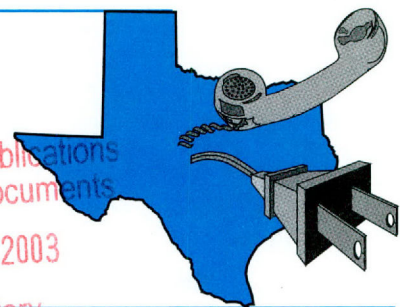


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Volume 5 Issue 3

Public Utility Commission of Texas

Winter 2003

Worried about your phone service stability?

From the newspapers to television, we see reports about the difficult financial times facing certain telephone companies. Companies once considered financially stable are seeking bankruptcy protection in Federal Court. If you are a customer of one of these telecommunications companies, you may be asking:

- What should I do?
- Should I start looking for another provider?
- Will I lose my telephone service?

The first advice is – don't panic, and take the time to get more information. In a competitive environment, companies can go through lean economic times from time to time.

If you have questions contact your telecommunications company. If you have any problems, you can call the Public Utility Commission at 888-782-8477 (in Austin 512-936-7120). It is best to base any action on whether to stay or leave a telecommunications company on facts, not speculation.



Chapter 11 means that a company has filed for protection against its creditors in order to reorganize to meet its financial obligations.

For the most part, Chapter 11 means the customer will continue to have service while the company reorganizes itself.

Secondly, the Public Utility Commission of Texas has regulations in place that require telephone companies planning to cease providing local or long distance service in Texas to provide written customer notice in advance.

The customer notice requirement for local service is a minimum of 61 days.

In addition, if your telephone service provider intends to transfer your telephone service to another provider as a result of a bankruptcy, you will be notified at least 30 days in advance.

This regulation allows customers the time and opportunity to select a different telephone service provider if desired.

Keeping consumers informed remains a top priority of the Public Utility Commission of Texas. Remember—having all the facts will help you take the right steps in your decision-making.

Letter from the Commissioners

Changes at PUC help Texans in competitive environment

Dear Customer,

With a full year of retail electric competition behind us, we want to let you know about the changes we're making at the PUC to ensure a fair and smooth-running system. In a perfect world, we wouldn't need to keep an eye on the delivering and pricing of your electricity. But just like other areas of our lives, it's good

to know there's a cop on the beat if any problems develop.

That's why we're strengthening three areas within the PUC that we consider vital to the operation of a fair-play industry.

First is the establishment and growth of our Market Oversight Division. This group of nine economists and analysts keeps a close eye



Klein

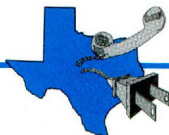


Perlman



Parsley

on the inner workings of wholesale electricity prices. It's up to the Market Oversight Division to watch the wholesale market for indications of possible problems in market design or market participant behavior. This



PUC changes strengthen customer protections

Continued from p. 1

division makes us more confident, and it should make you more confident that competitive electricity markets are working.

Next is the area that deals directly with you – the customer. We have expanded our Customer Care Section to 27 employees. This hard-working group handles all your questions and complaints, whether by phone, by fax or by e-mail.

The Intake Center sits at the front line to get the necessary information to handle your query, concern or complaint.

If a follow-up is needed, our battery of investigators takes a closer look and works directly with electric providers to see that you get the service you deserve – whether it's a refund, a credit, or just a thorough explanation from your provider.

The third area we've enhanced is our Enforcement Division. This team of five lawyers and investigators pursues cases that can result in financial penalties to Retail Electric Providers.

Our agency's main goal is to obtain compliance, not impose hundreds of thousands of dollars in fines. In fact, all penalties collected go to state general revenue funds.

But if companies doing business in Texas break the rules, we won't hesitate to use our authority to ensure that providers honor the high customer protection standards that our lawmakers have established. Many times our enforcement actions require specific customer service improvements.

We strongly believe we have developed a solid program designed to deliver all the customer protections provided by law.

At the same time, the Commission will continue to look at ways to improve our organizational structure and our rules to improve our service to you as the retail electricity market develops.

Sincerely,
Rebecca Klein, Chairman
Brett Perlman, Commissioner
Julie Parsley, Commissioner

Customer Protection

The PUC has strengthened the following three areas that are vital to the operation of a fair-play industry:

Market Oversight Division

This group of nine economists and analysts keeps a close eye on the inner workings of wholesale electricity prices. They make sure there are no abnormal price spikes that could signal a potential manipulation of the market.

