

## **Filing Receipt**

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INVESTIGATION OF EMERGENCY	§	PUBLIC UTILITY COMMISSION
PREPAREDNESS AND RESPONSE BY	§	
UTILITIES IN HOUSTON AND	§	OF TEXAS
SURROUNDING COMMUNITIES	§	

# AGGREGATED REP GROUP'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO RETAIL ELECTRIC PROVIDERS

The Aggregated REP Group (a list of retail electric providers on whose behalf this response is prepared is reflected in Attachment A) timely files this Response to the Staff (Staff) of the Public Utility Commission of Texas's (Commission) First Request for Information (RFI) to Retail Electric Providers filed on August 2, 2024. The Aggregated REP Group providing these responses appreciates the opportunity to provide information specific to the retail electric provider experience during and after the recent extreme weather events.

Respectfully submitted,

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## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

Please detail the extent and duration of outages experienced by your customers during and in the aftermath of Hurricane Beryl. If known, please include the total number of customers impacted, minimum and maximum hours of service interruptions, average hours of service interruptions, and average time to service restoration.

RESPONSE: The extent and duration of outages by customer would be difficult for REPs to ascertain at this time. The transmission and distribution utility (TDU) is the entity with direct access to customer outage information because the TDU is the entity that is responsible for delivering power and owning and reading the meters at each premise. The TDU transmits the usage for each electronic service identifier (ESIID) to the REP serving the customer associated with that ESIID using a market transaction called an 867\_03. The 867\_03 is part of the Texas Standard Electronic Transaction (Texas SET), which is a standardized set of transactions designed to facilitate the communication of information between retail market participants—TDUs and REPs. At this time, many of the meter reads that REPs have received for the period of time following the storms contain estimates.

The primary indication that there may have been an outage during the service period is when the 867\_03 states that it includes estimated usage. However, a service outage is not the only condition that might cause estimated usage—a malfunctioning meter is another common example—so even the inclusion of estimated usage is not dispositive evidence of an outage.

Based on the foregoing, it is very difficult for a REP to accurately know whether a customer experienced an outage and the duration of that outage. With a large amount of effort, a REP might be able to back into a rough estimate based on the meter read data transmitted in the 867\_03. Because some of the TDUs experienced difficulty with providing accurate meter reads in the days and weeks following Hurricane Beryl, and instead provided estimated meter reads in the 867\_03, such an endeavor would be of limited use, thus the Commission would be better served by estimates provided by the TDUs for the information requested by this RFI.

## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

Please detail and provide any supporting data on the extent and duration of outages experienced by your customers during and in the aftermath of the May 2024 Derecho event. If known, please include the total number of customers impacted, minimum and maximum hours of service interruptions, average hours of service interruptions, and average time to service restoration.

**RESPONSE:** Please see the response to REP 1-1.

## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

**REP 1-3** Which geographic areas were most affected by any outages experienced by your customers due to the May 2024 Derecho and Hurricane Beryl, and what factors do you think contributed to these areas being particularly vulnerable? Please provide neighborhood names, city names, zip codes, and county names, where known.

RESPONSE: In general, the counties that appeared to be most affected during the Derecho were the counties served by CenterPoint Energy Houston Electric, LLC (CenterPoint). For Hurricane Beryl the initial impacts were experienced by customers in Matagorda County along the coast through the counties served by CenterPoint. The longer-term impacts past the initial 48 hours following Hurricane Beryl primarily were experienced by customer in the CenterPoint service area.

## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

**REP 1-4** Please describe how you communicated with your customers before, during, and after Hurricane Beryl regarding service disruptions and restoration efforts. If you have any representative examples of these communications, please attach them to your response.

**RESPONSE:** Before Hurricane Beryl's arrival, REPs communicated with their customers about storm preparation. Many REPs have webpages to provide helpful information to customers in this regard.

During and after both the Derecho and Hurricane Beryl, REP call centers fielded a significant volume of questions from customers in the CenterPoint service area. As such, communication efforts for many REPs focused on preparing training materials and talking points for customer care agents. Questions about service disruptions and restoration efforts were more prevalent in the CenterPoint service area because customers did not have the use of an online outage tracker and customers were generally unable to get through to CenterPoint on the phone to report their service outage. Specifically, customers wanted confirmation that CenterPoint knew the power was out at their service address and an estimate of how long it would take before power was restored. Without a functioning outage tracker to reference, communications with customers in response to questions about service disruptions and restoration efforts were very limited. REPs do not generally provide mass, direct customer communications regarding delivery service disruptions and restoration efforts because this information is specific to conditions on the transmission and distribution systems, which are the sole province of the TDU under the unbundled competitive retail electric market structure in ERCOT. Therefore, the TDU is the best source of the information a REP communicates to customers that is specific to these issues.

