their telephone bills. If you see unauthorized charges or find your long distance carrier has been switched, call the PUC's hotline, 1-888-PUC-TIPS (1-888-782-8477), to report the violation.

"Slamming will not be tolerated in Texas. If you don't stop slamming you will pay the price."

Pat Wood, III
PUC Chairman

Long Distance Rate Comparison

April 1998

LCI		M-F 7am-7pm	M-F 7pm-7am	SAT & SUN	Monthly charge	10 minute evening call
Interstate In Texas	LCI Difference	\$.15	\$.09	\$.09	\$3/month	\$.90
	LCI Flat Rate	\$.15	\$.15	\$.15	\$3/month	\$1.50
MCI ¹		M-F 7am-5pm	M-F 5pm-7am	SAT/SUN	Monthly charge	10 minute evening call
Interstate In Texas	MCI One Advance	\$.12	\$.12	\$.12/\$.05	\$0	\$1.20
	MCI One Advance	\$.15	\$.15	\$.15	\$0	\$1.50
Sprint ²		Day	Evening	Night/Weekend	Monthly charge	10 minute evening call
Interstate In Texas	Sprint Sense Anytime	\$.10	\$.10	\$.10	\$4.95/month	\$1.00
	Sprint Sense Anytime	\$.10	\$.10	\$.10	\$4.95/month	\$1.00
WorldCom		M-F 8am-5pm	M-F 5pm-8am	Night/Weekend	Monthly charge	10 minute evening call
Interstate In Texas	Home Advantage	\$.25	\$.10	\$.10	\$0	\$1.00
	Home Advant. Easy	\$.139	\$.139	\$.139	\$0	\$1.39

¹ MCI One Advance - Must spend at least \$15/month for \$.12 cents/minute. Less than \$15/month-.15/minute.

² Sprint- If you spend over \$30 a month, \$4.95/month charge will be waived. Also receive 300 free minutes.



How much is your electric bill?

Residential rates for 1000 kilowatt-hours of service in June 1998.

Utility	Rate \$	Utility	Rate \$
Upshur-Rural Co-Op (Gilmer)	\$ 57.90	Central Power & Light (Corpus Christi)	\$ 75.02
Kerrville PUB	61.56	Austin Energy (City of Austin)	77.40
Bluebonnet Co-Op (Giddings)	63.85	CoServ Electric (Denton County)	81.64
Victoria Co-Op (Victoria)	65.27	Erath County Co-Op (Stephenville)	82.33
Southwestern Public Service (Amarillo)	67.04	Texas Utilities Electric (Dallas)	84.81
City Public Service (San Antonio)	69.17	Tri-County Co-Op (Azle)	84.96
Guadalupe Valley Co-Op (Gonzales)	70.07	Southwestern Electric Service (Jacksonville)	85.14
South Plains Co-Op (Lubbock)	71.66	West Texas Utilities (Abilene)	85.14
Pedernales Co-Op (Johnson City)	71.77	Houston Lighting & Power (Houston)	85.24
Southwestern Electric Power (Longview)	71.82	Texas-New Mexico Power (Lewisville)	96.21
Mid-South Co-Op (Huntsville)	72.35	El Paso Electric	109.50
Entergy Gulf States (Beaumont)	73.22		
		Texas Average (surveyed)	\$ 76.65

PUC Web site offers utility tips, tidbits

As you're surfing the World Wide Web, you may take for granted the two most critical things keeping you plugged in — your telephone line and electricity. But if you were disconnected, what would you do? Where would you go?

Before tragedy strikes, click onto the PUC Web site at www.puc.state.tx.us to find useful tips and tidbits on all sorts of pertinent information.

Clicking onto "Consumer Information" gets you to the Office of Customer Protection home page where several topics are available for your review. The page also notes ways to contact the agency's customer hotline number and e-mail address.

You want to know about your local telephone service? Hit "Telephone" and find the PUC's Top Ten Telephone Tips and what you need to know about slamming, area codes, telephone solicitation, and your telephone bill. You also can learn how to file a complaint with the PUC.

If you're interested in electric issues, just click onto "Electric" in the coming months and you'll see articles on meter reading,

electric restructuring, and stranded investments. Also at your fingertips will be the PUC's Top Ten Electric Tips, what you need to know about your electric bill, and a comparison of electric rates across the state.

You know the PUC oversees your local telephone and electric services, but who has jurisdiction over other utilities? Click onto "Other Utilities" to discover the agency or organization that oversees gas utility service, wireless (beepers and cell phones) service, long distance phone service, water utility service, and cable television service.

If you're interested in obtaining back issues of **Public Utility Connection**, click onto "Consumer Newsletter" to find every issue of the popular publication.

As the local telephone and electric industries move toward a more competitive environment, we want to arm you in a convenient and comprehensive manner with the facts and information you'll need to make important decisions.

