



Texas Ratepayers' Organization to Save Energy

# **Utilities and Moratoria for Low-Income Customers**

Summer Disconnections in Texas

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# Why Moratoria in Texas?

- Summer heat is dangerous.
- Winter cold is dangerous.



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# Objectives

- Explain how the system works in Texas
- Analyze the advantages and disadvantages of the approaches



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# Permanent Rules

- Extreme Weather
- Ill and Disabled
- Deferred Payment Plan



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# Extreme Weather Winter

- the previous day's highest temperature did not exceed 32 degrees Fahrenheit, and the temperature is predicted to remain at or below that level for the next 24 hours



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# Extreme Weather Summer

- the National Weather Services issues a heat advisory for a county, or when such advisory has been issued on any one of the preceding two calendar days



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# Ill and Disabled

- Disconnection will cause someone to become seriously ill
- Attending physician submits written statement to the REP;
- Deferred payment plan required



# Emergency Rule 1

- August 12 to September 30, 1998
- No disconnection.
- All customers eligible for 6 month deferred payment plan.



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# Emergency Rule 2

- August 10 through September 30, 2000
- Disconnection is suspended with deferred payment plan.
- Utility is required to offer six month deferred payment plan.



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# Emergency Rule 3

- July 24 to September 30, 2006
- No disconnection of critical care and elderly low-income customers
- No disconnection of low-income customers who express an inability to pay
- 5 month renegotiable deferred payment plan



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# 2008 Voluntary Rule

- TXU Initiated
- Provides flexible deferred payment plans for low-income, ill and disabled and senior citizens
- Onus is on customer to contact company
- Reliant followed suit



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# Observations and Analysis

- The extreme weather standard is subjective and not uniformly monitored in all parts of the state.
- The extreme weather standard is unreasonably high.



# Observations and Analysis

- **Deferred payment plans do not go far enough to protect the most vulnerable customers.**
- **Deferred payment plans are a valued service in comparison to payday lenders.**



# Observations and Analysis

- Voluntary programs do not cover all customers.
- Voluntary programs cannot be enforced.
- Onus for enforcing the rule should be on the industry not the consumer.



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# Observations and Analysis

- The industry should be required to make its bad debt accounts public.
- Medical community should do more to provide data on the number of heat related illnesses and deaths.



# Future Questions

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