Customer Care Section

Expanded to 27 employees. This group handles customer questions by mail, phone, fax, Internet or email.

Enforcement Division

Consists of five lawyers and investigators. They pursue the most troublesome cases that can result in financial penalties to electric providers.

Public Utility Connection

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PHONE: 512-936-7000

FAX: 512-936-7003

TTY: 512-936-7136

EMAIL: customer@puc.state.tx.us

QUESTIONS OR COMPLAINTS

1-888-782-8477

WEB SITE: www.puc.state.tx.us

TEXAS ELECTRIC CHOICE

1-866-PWR-4-TEX (1-866-797-4839)

www.powertochoose.org

Newsletter improvements on tap

The Public Utility Commission is committed to giving Texans accurate and complete information on a variety of electric and telecom topics.

One of the ways the commission does this is through the publication of this newsletter.

As an ongoing mission to improve our efforts, the Information and

Education staff will be incorporating a new design as well as new features that can assist you in becoming a more informed customer.

We hope these changes will make this publication more useful to you. To join our free subscription list, read our "Want to stay connected?" section on page 8.

Do you have a utility complaint?

To contact the PUC with a complaint or a question:

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

Se habla español

Fax: 512-936-7003

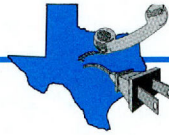
Write: Public Utility Commission
Customer Protection
P.O. Box 13326
Austin, TX 78711-3326

Web: www.puc.state.tx.us/ocp

Email: customer@puc.state.tx.us

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



Fact Sheet Focus

Low-income Texans can get lower electric rates

The same law that gives most Texans a choice of electric providers also provides a helping hand to low-income customers through the LITE-UP TEXAS program.

Any customer at or below 125 percent of the federal poverty level may qualify for the LITE-UP TEXAS payment assistance program.

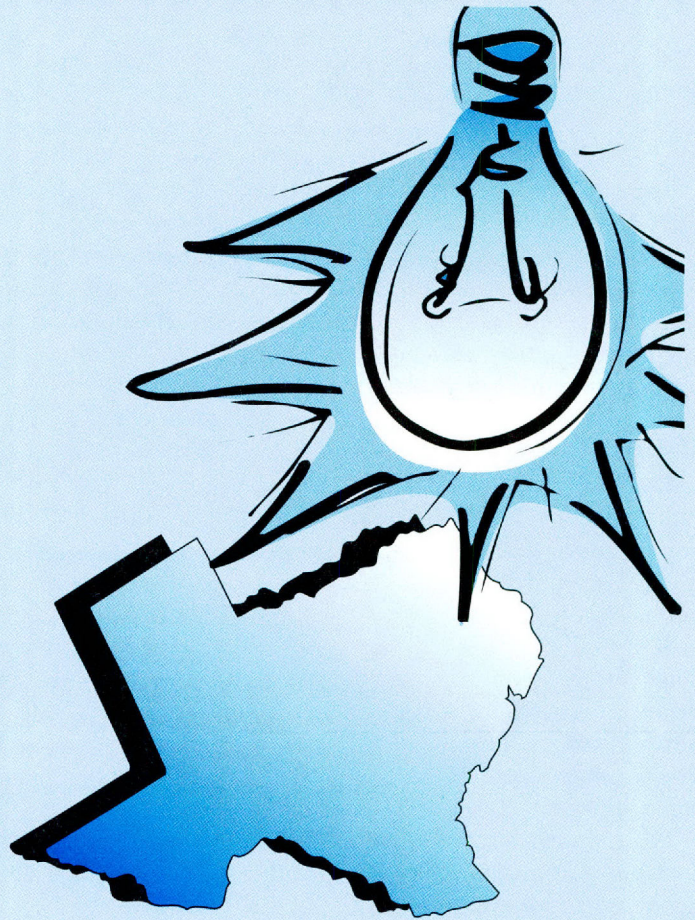
The program also provides that individuals already receiving benefits from the Texas Department of Human Services (DHS) such as food stamps, Temporary Assistance to Needy Families (TANF), Supplemental Security Income (SSI), Medicaid or low-income Medicare may also qualify.

Through this program, qualified low-income customers receive a 17 percent discount on electric rates. Call toll-free 1-866-454-8387 to see if you qualify or to receive an application for the program.

To be eligible for the LITE-UP Texas discount, households must be in an area of Texas open to electric competition. However, tenants in sub-metered apartments are not eligible for the discount.