PUBLIC UTILITY COMMISSION
of TEXAS
1701 N. Congress Avenue, P.O. Box 13226, Austin, TX 78711-3226
Information (512) 938-7930 Consumer Hot Line 1-800-752-8477

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P.U.C. LEGISLATE

July Walsh, Pat Wilcox, II, George W. Bush, Patricia Curran
Commissioner Chairman Governor Commissioner

The mission of the Public Utility Commission of Texas is to assure the availability of safe, reliable, high quality services that meet the needs of all Texans at just and reasonable rates. To accomplish this mission, the PUC shall regulate electric and telecommunications utilities as required while facilitating competition, operation of the free market, and customer choice.



Long distance surcharges can add up

Continued from p. 1

regulate interstate long distance service; the FCC does. But we do have responsibility to protect customers from abuses like cramming. We have advised customers to look closely at their bills to be sure they don't pay for services they didn't order. We also hope you will look closely at your total bill to determine that you're getting the best deal for your money. If you don't understand a charge, call your long distance provider for an explanation.

Telephone competition--and there is fierce competition for your long distance dollar--gives you the right to choose. Some carriers pass on all charges in a long list. Some pass on only those they are required to pass on.

The FCC does not require companies to pass these new charges through to customers and does not require uniform labels or uniform rates if they do. The result can be customer confusion. Here are names that some companies give to the PICC:

AT&T: Carrier Line Charge

MCI: National Access Fee

USBI: Long Distance Line Charge

VarTec: PIC Primary Line Monthly Charge

In creating the PICC, the FCC required long distance carriers to reimburse local telephone companies at the rate of 53 cents for a residential line. Many companies charge only 53 cents. However, some companies surcharge at a higher rate. For example, MCI charges \$1.07, while AT&T charges 95 cents.

FCC Chairman Bill Kennard hopes to ensure that long distance companies "don't take advantage of consumers during this transition." We have informed Chairman Kennard of the concerns of Texas customers, and we hope changes will be made.

In the meantime, be a good shopper. We receive complaints from customers who have seen the size of their long distance bill increase dramatically because of these charges. If the company is not passing on

savings to you in the cost of long distance calls, you should look for a company with fewer charges and lower per-call long distance rates.

If you are a business customer with several telephone lines, you may want a carrier that charges by the call instead of one that levies a \$2.75 PICC for each business line. If you are a residential customer with only one line who makes lots of long distance calls, you may find it cheaper to pay a low flat rate per month.

Remember that it is your right as a customer to make sure that your telephone providers answer your questions and provide good service, and it's your right to leave a provider that doesn't explain its charges adequately.

If the PUC can help you, please call us at our customer hotline, 1-888-782-8477.

Sincerely,

Chairman Pat Wood, III

Commissioner Judy Walsh

Commissioner Pat Curran

A guide to charges on your telephone bill

In most cases, telephone companies can decide whether to pass costs on to customers by a surcharge on the bill. However, certain charges are required by state law to fund statewide emergency services. The telephone company must list these charges and pass the money collected to the 9-1-1 operator or to the Texas Comptroller of Public Accounts.

Texas 9-1-1 Emergency Service Fee

- Pays for 9-1-1 service that connects callers to police, fire, Emergency Medical Service, and other service providers.
- A monthly per-line charge on all residential and most business lines.
- Charges vary depending on local jurisdiction. For example, it is 21 cents per month in Tarrant County, 62 cents per month in Dallas County, 25 cents per month in Harris County, and 50 cents per month in areas with state 9-1-1 service.

Texas 9-1-1 Equalization Surcharge

- Helps finance emergency call services in areas of Texas where the local 9-1-1 service fee does not

cover the costs.

- Billed monthly at the rate of .03 percent of intrastate long distance charges.

Texas Poison Control Surcharge

- Pays for Texas Poison Control Network, six centers that provide information on poison remedies by telephone 24 hours a day. The number is 1-800-POISON1
- Billed monthly at the rate of .03 percent of intrastate long distance charges.

Telephone companies are required to pay the fees below. Many companies pass on surcharges to their customers, but they are not required to do so.

Municipal Franchise Fees

- A charge that recovers the cost of paying city gross receipts taxes.

State Utility Gross Receipts Tax

- Telephone companies must pay tax on total revenue at the rate of 0.1667 percent. This funds the PUC and other state services.



Reliability

Always having electricity when you need it

We expect to have electricity when we need it. We turn our lights and computers on, heat up our ovens, and enjoy comfortable inside temperatures due to efficient heating and cooling. These conveniences are possible because of a continuous supply of electricity.