A significant focus of REP communications with customers after Hurricane Beryl were related to usage data. As discussed at the August 15, 2024 open meeting, many of these inquiries resulted from a customer accessing their daily electric usage through SmartMeter Texas and noticing that usage was reported for periods that their service was out. Even if the TDU is already aware of this issue, there can be a lag of one week or more before the daily electric usage accessible via SmartMeter Texas is corrected to zero out the usage for intervals during which the customer's service was out.

Customer communications related to this type of data discrepancy generally focus on:

- Informing customers that both the REP and the TDU are aware of the issue with the SmartMeter Texas data;
- Informing customers that the TDU is working on correcting the daily electric usage that was reported; and

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 Assuring customers that they will not be charged for any usage during a period their electric service was out.

The messages described above are most typically provided over the phone in response to calls from customers, through written communications posted in a customer's account portal, and if provided by the REP, in the weekly email that provides a summary of the customer's usage during the past week.

REP communications were also focused on customers who received a bill that was based on usage calculated using estimated meter reads. As stated in a previous response, TDUs transmit monthly customer usage to REPs using an 867\_03 transaction. In addition, TDUs send an 810\_02 transaction, which is an invoice to the REP for TDU delivery charges. Together, the 867\_03 and the 810\_02 trigger the customer billing process. Only one 810\_02 may be sent for a single service period. If the charges transmitted via an 810\_02 need to be corrected because they were based on estimated usage, then the TDU must cancel and replace (rebill) the original 810\_02.

When a REP receives an 867\_03 with estimated usage and a corresponding 810\_02 that is based on that estimated usage, this is the only data available to the REP for customer billing purposes. In addition, a REP does not have control over how quickly the TDU will correct the 810\_02 and the underlying estimated meter reads. In light of this, REPs include a notation on each bill that is based on estimated usage that clearly explains that the usage has been estimated by the TDU.

Please see Attachment 1-4 for examples of specific questions from customers and responses and a sample responses for frequently asked customer questions.

Talking points Customer Care used during Beryl:

Hurricane Beryl left millions of Texans without power on July 8th, 2024. Customers will need to contact their local utility to report outages or dangerous situations.

The safety of our customers is our priority, and we want to provide accurate information when they call to report outages or other concerns.

#### Details:

#### Why have I not received any communication from [my REP] about my power outage?

"Mr./Mrs. Customer, I apologize that you are experiencing a power outage. The utility owns and maintains the equipment that powers your premises and this information is not readily accessible to [your REP].

#### My power is out. What are you doing to restore power?

"Mr./Mrs. Customer, I apologize that you are experiencing a power outage. The utility owns and maintains the equipment that powers your premises and you will need to report the outage to your local utility. I can provide you with their number or website to report the outage. Please be aware of long wait times when reporting the outage by phone."

#### When will my electricity be restored?

"Mr./Mrs. Customer, I apologize that you are experiencing a power outage. The utility owns and maintains the equipment that powers your premises. You will need to contact the TDU to get an estimate on the time the power will be restored."

#### Long wait times when calling the TDU?

"Mr./Mrs. Customer, I apologize that you are experiencing a power outage. Due to the large number of areas without power, many people are calling their TDU to report their outage, and emergency conditions like poles down or wires down and this is affecting the time you have to wait to get assistance to report your outage. We recommend, if possible, going to the utility website to report the outage and check the status of the estimated restoration times for your area."

#### Why is MyAccount showing usage on days my power was out?

"We are sorry for any confusion. The usage shown on your MyAccount may be an estimate because your utility was not able to communicate with your home's smart meter. Your usage will be updated once the utility is able to communicate with your smart meter, and will be reflected correctly on your MyAccount."

 Internet/Phone Service is out? Although this is not something we discuss with the customer, the customer may be unable to call the utility or report the outage due to not having no phone service or internet in their home.

"Mr./Mrs. Customer, I apologize that you are experiencing a power outage. There may be a network in your area without power, causing no phone/internet problems. Power must first be restored to both your home and to the local network serving your neighborhood for these services to be available."

Will [my REP] reimburse me for spoiled food caused by the power outage?