The "Low Income Assistance Programs and Service" fact sheet describes the LITE-UP Texas program and other services available to low-income customers.

This fact sheet or a packet with the entire series is available free of charge by calling the Public Utility Commission of Texas toll free at 1-888-782-8477 or on the web at www.puc.state.tx.us in the "Publications" list of the Customer Assistance area.



Texans save money under retail electric competition

Electric competition is helping Texans save money on their electric bills.

A new state law gave most Texans the right to choose their electric company or Retail Electric Provider in January of 2002.

Under the new system, customers can shop for an electric provider just as they do for long-distance phone service, a new car or stereo or other products and services.

Many customers across the state can choose their electric service provider based on what matters most to them, whether it's price, customer service, or renewable energy sources.

In its August 2002 Report Card on Retail Competition, the PUC found

that customers have saved \$690 million compared to rates in effect at the end of last year.

"This report is further evidence that competition for electric service is working for Texas," said PUC Chairman Rebecca Klein.

"Texans are still saving money on their electric bills this year compared to last."

As of August, nearly 400,000 residential and small commercial customers elected to switch electric providers.

This number does not include "move-ins" – transactions involving customers who are establishing new service or who have changed addresses, but remained with the same electric provider.

To find out more:

- Visit the website explaining how electric choice works at www.powertochoose.org
- Call toll-free at 1-866-PWR-4-TEX (1-866-797-4839)
- Enter your zip code on the www.powertochoose.org website to compare electric rates and get a list of the retail electric providers serving your community
- Read the free booklet, *Power Guide to Electric Choice*.

TEXAS
ELECTRIC
CHOICE
THE POWER IS YOURS. USE IT.



Study shows Texans prefer choice in electric providers

The Public Utility Commission's Texas Electric Choice education campaign recently completed a survey of electricity customers with the assistance of the Center for Research & Public Policy.

Although there may have been a few bumps in the road to restructuring the retail market, Texans are becoming more informed of their options in electric competition and their interest in having a choice in electric providers remains high.

Results from the August 2002 telephone survey of 1,101 respondents show high awareness levels of the competitive market, and strong indications that customers know a "moderate amount" to a "great deal" about electric competition.

Texans also have maintained positive perceptions of competition, and growing numbers are now in the decision-making process for choosing an electric provider.

Highlights of the study include:

Awareness

There exists strong and impressive awareness of electric competition among Texas electric residential and business customers.

Two thirds of residential survey respondents, 66.8%, responded having read or seen something about competition or deregulation. And 79.6% of business leaders said the same.

Those residential respondents who reported knowing "a great deal" or a "moderate amount" about electric competition in Texas moved from 15.3% in 2000 to 23.3% in March 2001, and from 34.3% in August 2001 to 62.0% in August 2002. Respectively, among business leaders, 55.2% indicated knowing a "great deal" or a "moderate amount."

Perceptions

Current perception of electric competition in Texas is the highest it has been in two years. Two thirds of residents (64.0%) and 57.6% of business leaders report their view toward electric competition is very or somewhat positive. Among residents, this percent is up from 52.0% in March of 2001 and 48.3% in August of 2001.

Interest

Interest in Texas electric competition remains constant. Three quarters of all residential and business respondents— 75.3% and 72.8%

Three quarters of all residential and business respondents – 75.3% and 72.8% respectively – suggest they are very or somewhat interested in the idea of choosing a retail electric provider.

respectively— said they are very or somewhat interested in the idea of choosing a retail electric provider. Among residents, the percent is consistent with 77.2% in

2000, 75.6% in March 2001 and 71.8% in August 2001.

Knowledge

Growing numbers of residential respondents—up 11.9% from 6.9% in August 2001—indicate they could make an informed decision today regarding their choice of a retail electric provider.

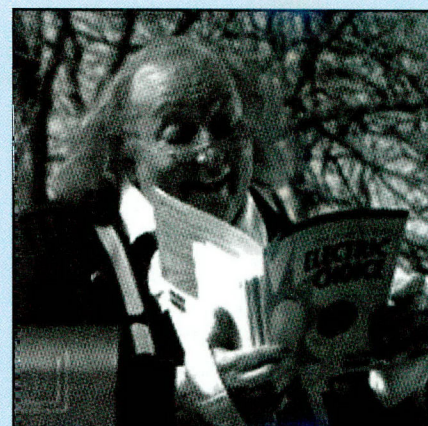
Service

Interestingly, 77.9% of residential respondents note that they expect their bills to be easier to understand (19.4%) or remain easy to understand (58.5%) with the introduction of electric competition.