Texas will use about 280 million megawatt hours of electricity this year for its population of about 19.1 million people. Texas uses more electricity than any other state, and considers its electric system one of the most robust in the nation. We generate electricity using more natural gas, coal, and lignite than any other state. And to make sure we have enough power, we constantly generate at least 15 percent more electricity than we use. This means that if generating plants accidentally shut down, there will be enough electricity to meet the demands of residential, business and industrial customers.

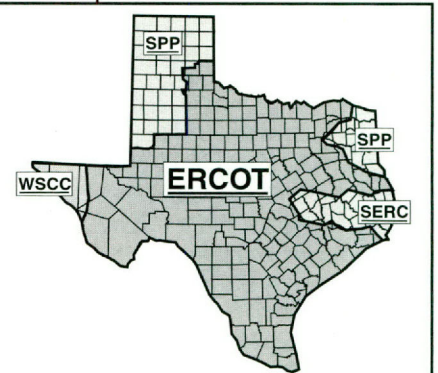
Reliability — the ability of the electric system to meet customer needs at all times — is one of the goals of the PUC and the electric systems that serve the state. All utilities in the United States operate within voluntary “reliability councils” organized to provide transmission interconnection and operational reliability within a region. Most of Texas is

served by utilities who are members of the Electric Reliability Council of Texas (ERCOT). Of the nine reliability councils in the United States, ERCOT is the only one wholly within a state’s boundaries. The state also is served by three other reliability councils whose member utilities are in Texas and neighboring states.

These reliability “grids” or interconnected networks allow utilities and other power suppliers to work together to ensure that electricity is always available. If necessary, utilities can buy electricity from each other or from wholesale power marketers. This power can be transmitted through the grid instantly on high voltage transmission lines, reaching customers just milliseconds after it was generated at plants many miles away.

With better technology and greater regulatory responsibility, our electric system provides more stable and reliable service than ever before. It’s the PUC’s mission to assure “the availability of safe, reliable, high quality services for all Texans.”

As the electric industry becomes more competitive, reliability continues to be one of the main goals of the industry, its regulators, and the companies which serve Texans.

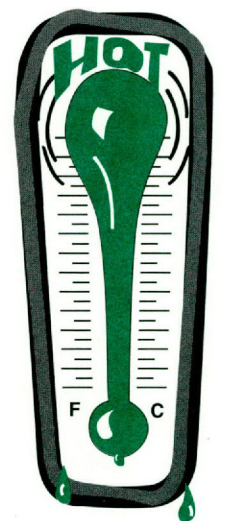


ERCOT- Electric Reliability Council of Texas
SERC- Southeastern Electric Reliability Council
SPP - Southwest Power Pool
WSCC - Western Systems Coordinating Council

Summer energy tips help you beat the heat

A few simple and quick steps can help you save on electricity bills during hot Texas summers:

- When you are away from home for more than one hour, turn up the temperature to at least 85 F to lessen air conditioning use. Better yet, a programmed thermostat can control air conditioning temperatures to save you money. Most home air conditioners can cool the house to agreeable temperatures in about 10 to 15 minutes.
- Use fans and dehumidifiers to supplement your air conditioners. Ceiling fans can effectively lower the air temperature by about 4 F (2 C). Evaporative coolers or dehumidifiers use about one-fourth the energy of conventional air conditioners.
- Close air conditioning vents in unused rooms, such as spare bedrooms, and keep the doors to those rooms closed and sealed from the rest of the house.
- An average household dedicates 5 percent to 10 percent of its energy budget to lighting. Replace your regular light bulbs with special lights called “compact fluorescent lights” which use about one-fourth the energy of regular light bulbs. Install them in light fixtures that are on for several hours at a time, such as lamps used for reading.
- About 40 percent of the unwanted heat in your home comes in through windows. Use reflective window coatings, awnings, or other devices to reflect sunlight from windows. Close blinds, curtains, or inside window coverings to keep the summer heat out.





Do you need to call your utility?

Electric

Bluebonnet Co-Op	1-800-842-7708
Central Power & Light	1-800-509-1628
City Public Service (SA)	210-353-4357
City of Austin	512-322-9100
Denton County Co-Op	1-800-274-4014
El Paso Electric	915-543-2247
Entergy Gulf States	1-800-368-3749
Houston Lighting & Power	713-207-7777
Southwestern Electric Power	1-800-886-8791
Texas Utilities Electric	1-800-242-9113
Victoria Co-Op	512-573-2428
West Texas Utilities	1-800-284-2204

Telephone (Local)

GTE Southwest	1-888-972-1889
Southwestern Bell Telephone	1-800-246-8464
Sprint (Centel/United)	1-800-488-7995

Telephone (Long Distance)

AT&T	1-800-222-0300
MCI	1-800-950-5555
Sprint	1-800-977-4646
WorldCom	1-800-275-0100

Spanish Help Lines

Southwestern Bell Telephone	1-800-515-1119
AT&T	1-800-235-0900
MCI	1-800-950-4652

Want to stay connected?

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