



Customer Protections

The Texas electric restructuring statute contains a number of customer protections and safeguards, including stringent [reliability standards](#), Retail Electric Provider (REP) certification requirements, non-discrimination provisions, and protections against slamming, cramming, and unwanted calling by REPs. It also requires the PUC to conduct an extensive customer education program to help Texans make effective, informed choices about retail electric service.

The law also establishes a [system benefits fund](#) to pay for lower rates for low-income families and compensate for property tax losses for affected school districts. The Fund also pays for the customer education program.

Customer Protections in a Competitive Retail Electricity Market

- **Disclosure standards for Retail Electric Providers**

The commission would adopt (both in English and Spanish) a uniform Electricity Disclosure Label and a more detail Terms of Service document that would be used by all Retail Electric Providers (REPs).

Disclosure requirements adopted by the commission would apply to marketing and promotional materials, Terms of Service documents or contract summaries; and monthly bills.

- **[Default Service \(Provider of Last Resort\)](#)**

The commission will adopt rules that ensure customer access to the electric grid on a nondiscriminatory basis and that address the following types of customers:

- those who choose not to choose;
- those refused service by a retail provider;
- customers whose supplier's electric service contract is canceled for any reason;
- customers who need supply during a transition to a new dwelling or who become new customers and have not yet chosen a supplier; and
- customers whose supplier stops doing business or whose license is revoked.

- **Continued reliability of service**

The distribution utilities will still remain responsible for service reliability (outages, their frequency and duration) as well as the physical installation or disconnection of service (service drops, as well as line extension in previously unserved areas. The commission will develop enforceable standards for distribution utilities that address their responsibilities to the customer. Rules will also be developed for REPs and distribution companies that outline their responsibilities for customer interactions.

- **Universal Service and low-income programs**

The commission will adopt standards that ensure that low-income customers have the opportunity to select and receive service at discounted rates for REPs. Many of the basics for how this program will work are currently being developed in the telephone Project 21239.

- **Other key customer service issues**

The commission will also be implementing standards for REPs governing the following:

- Application for Credit
- Bill Format
- Credit Terms, including terms for bill payment
- Unfair and Deceptive Practices
- Telemarketing (do not call provisions)
- Contract Terms of Service (such as late fees, notices of renewal, and term length, collection costs, payment arrangements, cancellation notices, deposits, right of rescission, and dispute resolution)