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**PUBLIC UTILITY COMMISSION OF TEXAS**  
**PROJECT NOS. ~~24116~~ AND 24899**  
**PUBLIC NOTICE OF WORKSHOP ON**  
**LOW INCOME DISCOUNT ADMINISTRATION, RULE AMENDMENTS, AND**  
**REQUEST FOR COMMENTS**

COMMENTS OF  
TEXAS RATEPAYERS' ORGANIZATION TO SAVE ENERGY  
AND TEXAS LEGAL SERVICES CENTER  
December 2, 2002

**Introduction**

The following comments are filed by Texas Ratepayers' Organization to Save Energy (Texas ROSE) and Texas Legal Services Center (TLSC) in response to a notice issued by Public Utility Commission of Texas (PUC) staff on October 29, 2002. The notice was filed in Project No. 24899, *P.U.C. Rulemaking Proceeding to Amend P.U.C. Subst. R. 25.451, 25.453, and 25.454 Relating to HB 2156 and HB 3088* to discuss the electric discount program and problems that have arisen during the implementation process.

The implementation of the LITE-UP program is one of the most innovative in the country because of its use of a third party administrator and automatic enrollment. The success of the LITE-UP program has grown as have the number of customers enrolled. While we are pleased with the progress LITE-UP has made over the past year, we are aware that there are a number of problems that have arisen that need to be corrected. We look forward to participating in the December 10 workshop and provide the following comments on the questions posed in the workshop notice.

**The Future of Automatic Enrollment**

In early open meeting discussions about the Low Income Discount Administrator (LIDA), Commissioner Perlman recommended a process whereby retail electric provider (REP)

software, using a pop-up screen, would confirm a customer's status in the LIDA database when the customer applies for initial service. Confidentiality would be maintained in the same way that hotels and other vendors can instantly confirm at time of check-in that a particular customer's credit card is good for that purchase. At the onset of automatic enrollment, we recommended that the Commission work with the LIDA and the major affiliated REPs to develop a real time data information exchange. The discussion of needed changes to the automatic enrollment process should be forward looking to achieve instantaneous enrollment and higher levels of participation. A system where REPs can receive enrollment information instantly and discount payments to REPs are automated should be a continuing theme in the discussion of automatic enrollment in Texas.

### **Performance Measures**

Since the market opened in January, the Commission has established processes to establish and collect data to measure the performance of various market operations. Likewise, performance measures should be established for the automatic enrollment and self-certification processes. The performance measures should take into account processing time for both the LIDA and REPs, the percent of total applications submitted that are finally processed, the number and percent of eligible customers automatically enrolled and self certified, and other relevant measures of success. Low-income rate discount performance measures have been established for REPs in California and should be established in Texas.

- 1. Given your experience with the move-in/move-out process, what would be an effective way to apply move-in/move-out procedures to the low-income discount program? When submitting comments, please keep in mind the ease of implementation, none or minimal interruption of the discount, and the flow of information between the parties.*

Currently, low-income consumers are losing the benefit of the discount for two to three months or more after moving to a new address. Even when the consumer is aware of the LIDA process and files a new application with the LIDA or qualifies again through automatic enrollment, the low-income consumer loses benefits.

When the rules were being written Texas ROSE and TLSC participated in working group discussions outlining the LIDA process. At that time it was anticipated that enrollment would take a total of 30 days and that re-enrollment after a move would not delay the customer from receiving the discount for more than 30 days.

In practice, the enrollment process is taking 60 and sometimes 90 days. We appreciate the focus of the staff's attention on improving the process. One way to streamline the move-in/move-out process for LITE-Up customers is to require the REP to transfer the customer's LITE-UP status to the customer's new address. This simple transaction would continue the LITE-UP discount with no interruption when a customer moves.

The rules or the ERCOT protocols should be amended to require a REP to transfer information about the rate discount with the customer to a new address. This would entail very little effort for a REP. For existing customers, the REP would make an internal data transfer, and notify the LIDA of the address change. For new customers, the previous REP should ask about LITE-UP status when the customer applies for service and the previous REP should be required to provide LITE-UP status to the new REP.

2. *Given your experience with the switch process, what would be an effective way to apply switch procedures to the low-income discount program? When submitting comments, please keep in mind the ease of implementation, none of minimal interruption of the discount, and the flow of information between the parties.*

The major difference in the switch and move-in/move-out process is that the customer stays at the same address but the REP changes. After a customer decides to switch REPs the old REP is required to send customer data to the new REP. We see no reason for excluding information about the low-income rate discount from the standard data transfer. The identity of the new REP should be updated in the ERCOT database and forwarded to the LIDA as part of the current process.

