

Public Utility Commission of Texas

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PUC urges POLR customers to compare Provider of Last Resort rates can be significantly higher

The Public Utility Commission (PUC) urges electric customers who have recently been involuntarily switched to a Provider of Last Resort (POLR) to shop for a new price plan to get a competitive rate.

Beginning May 16, the Electricity Reliability Council of Texas (ERCOT) switched approximately 8,400 customers of Pre-Buy Electricity to a POLR. ERCOT has announced beginning Wednesday, May 28, it will switch approximately 15,000 customers of National Power Company to a POLR or another designated retail electric provider (REP). ERCOT initiated these switches because Pre-Buy and National Power defaulted on payment obligations.

Customers that were on a variable rate plan with National Power are being switched to Amigo Energy, which is not a POLR. Amigo has agreed to honor the terms of the customer's plan with National Power. Customers on a fixed rate plan will be switched to a POLR.

Customers who are switched should receive a notice in the mail from their new provider. Any customer who receives notice that they are on a POLR rate should read the notice immediately and carefully, then contact that REP or shop for other REPs to enroll in a another plan. POLR providers can offer customers rates that are more attractive than the POLR rates.

Even before receiving a notice, POLR customers can access www.powertochoose.org or call toll-free 1-866-PWR-4-TEX (1-866-797-4839) for a list of providers and their rate offers. POLR customers can also ask the REP providing their POLR service for other available plans.

While these actions affect less than one-half of one percent of residential electric customers in the Texas competitive retail electric market, it is important these customers understand the need to find a lower-cost offer as soon as possible. Rapidly rising energy prices have created the potential for POLR rates to be significantly higher than current competitive electricity rates.

POLR service is designed as a temporary safety net assuring continuous electric service if a REP leaves the market and customer accounts are not sold or transferred to a competitor. POLR service is relatively high-priced due to planning costs and uncertainty at a given time in the number of customers and electricity load.

The PUC requires that REPs return any unused portion of a deposit to a switched customer within seven calendar days after a meter read. A POLR can require a deposit, but a deposit cannot be an original condition to receive POLR service.

A POLR is required to offer call center facilities for customer inquiries. POLRs also must give low-income customers the same benefits as all other REPs.

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