"[Your REP] provides your energy rate and bills you for your consumption. We are not responsible for maintaining poles and wires or managing outages. We recommend customers to reach out to their homeowners/renters' insurance or FEMA for loss of goods or hotel accommodations."

 GWC: Reminders to Supervisors and Agents for Spoiled Food and Hotel Accommodations. Customers must reach out to their local government entities for disaster assistance.

"[Your REP] provides your energy rate and bills you for your consumption. We are not responsible for maintaining poles and wires or managing outages. We recommend customers to reach out to their homeowners/renters' insurance or FEMA for loss of goods or hotel accommodations."

#### Contact Information for local utilities:

Utility Phone Email

CenterPoint Energy 800-332-7143 centerpointenergy.com

AEP North and Central 1-877-373-4858 aeptexas.com

ONCOR 1-88-313-4747 stormcenter.oncor.com

TNMP 1-888-866-7456 tnmp.com

UPDATE! Customers using the power trackers for the utilities may not have accurate information. Please advise the customer to call the TDU for restoration times or to report an outage.

**Customers can have outage information at their fingertips!** It's never been easier to receive up-to-date notices about power outages that affect the customer's home or business by cell phone.

#### **Agent Actions:**

- Customers can sign up for power alerts by text for Centerpoint Energy, ONCOR, and TNMP. The links provide push notifications from the TDU on outage status and recovery time.
- Explain why the power outage should be reported to their TDU as they own and maintain the equipment.
  - "Mr./Ms. [Customer] I apologize you are experiencing a power outage. All power outages should be reported directly to your TDU. I will be happy to provide you with the number to [TDU] or their website [provide this option only if that is an option].'
- The customer can use the following links to sign up for alerts, the customer may need their meter number or ESIID to sign up. Agents can provide these numbers or the customer can locate them on one of their bills on the 2nd page.
  - Centerpoint Energy
  - ONCOR
  - o **TNMP**
- Review the article [LINK TO ARTICLE] for TDU outage phone numbers.

\*\*\* If you have any questions, please see your Lead or Supervisor. \*\*\*

Outage Alerts - Power Alert Service | CenterPoint Energy
Manage your power-outage alerts in 'My Account.' Decide who receives Power Alert
Service (PAS) alerts and how they're delivered – by email, text message or phone call.

#### **Summary of Change and Impact**

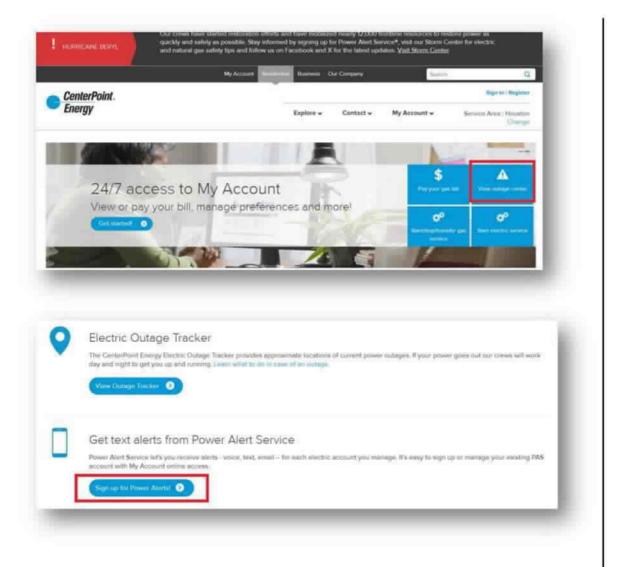
As the Atlantic hurricane season begins this year, Houston and nearby areas were hit hard by Hurricane Beryl on Monday, July 8th. Currently, over 1.6 million CenterPoint area customers are without power, including many of our own customers. With temperatures already reaching triple digits just a day after the storm, the lack of cooling for tens of thousands of people is concerning.

We expect many customers to call us about their power status. Although we do not restore power, we can support our customers by being empathetic, listening to their concerns, and guiding them through the process of how to receive outage status alerts on their phone.