3. *The current discount calculation is detailed in P.U.C. Substantive Rule 425.454(d)(3)(B). Would it be beneficial to simplify the discount calculation? If yes, please suggest alternative methods of calculation.*

We support the discount as currently calculated. The PUC publishes the amount of the rate discount on its website and REPs simply apply the discount based on kilowatt-hour usage. The calculation appears to be straightforward and readily applicable to any rate offering. We are interested in reviewing the comments of other parties to identify problems that they have encountered in the application of the rate discount. In order to prevent problems in the future when there is a change in the calculation or in the amount of the discount (e.g., New Power's failure to adjust the rate discount when it was raised to 17%), the PUC website and listserv could be used to inform persons of changes in the PTB within a geographic area or changes in the amount of the discount.

4. *The problem resolution process is not currently specified in the rule, but has become an ongoing effort for the entities involved. What would be the most effective and*

*efficient division of labor regarding enrollment problems between LIDA, ERCOT, and retail electric providers (REPs)?*

The problem resolution process for the LITE-UP discount has been *ad hoc*, as have so many other aspects of the opening of the electric market. There should be a more formal process for problem resolution to assure that all parties have an opportunity to participate.

The subject of transferring a customer's eligibility for the LITE-UP discount is an issue Texas ROSE identified within the ERCOT working group setting procedures for the transition of POLR customers to other REPs. Transferring the customer's eligibility for LITE-UP was never seriously considered by the group. The industry representatives at the meeting had no interest in maintaining a customer's LITE-UP discount. After the decision was made we encountered a different perspective in speaking with REP employees who are directly involved in implementing the discount. This is an example of where a decision making process would have been improved by a more carefully structured process because some REPs voluntarily transferred LITE-Up eligibility in the POLR transition process.

Transferring a customer's eligibility as part of the move-in/move-out and switching processes should be approached by the LIDA, PUC, ERCOT, REPs and the consumer and low-income customer representatives and a solution developed. This would best be pursued in a rulemaking unless there is a consensus on the part of all REPs to provide the data.

Other problems are the amount of time it takes to process an application and the handling of incomplete applications. For example, an application may not have a copy of the customer's electric bill attached or the application may be unsigned. Incomplete applications are returned to the customer with no explanation as to why the application is being returned. In our opinion, many of the problems in processing could have been avoided had the

Commission agreed to allow informal comment on the contract elements with the LIDA. Unfortunately, that request was denied and therefore some matters were not adequately addressed. We request that the Commission be more inclusive when it amends the current LIDA contract to include telephone Lifeline customers.

We recommend that the LIDA be proactive in explaining the problems to the low-income customer and inform them of how the application can be made right. Often times, a quick telephone call to the customer would make the difference in having a complete application ready for processing versus having an application rejected.

We are supportive of the PUC opening up a special project to explore solutions to problems regularly encountered in implementing LITE-UP. Problems should include but not be limited to timing, move-in/move-out and switches.

5. *The current rule briefly addresses renewal of enrollment in P.U.C. Substantive Rule 25.454(f)(3)(H) for LIDA and 25.454(f)(4)(C) for REPs. Should the rule specify a more detailed process for renewal? If so, what would be the most effective process?*  
Renewal of LITE-UP customers' eligibility will begin in early 2003.

Under the current rule both the LIDA and the REPs must have procedures established for notifying customers. We are concerned that those renewal procedures have not yet been established and that neither the LIDA nor the REPs are in compliance with the rule as written.

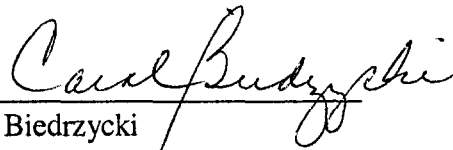
We would prefer that procedures be established outside the rulemaking process for a number of reasons. First, it will be impossible to complete a rulemaking process prior to the time renewal procedures must begin. Second, when a procedure is written into a rule it is troublesome to change. Third, the LITE-UP program was a controversial provision of electric restructuring for many industry parties. These important benefits for low-income

customers should not be jeopardized by the failure of PUC contractors and REPs to timely meet the requirements of the PUC rules.

### Summary and Conclusion

We appreciate the opportunity to comment on the questions posed by staff and plan to participate in the workshop being held at the Commission on December 10. As always we look forward to working with all the parties to make the LITE-Up program a model for other states to follow.

Respectfully submitted:

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