Decision making

Today, 48.2% of residents and 64.3% of business leaders report having made one of three decisions:

- to choose a new REP
- not to choose a new REP, or
- make a conscious decision not to make a decision yet.



Power Guide helps Texans with choice

With the implementation of a relatively new state law at the beginning of 2002, the way many Texans receive their electric service has changed dramatically.

These Texans now have the right to choose the company that provides electricity to their home or business.

The Public Utility Commission of Texas (PUC) recently sent out the *Power Guide to Electric Choice* by mail.

The Power Guide explains in simple language the changes in electric competition, how the market works and how to choose an electric provider.

In addition, the PUC of Texas also operates an answer center and website to assist customers with their options in the new electric market.

Electric customers can call 1-866-PWR-4-TEX or visit www.powertochoose.org for information on electric choice and direction for choosing a retail electric provider or to request a copy of the guide.

The Power Guide was recently promoted in television advertising this fall by Ben Franklin, character spokesman for the Texas Electric Choice Education Campaign.



Over 800,000 enroll on Texas No Call List

The Texas No Call List has been in effect since January 1, 2002 and currently has over three quarters of a million subscribers.

The list was designed to stop unwanted telemarketing calls to consumers from companies with whom the consumer does not have a prior business relationship.

The Do Not Call list is actually comprised of two lists, the Statewide Do Not Call list and the Electric No Call List.

Only **residential** consumers can enroll their home number for the Statewide Do Not Call List. Phone numbers enrolled in this list will be shielded from unwanted telemarketing calls. The Electric No Call List is open to both residential and business customers. These phone numbers will be shielded only from calls made by Retail Electric Providers soliciting a customer's electric service.

The Do Not Call list applies to all telemarketers doing business in Texas no matter where their call center is located. Telemarketing companies not following the law may face fines of up to \$1,000 per violation.

Registration in the Do Not Call lists do not stop all telemarketing calls. Charities, non-profit groups and debt collectors are excluded from the law. Companies with a prior business relationship with the customer may continue to call in addition to telemarketers holding a state license, such as real estate agents and stockbrokers. However, a state licensee must close any sale or payment with a face-to-face meeting.

800,327 phone line numbers were enrolled on the No Call List as of Dec. 16, 2002. The area codes with the highest enrollment were:

- 972** – Dallas/ Ft. Worth area-
129,607 phone lines

- 281** – Houston area-
97,165 phone lines

- 817** – Ft. Worth area-
96,055 phone lines

- 512** – Austin area-
84,105 phone lines

- 713** – Houston area-
52,010 phone lines

When a telephone solicitor or telemarketer calls they must:

- Identify the name of the business calling
- Identify a return phone number at which the company can be reached
- Only call between 9 a.m. and 9 p.m. Monday through Saturday, and between noon and 9 p.m. on Sunday; and
- If the solicitor uses an automatic dial announcing device (ADAD), the computerized message must provide their company's name and a telephone number that can receive an incoming call. This rule does not include calls from non-profit organizations, media subscription services or a business soliciting a former or current customer.

You can ask a telemarketer to put your name and phone number on their own "do not call" list. It is against the law for them to call you again.

The cost for placement on the statewide Do Not Call list is \$2.25 for three years. Residential phone customers can get their name, phone number and address on the list using one of three methods:

Online – www.texasnocall.com - payment may be made with MasterCard or Visa.

Phone – call toll-free 1-866-TXNOCAL (L) (1-866-896-6225). An automated system is available in English and Spanish. Payments may be made with MasterCard or Visa.

Mail – ask for registration form by calling the toll-free number or by downloading and printing a form from www.texasnocall.com - payment may be made with MasterCard, Visa, or by mailing a check or money order to: TEXAS NO CALL, P.O. Box 313, E. Walpole, MA 02032.

The Electric No Call list applies to Retail Electric Providers and telemarketers calling about your electric service. Both residential and business customers can register their telephone number(s). The charge per phone line is \$2.55. Telephone numbers registered on this list will remain on the list for five years.

While the Statewide Do Not Call list does have some exemptions to its rule, the Public Utility Commission believes that consumers who register for the list should experience a substantial reduction in telemarketing calls.