#### **Customer Handling**

- If customers call in to report power outage, follow the knowledge article <u>Utility</u>
   <u>Power Outage</u>
- a. CenterPoint customers calling in about their power outage situation after Hurricane Beryl:

Advise the customer to check the power outage status through the CenterPoint outage tracker. They can also sign up for phone alerts about outages affecting their home by visiting <a href="www.centerpointenergy.com">www.centerpointenergy.com</a>, selecting "Texas" and "Houston Metro," and clicking on "Residential Services," then "View Outage Center." From there, they can click on "Sign Up for Power Alerts!"



b. If customer asks why it is taking so long, briefly explain CenterPoint's steps:

"CenterPoint has deployed 12,000 frontline workers to restore power as quickly as possible. The process includes damage assessment, evaluating the infrastructure for

safety, and fixing the issues. Due to the extent of the damage, the utility is prioritizing restoring services that are essential for health and public safety."

c. If customer asks why their neighborhood lights is not on, but other neighborhood right across theirs has power:

"Based on the guidelines shared by CenterPoint Energy, if a neighborhood's power hasn't been restored while nearby neighborhoods have power, it might be a problem at the fuse level. CenterPoint is continuing to troubleshoot and working to restore services as soon as possible. We thank you for your patience."

d. If customer asks why their home lights is not on, but all their neighborhood has power:

"Based on the guidelines shared by CenterPoint Energy, if your neighborhood's power has been restored but your home is still without power, the problem might be isolated, such as a damaged transformer that needs to be addressed. CenterPoint is continuing to troubleshoot and working to restore services as soon as possible. We thank you for your patience."

Closed Anyone

### Re: Power question

Tricia

Anyone, Active

Good afternoon.

I am trying to determine if our place of business has power in the building yet. We have a generator which is running now so that is why we are confused as to whether or not we have power back up or not so we could use some help with this.

Vanessa

❷•

Closed

Tricia:

I am sorry to hear that your power is out. Hurricane Beryl is affecting many of our customers in and around the Houston area. Have you reported your outage to CenterPoint?

CenterPoint will be the one to restore your power due to the hurricane.

Here is their contact information: 1-800-332-7143

https://gis.centerpointenergy.com/OutageReporting/index.html

Here is the link to their tracker as well: https://gisoutagetracker.azurewebsites.net/

Please stay safe and I hope that your power is restored soon!

Tricia

We have a generator running so I need to know if we have power because of the generator or if we have power because it's been restored on your end??

❷・ Vanessa Closed Tricia: Thank you for clarifying. Based on CenterPoint's map, it appears that power has been restored in the area for account: CenterPoint Map: https://storymaps.arcgis.com/stories/195bcf03ae0c491f9f14bf77f2c43420 Thank you for your patience, : Tricia O

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Closed Anyone

### **Electricity**

Rahim
Anyone, Active

Hello,

i want to know which is my local electricity provider, don't have electricity from past 4 days.

Hi Rahim:

I am sorry to hear that you continue to be without electricity.

Centerpoint is your Utility and who you need to report your outage to.

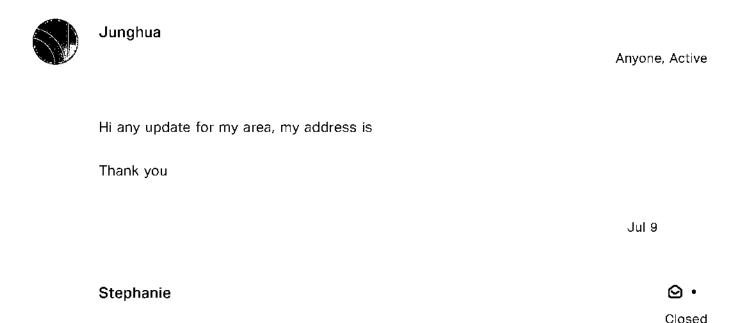
1-800-322-7143 Centerpoint number to report outage https://www.centerpointenergy.com/en-us/pages/changeservicearea.aspx?requesturl=/en-us/residential/customer-service/electric-outage-center

Website from Centerpoint about their restoration efforts https://storymaps.arcgis.com/stories/195bcf03ae0c491f9f14bf77f2c43420

Hope that this helps and I am glad that you are safe, Stephanie

Closed

### Hi outages in Sugar land



#### Hi Junghua:

Centerpoint is working as fast as they can to restore power to the area but the outages have been massive. Have you signed up directly with them for updates for your address? I have found that this is the best way to get information. They have been emailing me about the outage at my own residence.

