



ENERGY & ENVIRONMENT

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Texas electric company hit with class action over surging prices

By Reuters Staff



(Reuters) - A Texas power provider that dramatically jacked up electricity prices during the recent blackouts and plunging temperatures was hit with a \$1 billion class action lawsuit accusing it of cashing in on a natural disaster.



FILE PHOTO: An electrical substation is seen after winter weather caused electricity blackouts in Houston, Texas, U.S. February 20, 2021. REUTERS/Go Nakamura

The litigation against Griddy Electric LLC of Houston was brought by Lisa Khoury of Mount Belvieu, Texas, seeking compensatory and punitive damages for soaring electric bills, according to a copy of the complaint filed in state court.

Griddy said it passes along to customers wholesale electricity prices, which it said were ordered by utility regulators.

“We understand our customers’ frustration,” Lauren Valdes, Senior Manager – Social Media & Content at Griddy, said in an email to Reuters. “The lawsuit is meritless and we plan to vigorously defend it.”

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A ferocious winter storm last week knocked out power and disrupted heat and water to millions of Texans, and also sent wholesale electricity prices soaring.

Electricity customers like Khoury paid a \$9.99 monthly subscription fee and were charged for usage at spot market prices, which change every five minutes, rather than a set rate. Her bills averaged less than \$250 a month, the lawsuit said.

However, it said, as spot power prices skyrocketed during the crisis, Khoury was billed \$9,546 for service between Feb. 1 and Feb. 19.

Many other Texans suffered the same sticker shock.

The lawsuit accuses Griddy of violating laws against deceptive trade practices, negligence, unjust enrichment and wrongly withdrawing funds from customer accounts.

The Texas market has close to 7 million residential utility customers, and most people do not have variable-rate plans, according to Catherine Webking, a partner at Austin-based law firm Scott Douglass & McConnico. Griddy, with 29,000 customers according to local media, accounts for 0.4% of the state’s total residential customers.

Reporting by Tom Hals in Wilmington, Delaware with additional reporting by Sebastien Malo in New York;
Editing by Mark Heinrich

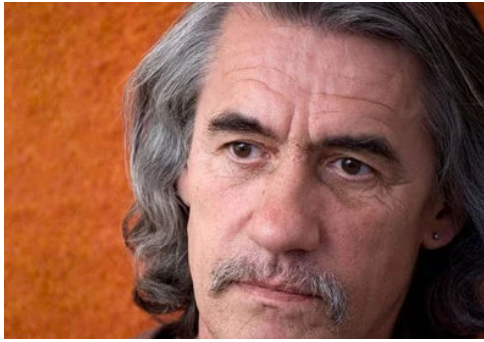
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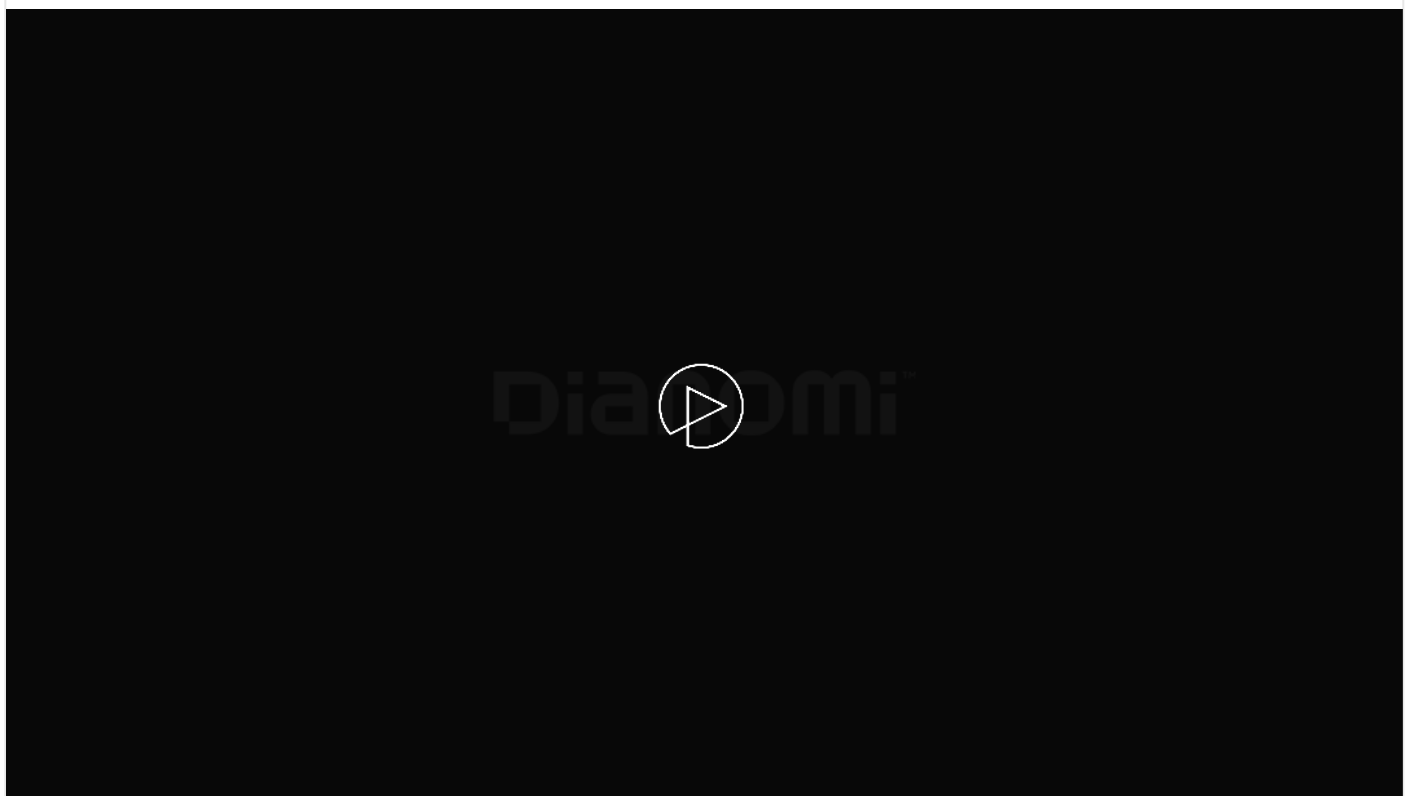
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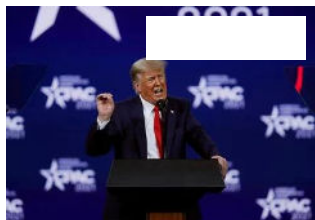
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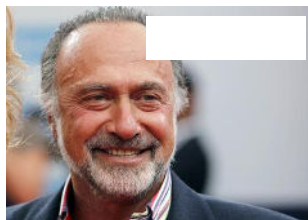
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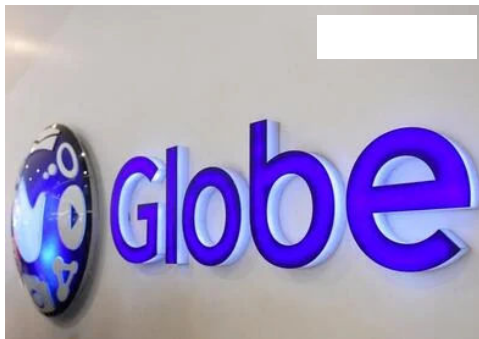
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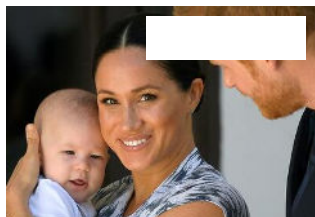
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