

# UTILI-FACTS

## Switch-holds

In the past, the electric market experienced situations where customers left their electric companies with unpaid bills.



This not only affected the unpaid customer's payment history, but the amount due was paid by all remaining ratepayers through their rates.

Understanding that people do fall into hardship situations by circumstances beyond their control, the Public Utility Commission of Texas amended its customer protection rules to require retail electric providers (REPs) to offer deferred payment plans in certain circumstances to allow customers to pay any outstanding balances in installments. Your REP may inform you that you are required to agree that a switch-hold be placed on your account as a condition of

extending you credit through the deferred payment plan.

### What is a switch-hold?

A switch-hold means that you will not be able to buy electricity from another REP until your obligation has been met. The switch-hold will be removed after the past due amount owed to the REP has been processed.

### Why is a switch-hold placed on my account?

There are a couple of reasons why a switch-hold may be placed on your account. The first reason may be that you have entered into a payment plan with your REP to pay a past

due amount and the REP has placed the switch-hold on your account until your obligation has been met. The deferred payment plan allows you time to pay the debt owed to the REP and helps ensure that the debt commitment is met.

The second reason that a switch-hold may be placed on your account is that the transmission and distribution utility (TDU) has determined that meter tampering has occurred at your location. The switch-hold prevents a switch or move-in transaction from occurring. Tampering with the TDU's meter to benefit from unbilled electricity or service is against the law.

### What can I do if a switch-hold has been placed on my account?

A switch-hold will remain in effect until your REP notifies the TDU that payment obligations have been met, including back-billings and meter repair charges due to tampering if applicable. If you are disconnected for non-payment, you will need to pay your REP to get your electricity turned back on.

### What are the benefits of agreeing to have a switch-hold placed on my account?

REPs extend credit to customers through deferred payment plans to allow customers to pay off debts in installments. As a condition of extending the credit, the REP may require the customer to agree to a switch-hold. This agreement allows customers who have an unpaid balance an opportunity to pay the debt through a deferred payment plan and avoid disconnection of service because of non-payment.

### QUESTIONS:

Call: 1-888-782-8477, in Austin 512-936-7120  
(TTY 512-936-7136) (FAX 512-936-7003)

Write: PUC - Customer Protection Division  
P.O. Box 13326, Austin, TX 78711-3326

Online: <http://www.puc.texas.gov/consumer/complaint/Complaint.aspx>

