

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Chairman Pat Wood, III  
Commissioner Judy Walsh  
Commissioner Brett Perlman

**FROM:** Trish Dolese  
Director of Customer Assistance

**SUBJECT:** Project 22255, Customer Protection Rules for Electric Restructuring  
Enron Request for Clarification

**DATE:** February 15, 2001

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On January 23, 2001, Enron filed a request for clarification in project 22255, see attachment A. Specifically, Enron requests “the commission to clarify the rule language of §25.474(b)(3) to specify the aspects of the terms of service which the affiliated REP must provide, and to clarify that the explanation of price will contain sufficient information to enable the customer to know the actual price or pricing methodology that will be applied to it as a customer under the default service.”

Reliant Energy, AEP and TXU Business Services have filed responses to Enron’s request for clarification. These entities argue that the rules clearly delineate what information must be provided. AEP states that the requirement is clear enough in its directive to electric utilities to provide a terms of service document and an explanation of pricing to non-PTB default customers by June 1, 2001 and needs no further clarification. TXU, in its comments, states that the language adopted by the Commission is problematic. Specifically, TXU asserts that the timing of the notice (7 months before market opening) as well as the assumption that the electric utility will know what the affiliated REP plans to charge customers is problematic.

During the Open Meeting discussion on December 1, 2001 (starting on page 47 of the transcript) the Commission made it clear that they were concerned about how non-choosing, non-PTB customers would be made aware of the price they could expect to be charged by the affiliated REP. Staff was directed at that open meeting to draft language responsive to the concerns raised by the Commissioners. That language was incorporated into the draft discussed at the December 7<sup>th</sup> open meeting and approved by the Commissioners.

### **Staff recommendation**

Staff does not believe the rules need to be clarified to address Enron’s concerns. Section 25.474(b)(3) requires the electric utility, whose successor affiliate REP will continue to serve a customer not eligible for the price to beat due to non-selection by the customer of another

REP, to issue that customer a terms of service document by June 1, 2001. The content of the terms of service document provided by the electric utility is governed, in this instance, by §25.475(c). Pricing disclosures are specifically addressed in §25.475(c)(5)(G), in that a customer is to be informed of **both** the specific methods **and rates** by which the customer will be charged for electric service. This understanding is further reflected in the last sentence of §25.474(b)(3) which states that “such document (*term of service document*) shall contain an explanation of the price the customer will be charged by the affiliate REP.”

With respect to the concern raised by TXU, the intent of the rule was that the appropriate entity that was in possession of such information, either the electric utility or its successor affiliate REP, provide the required information to the customer.