#### You can sign up here:

https://login.centerpointenergy.com/cnpcwecafprod.onmicrosoft.com/B2C\_1A\_SignUpOrSignin/api/CombinedSigninAndSignup/unified?

local=signup&csrf\_token=LzhNdVlwNTRvZ3ZBNnFRaUVtSEFxZ0xuTGF0TEtkVjg2UkQ3YzU2a m1uUmU5VkFBVGxGSDVFRVoyTTdlVnBQdGp1QmNaUVRnMTdBZE1BejdzTldQalE9PTsyMDl0 LTA3LTA5VDE1OjEwOjlyLjg3MjQ5OTJaO3RWYzNyalNmdEV2c2w5M0swcHc0TXc9PTt7lk9yY 2hlc3...

Sorry for the long link but that will get you directly to the page to sign up.

Hoping that you get power soon and glad that you are safe. Stephanie

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Closed Anyone

### Meter Not Recognized

Tinesha

Anyone, Active

Hello,

The power is out at my home. I went to Centerpoint Energy website to report the outage and get an estimate on when the power will be restored. When I tried to enter my meter number, it said that they couldn't find it and to call. Right now the phone lines are completely tied up right now, so I can't call them. Since this is a new build home and I can't register my meter, will they know to restore power at my address as well? How do I handle this? Thanks!

Tinesha

Stephanie

❷ •

Closed

#### Tinesha:

Centerpoint should recognize that they are not getting a signal from your meter and place it on the outage list. I tried to enter you as well with the phone number on your account as well as your Meter number and they both weren't recognized. I think that you might not be in their system yet. Can you try and sign up for an account with them...

https://login.centerpointenergy.com/cnpcwecafprod.onmicrosoft.com/B2C\_1A\_SignUpOrSig nin/api/CombinedSigninAndSignup/unified?

local=signup&csrf\_token=ZTBIMXhFTGhZaVR2dXlxb2RGb1dveXBIVUhMTU9XUVdtUWx6SUV NRTJWZXd0UGczVExMMzNJdFhTbDliTWVmU05XRDVoSTR4bWxDRkJsZXRaaFVuV1E9PTsy MDI0LTA3LTA4VDE4OjMzOjMzLjM2NDg4MTRaO1Nhd0xiSjJBQTJHV3dyeUM4OGs3Nmc9PTt 7lk9yY2hlc3...

I apologize for the long link but that was what came up when i copied from the browser. This should allow you to link your meter/address to notifications and allow you to report the outage.

The phones usually become overwhelmed in the first day but will start to be available in the next couple of days -- although i hope your power comes back much much sooner. I will ask some colleagues as well if they know of how we can report on your outage or another source we can use!

Stay safe, Stephanie

## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

**REP 1-6** Please indicate the percentage of your customers that had "opted-in" to providing their contact information to the customer's corresponding TDU as of July 8, 2024.

RESPONSE: This question appears to imply that there is a process in place for a customer to inform their REP that they would like to opt in to receive communications from the applicable TDU or a process for a REP to obtain a customer's consent to share their information such that they may receive communications directly from the TDU. The relevant customer protection rule, 16 Texas Administrative Code (TAC) § 25.472, appropriately does not currently include either type of process. The enduse customer in ERCOT is the customer of their REP of record and does not have a direct customer relationship with the TDU. With some specifically enumerated exceptions, a REP is prohibited from releasing proprietary customer information to a third party unless the REP obtains authorization from the customer. Even if a REP could obtain customer consent to release additional customer contact information to a TDU (outside of the market transaction examples noted below), additional federal and state laws would govern how the TDU could use that information, including the TDU's obligations with respect to establishing a process to enable customers to opt-in or out of receiving communications from the TDU.

Separate and apart from the system contemplated under the tariff for TDUs to accept customer communications regarding outages and for TDUs to then respond to those outage notifications from customers, some TDUs maintain a separate channel for outbound communications from the TDU directly to the end use customers. Any such communication system maintained by a TDU is specific to each TDU and is separate from the system that should receive and track customer communications regarding outages. Therefore, REPs are not privy to the process used for a customer to opt in to receiving communications via the TDU's system and cannot opine on best practices that may be employed by a TDU to remain compliant with any relevant state or federal privacy statutes or regulations. However, it is important to note that there has been at least one class action lawsuit filed against a utility pursuant to the federal Telephone Consumer Protection Act.<sup>2</sup> The basis for that case was an unsolicited text message informing the recipient that he or she had been subscribed to outage alerts even though the recipient had not signed up to receive any such alert.