Utility Q & A

Q: What are long distance access codes?

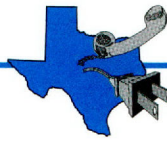
A: An access code helps you reach different long distance providers. Access codes can save you money, but you must know how to use them wisely. An access code does not change your long distance carrier. You will likely get a bill from the company providing the access code in addition to your long distance bill. Ask how you will be billed.

Q: Can I make international calls using an access code?

A: Using an access code to make an international call requires more dialing. Dial carefully and follow dialing instructions carefully, or you may find out that you did not get the rates promised.

•••

Look for answers to a variety of utility questions in future editions of the Public Utility Connection. See our "Want To Stay Connected" on page 8 to subscribe to the newsletter.



PUC on the road...

A representative of the Texas Electric Choice Speaker's Bureau will be at the following meetings and events. Informational material will be provided and Electric Choice representatives will be available to answer questions. For more information on these events please contact Michelle Wolf at michelle@powertochoose.org or 214-224-8418.

January 18

Dallas - Vecinos Unidos, Inc., 1 p.m.
Houston - Brookhollow Baptist Church, MLK Breakfast, 8:30 a.m.
Frontiersmen Association - MLK Breakfast, 8:30 a.m.
Antioch Baptist Church - MLK Celebration, 7:30 p.m.

January 19

Houston - HP Houston Marathon, 9 a.m.

January 20

Fort Worth - MLK Parade, 9 a.m.
Houston - MLK Celebration, 7 p.m.

January 22

Pharr - Winter Texan's Appreciation Day, TBA

January 23

Dallas - Texas Association of Business, 11:15 a.m.
McAllen - McAllen North Rotary Club, TBA

January 25

Houston - Houston Hispanic Forum Career and Education Day, 8:30 a.m.- 3 p.m.
Mission - Texas Citrus Fiesta, TBA

January 31

Houston - Green Meadow Civic Club, 7 p.m.

February 1-2

Houston - Chinese Lunar New Year Celebration, 11 a.m - 5 p.m.

February 6

Fort Worth - Far Greater Northside Historical Neighborhood Association, 7 p.m.

February 7-9

Houston - Houston Home and Garden Show, TBA

February 8

Houston - Tidwell Elementary Alumni Association, 7 p.m.

February 11

Taft - City Council meeting, 6:30 p.m.

February 14

Dallas - Dallas Electric Club, 11:45 a.m.

New transmission line rules benefit Texas landowners

Texas landowners will benefit from new rules adopted in September 2002 by the PUC to broaden public participation in transmission line siting cases.

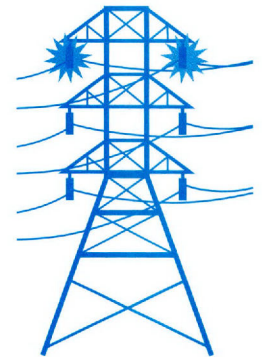
Under Texas law, most electric utilities must obtain a certificate of convenience and necessity (CCN) from the PUC to build transmission lines in Texas. City-owned electric utilities are not required to obtain a certificate from the PUC.

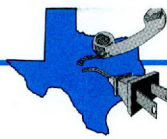
The PUC is sensitive to the impact that transmission lines have on private property. At the same time, transmission lines deliver electricity to millions of homes and businesses in Texas, and new lines are sometimes needed so that customers can obtain reliable, reasonably priced power. The PUC's job is to assess the utility's proposal and the positions of the parties, and to decide whether a proposed transmission line should be approved. Landowners are encouraged to participate in this process.

Utilities are now required to send direct mail notice to landowners with a habitable structure within 300 feet of the centerline of any of the routes of a proposed transmission line, or within 500 feet if the proposed transmission line is 230 kV or higher.

In addition to the standard legal notice, the utility must include a standard brochure entitled, "Landowners and Transmission Line Cases at the PUC." The brochure is intended to provide landowners with information about proposed new transmission lines and the Public Utility Commission's process for evaluating these proposals. The brochure provides information on how the PUC evaluates whether a new transmission line should be built, how a landowner can participate in the PUC's evaluation of a line, and how utilities acquire the right to build a transmission line on private property. For a copy of the brochure, call 1-888-782-8477.

The PUC adopted the new rules, which went into effect in January 2003, to require utilities to provide notice to more landowners and to send each directly affected landowner the brochure. These amendments are intended to permit interested landowners to better understand the CCN process.





