

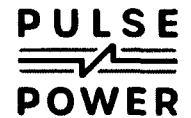


Control Number: 50664



Item Number: 168

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April 15, 2020

Chairman DeAnn T. Walker  
Commissioner Arthur C. D'Andrea  
Commissioner Shelly Botkin  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
Austin, Texas 78701

Re: Project 50664 - Response Re: Filings by TEAM, ARM, and Direct Energy

Dear Commissioners:

Pulse Power offers the following comments in support of the recent filings by TEAM, ARM, and Direct Energy.

As a Texas-based company serving only the Texas market, Pulse Power is dedicated to helping our fellow Texans during these trying times. Pulse Power, through our family of brands, offers some of the more cost-effective plans to help Texans save every month on their power bill. We offer a wide variety of plans to meet the needs of all consumers – from bundled and unbundled fixed price rates, bill credit plans, flat fee plans, solar plans, and even TOU plans that offer free nights or weekends.

**PULSE POWER GENERALLY AGREES WITH TEAM, ARM, AND DIRECT ENERGY**

Pulse Power has reviewed this week's filings from TEAM, ARM, and Direct Energy. We also have spoken with numerous other retailers in recent weeks. The questions and comments in those recent filings reflect the major concerns of all of the retailers with which we have spoken. Pulse endorses the recommendations contained within those filings.

**APPLY SWITCH HOLDS TO ERP CUSTOMERS**

Pulse Power requests that the Commission issue an Order that retailers may place switch holds on their customers that qualify for the ERP. For any customer who has their disconnection prevented by the ERP, the retailer should be able to place a switch-hold on the account – irrespective of the customer agreeing to a DPP. This is to ensure the recovery of the balance owed to the REP upon termination of the program. Customers currently have zero incentive to enter into a DPP and have every incentive to switch

providers without paying their balance at the conclusion of the program. As it stands now, fewer than 4% of Pulse's ERP customers have agreed to a DPP, although all have been offered multiple times. If the Commission thinks it necessary, a requirement could be added that the retailer offer a DPP to the customer again at the expiration of the ERP to lessen the impact of the accumulated balance that will be owed.

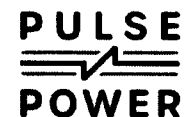
It is important to note that the vast majority of customers being enrolled now in the ERP already have significant unpaid past-due balances. According to the latest TDU conference call, retailers will have no opportunity to recoup their cost of power or their continuing payments to the TDUs for the periods before the customer enrolls in the ERP (energy charges) or before April 20 (TDUs). Even then, the retailer is not able to obtain full recovery or subsequent energy charges unless their energy charge is less than \$0.04. Allowing switch holds to be placed on customers in the ERP program—whether or not they enter into a DPP—would substantially mitigate the financial harm to the retailers without imposing unfair or unjust burdens on customers.

#### **THE ERP PROGRAM HAS SERVED ITS PURPOSE, BUT IT SHOULD BE ENDED SOON**

The ERP program addressed an immediate need for customer relief prior to the authorization and release of benefits from the various Federal stimulus packages. Now that those benefits are flowing into customers' bank accounts, there is no need for the PUCT to continue providing aid. The beneficiaries of the ERP program are now receiving significant assistance through grants and increased unemployment benefits. The Federal stimulus payments of \$3,400.00 for a family of four and \$1,200.00 for an individual are now being deposited. Most of the consumers who qualify for the ERP because they are receiving unemployment benefits are now receiving an additional \$600.00 per week in cash benefits for the next four months.

Meanwhile, the ERP imposes a significant burden on the people of Texas. The total cost of the ERP has been estimated to be as high as \$400 million. This additional tax is being applied across all customer classes and will create additional economic hardship on businesses coping with the economic downturn as well as residential customers that may be impacted but may not qualify for ERP.

From the retailers' perspective, the administration of this program is a logistical, operational, and economic nightmare. As previously predicted, the manual requirements for the administration of this program (both DPP extensions and ERP) are dramatically increasing the cost to serve customers in general and will inevitably lead to errors. Customers are mistakenly thinking that all DNP's are suspended, so they are ignoring



disconnect notices, even secondary notices that Pulse has recently implemented. This actually results in more DNP's, not fewer. Aside from increased work on its salaried staff, Pulse has had to double its customer service staff to be able to respond to the significant increase in the number of customer inquiries since the ERP was announced.

#### **END THE ERP PROGRAM EARLY**

The program should end much earlier than the original 6-month term. Discussions are already underway to reopen Texas businesses. The Commission always intended this program to be a temporary help to eligible customers. That time has passed – other programs are now delivering funds to affected Texans – and certainly one intended use of these funds is the payment of basic necessities such as utility bills. Pulse recommends ending new enrollments into the program on May 1, 2020 and removing existing enrollees on June 1, 2020.

The vibrant Texas deregulated market depends on a level playing field for all market participants. Competition drives down prices, increases innovation, and provides a check on the market dominance of the largest consolidating players. The changes requested by TEAM, ARM, Direct Energy, and Pulse Power will help to ensure that all retailers can continue to provide all Texans with this essential service affordably and reliably.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Thomas Schmidt".

C. Thomas Schmidt  
General Counsel, Pulse Power, LLC