Embedded in the Texas SET procedures is a process whereby a REP may provide the TDU with the telephone number, if any, that is associated with the customer's account. More specifically, this information is provided with a move-in or switch transaction. Once this information is provided, it is the responsibility of the TDU

<sup>&</sup>lt;sup>1</sup> 16 TAC § 25.475(b)(1).

<sup>&</sup>lt;sup>2</sup> Grant v. Commonwealth Edison Company, Case No. 1:13-ev-08310, Northern District of Illinois.

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to determine if and how it can utilize these phone numbers to initiate contact with the customer.

## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

**REP 1-7** Please describe your coordination efforts with local authorities, TDUs, and other relevant entities during and in the aftermath of Hurricane Beryl.

**RESPONSE:** Through our trade association, the Texas Energy Association for Marketers (TEAM), the Aggregated REP Group coordinated communication with CenterPoint and attempted to assist in providing information to customers. The specific communications are included in the TEAM RFI responses.

## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

**REP 1-10** Please describe the key lessons learned following the May 2024 Derecho event and Hurricane Beryl.

RESPONSE: A straightforward way for a TDU to communicate with customers regarding service outages is via some form of outage tracker that is publicly available on the TDU's website. When possible, REPs already have links on their website that take customers to the TDU webpage where they can report service interruptions or dangerous conditions. A link to the outage tracker could also be provided. Moreover, if this tool is working properly, it allows a customer or the customer's REP to get information directly from the TDU. If a customer can call their REP, and their REP can reference the outage tracker, the REP can let them customer know that the TDU is showing an outage in their area with an estimated service restoration time of "X." Enabling the REP to handle this communication may somewhat stem the influx of calls received by the TDU.

The outage tracker is also a logical outgrowth of the current regulatory framework that requires a TDU to be able to receive incoming customer communications regarding outages. Under the proforma Tariff for Retail Delivery Service, a REP must inform its customers regarding how to report outages.<sup>3</sup> A REP may satisfy this obligation in one of three ways, including directing a customer to call the TDU directly.<sup>4</sup> Paired with this directive to the REP are directives to the customer and the TDU. The customer should report outages as directed by the customer's REP, i.e., per the option the REP has chosen under Section 4.11 of the tariff,.<sup>5</sup> which is disclosed in the REP's Your Rights as a Customer Document.<sup>6</sup> A TDU is required to maintain a toll-free number to receive, in either English or Spanish, reports of interruptions from customers.<sup>7</sup>

If a customer can reference a functioning outage tracker that is timely updated with accurate information, it minimizes the need for the customer to contact the TDU directly to report an outage because the customer can quickly and easily ascertain whether the TDU knows there is an outage at the customer's service address. It has been established that during Hurricane Beryl, CenterPoint Energy Houston Electric, LLC (CenterPoint) struggled to maintain the ability to accept customer reports of outages and a maintain a functioning outage tracker. Rather than presenting solutions to address the shortcomings of its internal processes and

<sup>&</sup>lt;sup>3</sup> 16 TAC § 25.214(d), Proforma Tariff for Retail Delivery Service at 4.11.

<sup>&</sup>lt;sup>4</sup> 16 TAC § 25.214(d), Proforma Tariff for Retail Delivery Service at 4.11(3).

<sup>&</sup>lt;sup>5</sup> 16 TAC § 25.214(d), Proforma Tariff for Retail Delivery Service at 5.12.1.

<sup>&</sup>lt;sup>6</sup> 16 TAC § 25.475(h)(3) (requiring a REP to disclose, in its Your Rights as a Customer disclosure, the REP's procedures for reporting outages).

<sup>&</sup>lt;sup>7</sup> 16 TAC § 25.214(d), Proforma Tariff for Retail Delivery Service at 5.12.1.

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systems, CenterPoint has indicated that their inability to access the customer contact information held by REPs for use in conjunction with the CenterPoint PowerAlert system was a cause of the lack of communication with customers.

This assertion is a distraction. If a TDU does not have the infrastructure and internal systems in place to receive and respond to communications from customers regarding outages, the mediums of communication available to the TDU (phone, text, email, etc.) to push out generic information not specific to that customer's outage is not the primary concern.

Concrete expectations regarding a TDU's obligation to receive customer communications regarding outages and also provide readily accessible information reflecting the TDU's efforts to address those outages are needed. To that end, the Commission could adopt rules to establish:

- the minimum capabilities a TDU must possess to accept reports of outages from both customers and REPs via telephone and the internet;
- the minimum functionality requirements for an online outage tracker;
   and
- consequences for a TDU's failure to provide basic, accurate information to customers regarding the location of outages and estimated restoration times.