Perry picks Parsley for PUC panel

Julie Caruthers Parsley of Austin was sworn-in Nov. 15 by Gov. Rick Perry as the Public Utility Commission's newest commissioner for a term to expire September 1, 2005.

Commissioner Parsley served as Solicitor General in the Office of the Attorney General where she maintained an appellate practice before state and federal courts representing the State of Texas and its agencies. She was the first woman to hold the position of solicitor general and has argued cases before the U.S. Supreme Court, the Texas Supreme Court, and the Fifth Circuit.

Before joining the Attorney General's Office, Parsley was of counsel for the Dallas law firm of Thompson & Knight and also was an adjunct professor at the University of Texas School of Law in 1998. Parsley is a 1984 graduate of Texas A&M University and received a law degree from the Texas Tech University School of Law in 1990. She is a fellow of the Texas Bar Foundation, as well as a member of the State Bar of Texas and Travis County Bar Association. She is board certified in civil appellate law.

This appointment is subject to Senate confirmation.

Cold Weather Energy Efficiency Tips

One way to combat high energy bills is to prepare your home for the cold months ahead. You can save a lot of time and money by performing routine, quick and easy maintenance tasks around your home.

Here are some steps to prepare your home for winter:

- **Have your furnace checked.** Make sure filters are clean and that the thermostat is working properly. Some heating ducts may need routine maintenance. Talk to a professional.
- **Inspect and clean your chimney if necessary.** Check for debris, leaves, and animals and consider screens for both openings.
- **Clean your gutters and ridge vents.** Clogged gutters will hold water which can freeze. Frozen gutters can expand and crack. Ridge vents should be clear at all times to allow the house to "breathe" correctly. Otherwise, air will stagnate and create an unhealthy environment.
- **Smoke alarms and carbon monoxide detectors should be in working order.** Check the batteries at least twice a year and replace if necessary. Also check the signal light.
- **Check the caulking around windows and doors.** If the caulking is cracking and peeling away, heat will escape the house. Replace if necessary. Use threshold blocks to ensure cold air does not seep in through the bottom of doors.
- **Turn off lights that are not in use.** Consider using timers, photo cells or occupancy sensors to reduce the amount of time your lights are on.
- **Insulate your water heater.** Use insulation blankets in accordance with the manufacturer's guidelines.
- **Set thermostats between 65 and 70 degrees** during the winter. While sleeping add an extra blanket for warmth.



With these tips you can save money on your electric bill and still be comfortable during cold winter months.

Sources: Better Business Bureau, The Morning Sun, Pittsburg PA, Fort Worth Star Telegram

903 Area Code Update

In November, 2001, the Commission approved a second area code for the 903 area code in northeast Texas. The code, an overlay, is 430.

An overlay places a new area code over the same geographic region or over a portion of that region in what is called a concentrated overlay. This creates two or more area codes in the

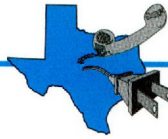
same region. New customers are assigned the new area code, while existing customers keep their existing code.

Dates to remember:

- **Saturday, Feb. 15, 2003** - You must dial ten digits to place a local call. For approximately 60 days you will get a recorded message reminding you to

dial ten digits if you have dialed only seven. After that, your call will not go through. The new area code, 430, becomes official in April 2003 and can be assigned.

- **Saturday, April 19, 2003** - Your call will not go through and you will receive no reminder to dial ten digits if you have only dialed seven.



Texas Electric Choice education campaign receives Telly

The Texas Electric Choice education campaign was recently awarded the prestigious "Telly" award for the best public service announcement in the Southwest Region.

The Telly Awards were founded in 1980 to showcase and give recognition to outstanding non-network and cable commercials. The competition was expanded several years ago to include film and video productions.

Over the past 23 years, the Telly Awards has become a well-known, highly-respected national competition. A major reason for the growth of the Telly competition is that entries do not compete against each other—but are judged against a high

standard of excellence.

The Telly has become one of the most sought-after awards in the TV, commercial and video industry.

The Telly statuette has even appeared on the set of many prime-time TV shows, such as "thirtysomething", "Murder, She Wrote", "Newhart", "News Radio", and most recently in the movie "What Women Want." In the past 23 years, winners and finalists have come from a large cross-section of agencies, production companies, TV stations and cable operations as well as corporate video departments. All 50 states as well as some countries have been represented by past winners and finalists.



Want to stay connected?

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