To the extent TDUs are unable to accept outage information from customers, systems should be established to require them to work in concert with REPs such that the TDU knows the information it is responsible for providing, and the REP can then push out the communication to customers in the TDU's service area. This type of outage alert, in conjunction with a robust and functional system for accepting outage reports and mapping/tracking outages, could provide the solid foundation necessary for effective customer communications throughout a natural disaster like Hurricane Beryl.

## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

**REP 1-11** Please describe any plans to improve or bolster your response to similar emergency events in the future.

**RESPONSE:** The timeliness and accuracy of the information that will be provided by TDUs will be the foundation upon which customer communications can be improved in future emergency events. With the right information, REPs will be better able to assist in these communications. To that end, it would be helpful if the TDUs:

- Maintain operational online outage tracker maps, which should help decrease customer concerns and calls.
- Use customer contact information received from REPs to provide premise-specific outage notice, status update and restoration times to impacted customers.<sup>8</sup>
- Provide real-time outage information to REPs for ESI IDs for which they are REP of record via a central platform (similar to Smart Meter Texas) that REPs can query.

<sup>8</sup> TDUs would likely be required by law (e.g., Telephone Consumer Protection Act) to obtain customer consent prior to providing such notices to them.

## RESPONSE TO COMMISSION STAFF'S FIRST RFI TO RETAIL ELECTRIC PROVIDERS

REP 1-12 Please provide any additional information and describe any concerns that may be helpful to this investigation or may be relevant to the assessment and relief efforts in the aftermath of Hurricane Beryl and the May 2024 Derecho event.

#### RESPONSE:

#### **Disconnection Moratoria**

Following Hurricane Beryl, the affected TDUs unilaterally declared disconnection moratoria. AEP Texas, Inc. and Texas-New Mexico Power Company declared moratoria on disconnections until Friday, July 26, 2024. CenterPoint declared an initial moratorium on disconnections until Monday, July 29, 2024, and then extended the moratorium twice with disconnections resuming on August 11, 2024. It is important to note that any pending disconnection during those times would have related to failure to pay for services prior to the actual event. A protracted refusal to perform disconnections for non-payment has negative repercussions on the customers directly involved and increases the cost to serve all customers.

The Commission's rules neither expressly authorize nor prohibit a TDU from declaring a disconnection moratorium following a hurricane. What the rules do require is that REPs offer deferred payment plans "as directed by the commission, during a state of disaster declared by the governor pursuant to Texas Government Code §418.014," in the area covered by the declaration. Similarly, the decision about whether to impose a disconnection moratorium following a hurricane or other natural disaster should lie with the Commission.

A moratorium on disconnections does not absolve a customer of their responsibility to pay any outstanding balance that is owed at the time the moratorium takes effect. It also does not prevent the customer from continuing to accrue additional charges for electric service provided during the moratorium. Therefore, the relief that may result from a disconnection moratorium is sometimes offset by the increase in the unpaid balance that is due and owing once the disconnection moratorium ends.

A proliferation of customers with past due balances also has repercussions for the REP serving those customers. The amounts billed for and collected by a REP include TDU delivery charges. A REP must timely remit payment for these TDU delivery charges to the TDU regardless of whether the customer is current on their account. Stated simply, the REP must still pay the TDU for delivery charges even if the REP's customer does not pay their electric bill. If the customer switches to another REP with an unpaid balance that exceeds the amount of the deposit, if any,

<sup>&</sup>lt;sup>9</sup> 16 TAC § 25.483(j)(1)(B).

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the REP has on hand for that customer, it is the REP who is left with that bad debt. A circumstance such as unchecked disconnection moratoria can significantly increase the risk of uncollectible customer balances. The cost of that risk gets reflected in the price of retail electric products offered to customers.

Because a TDU is made whole through the payment structure described above, a TDU's decision to declare a disconnection moratorium following a natural disaster is divorced from the financial implications for end-use customers and REPs. Accordingly, a process where only the Commission may declare a disconnection moratorium following an unexpected, wide-spread outage resulting from a natural disaster ensures an objective decision that takes into account the needs to the TDU, the REP, and the end-use customer. While the amount of bad debt attributable to the disconnection moratoria following Hurricane Beryl is still in flux as the dust settles, a preliminary rough estimate of this cost is \$70 million to \$100 million or more.

The Commission's rules also do not directly address a potential situation where a heat-related disconnection moratorium is <sup>10</sup> already in effect leading up to a natural disaster or in the weeks following a natural disaster. Once again, the lack any connection between the length of a disconnection moratorium and any financial effect on the TDU, can lead to a situation where the pancaking of disconnection moratoria can result in the accrual of unpaid balance too large for the end-use customer to manage. Consequently, TEAM recommends pairing any rule revision vesting the Commission with the responsibility for declaring natural disaster-related disconnection moratoria with a corresponding rule revision establishing the criteria to be considered by the Commission in order to determine the duration of the moratoria.

In summary, establishing a process where only the Commission may declare a disconnection moratorium following an unexpected, wide-spread outage resulting from a natural disaster along with parameters addressing the duration of a disconnection moratorium is sound public policy because it will:

- Provide the temporary assistance a customer may need immediately following a hurricane while preventing an extended moratorium that may leave the customer in a compromised financial position due to the large outstanding balance that has accrued;
- Avoid a perverse outcome that turns a measure that is intended to protect customers and alleviate financial strain results in a level of risk that necessitates increased prices; and

<sup>&</sup>lt;sup>10</sup> Under 16 TAC § 25.483(j), all disconnections for non-payment must be suspended during specific weather conditions such as a period for which the National Weather Service has issued a heat advisory for a County and the two days following the day on which a heat advisory has been issued.

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• Diminish the inequities between those customers who may need temporary relief and those customers who were also affected by the hurricane but paid their bills on time.

The Commission should bear in mind the fact that widespread or extended service outages create uncertainty about what a REP's customer load in a specific TDU service area will look like from day-to-day as service is restored. This uncertainty has a direct effect on REP operations because it disrupts the ability for REPs to manage hedges in place to provide power procured for those customers. This uncertainty adds to the cost to serve customers. In addition to expecting and requesting more timely service restoration, communication about those service outages and expected restoration times could help mitigate these costs.

#### **Estimated Customer Bills**

For some customers, the 867\_03 transactions CenterPoint sent to REPs following Hurricane Beryl included estimated usage. Under 16 TAC § 25.479(e), when a REP is unable to issue a bill based on actual meter reads because of a failure on the part of the TDU, the REP is permitted to issue a bill based on estimated usage. In addition, the REP must provide the reason for the estimated bill. Accordingly, there are customers in CenterPoint's service area who were billed based on estimated usage and know they were billed based on estimated usage due to the requirements of the Commission's customer protection rules.

CenterPoint has notified REPs that they will not be issuing corrected 867\_03 transactions. Instead, they will use the actual meter reads from the next meter reading cycle to "true up" the usage and ensure an end result whereby the total usage billed for the two service periods in question—service period A which included estimated usage and service period B which included actual usage—is equal to the customer's actual usage. From the customer's perspective, all they will know is that they received a bill based on estimated usage during service period A, they did not receive a revised bill based on actual usage during service period A, and now they are receiving a bill based on actual usage for service period B. Because they will not see how the estimated and actual usage was trued up, this is likely to cause confusion and generate questions.

Both the pro forma Tariff for Retail Delivery Service and the Retail Market Guide prohibit a TDU from estimating a meter read for more than three consecutive months if the estimated reads are not due to a customer's refusal to allow the TDU to access the customer's meter.<sup>11</sup> However, neither document prescribes a process the TDU must follow to ensure the usage report to the REP for billing purposes is revised to reflect only actual usage. The Commission's rules are also silent on this

<sup>&</sup>lt;sup>11</sup> 16 TAC § 25.214(d), Pro Forma Tariff for Retail Delivery Service at § 4.7.2.2; ERCOT Retail Market Guide § 7.12.6.

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issue. Consequently, there may be customer confusion on this issue that could not be resolved by providing the applicable standard to them.

#### ATTACHMENT A

#### APG&E

174 Power Global Retail Texas, LLC dba Chariot Energy

Constellation NewEnergy, Inc.

Demand Control 2, LLC

Direct Energy LP

Frontier Utilities, LLC

Fulcrum Retail Energy, LLC

Gexa Energy, LP

Green Mountain Energy Company

Just Energy Texas, LP

Reliant Energy Retail Services LLC

Rhythm Ops, LLC

Shell Energy Solutions

Stream SPE, Ltd.

Tara Energy LLC

U.S. Retailers LLC (Cirro Energy and Discount Power)

XOOM Energy Texas, LLC