

US · Published February 24

# Texas utility customer files \$1B lawsuit against Griddy after electric bill tops \$9,000

The suit accuses the energy company of violations of the Texas Deceptive Trade Practices Act

By **Julia Musto** | Fox News



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A [Texas](#) utility customer impacted by the state's [devastating winter storms](#) this month filed a \$1 billion class-action [lawsuit](#) against wholesale electricity retailer [Griddy Energy LLC](#) on Monday, accusing the company of "[unlawful](#) price gouging."

The plaintiff, Lisa Khoury of Mont Belvieu, alleges in the suit that while her monthly electricity bills from Griddy were around \$200 to \$250, the company automatically withdrew \$1,200 from Feb. 13-18 and her entire bill was \$9,546 from Feb. 1-19.

**TEXAS RESIDENT HAS NEARLY \$17,000 DEDUCTED FROM BANK ACCOUNT BY ENERGY COMPANY FOLLOWING WINTER STORM**

[Khoury claimed](#) she expressed concern over the withdrawals and bouncing checks to Griddy, but never heard back from the company and ultimately placed a stop payment order with her bank on Feb. 18.

The suit, which was filed in the 133rd District Court of Harris County "on behalf of all others similarly situated," seeks \$1 billion in [monetary relief](#).



In addition, the lawsuit accuses Griddy of violations of the Texas Deceptive Trade Practices Act and seeks an injunction to prevent Griddy from billing and collecting payment for excessive prices and to assure the forgiving of any late or unpaid bills from affected customers.

"Griddy charged Khoury in the middle of a disaster. She and her husband mostly were without power in their home from Wednesday, February 17, 2021 to Thursday, February 18, 2021. At the same time, Khoury hosted her parents and in-laws, who are in their 80s, during the storm. Even then, she continued to minimize any power usage because of the high prices," the suit explains.

They noted that Griddy's wholesale rate reached \$9,000 per megawatt-hour from the pre-storm rate of \$50 per megawatt-hour, and said that Griddy told customers it was "seeking relief from utility regulators" after advising 29,000 customers to switch to another provider with a fixed rate.

### **MILLIONS IN TEXAS FACING WATER ISSUES AS STATE STILL REELING FROM EFFECTS OF DEADLY WINTER STORM**

Khoury was able to change providers on Feb. 19, the suit said.

"Griddy knew it was overcharging consumers, that consumers would be harmed, and Griddy would be unjustly enriched by retaining customers' payments," it concludes.

A man in Arlington was stunned to receive [a bill for more than \\$17,000](#) from Griddy over a period of just five days.

[In a Tuesday release](#), Khoury's attorney Derek Potts -- who heads the Potts Law Firm in [Houston](#) -- said there are likely thousands of customers who received the bills and that the class action would "be the most efficient and effective way for Griddy's customers to come together and fight this predatory pricing."



"The case is tremendously important to the firm as it allows us to represent the people of our state who have now endured not one but two [natural disasters](#) at the same time, the storm plus [COVID-19](#)," Potts told Fox News on Wednesday.

"What happened financially to all of the customers of Griddy both in terms of the exorbitant prices charged and the manner in that they were collected from peoples' bank accounts and credit cards literally in the middle of a catastrophe while many were without power, heat, and water, is clearly contrary to Texas [laws](#) in place to protect consumers," he said.

Fox News reached out to Griddy but did not immediately receive a response.



Griddy

@GoGriddy



At Griddy, transparency has always been our goal. We know you are angry and so are we. Pissed, in fact. Here's what's been going down: [griddy.com/post/griddy-up...](https://griddy.com/post/griddy-up...)

@PUCTX @ERCOT\_ISO

10:00 PM · Feb 18, 2021



 37

 87

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However, in [a statement to Reuters](#), a spokesperson said the lawsuit was "meritless," shifting blame to the Public Utility Commission of Texas.

On its website, the company wrote in a [blog post](#) that "transparency" had always been its goal and that it, too, was "pissed." The company has vowed to fight the prices.

Wholesale market prices hit a state-imposed cap in response to rising demand, [according to FOX 7 Austin](#).

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[An order](#) from the utility commission said that "energy prices should reflect [the] scarcity of the supply."

[Republican](#) Gov. Greg Abbott [has promised](#) that scaling back bills would be a top priority. On Sunday, the state's utility commission acted to temporarily prevent electric companies from cutting power to customers who don't pay and from sending out bills and cost estimates.

"Texans shouldn't have to face a spike in their energy costs," he [tweeted](#).

Julia Musto is a reporter for Fox News Digital. You can find her on Twitter at @JuliaElenaMusto.



Conversation 857 Comments

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- B

Bingo2016

24 February, 2021

The problem isn't auto pay. The problem isn't set versus floating rates. The problem is the attempt to pass the costs of mismanagement onto the customers by rolling it into their bills. Electricity simply does not cost \$9.00 a kw hour to produce. Not even if you go down to Home Depot, buy a generator and gas at retail cost. This is fraud and mismanagement on a huge scale. The consumer has no legal or ethical obligation to pay for fraud and mismanagement. *(Edited)*

Reply

344

24

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K

Koblongata > Bingo2016

25 February, 2021

https://www.foxnews.com/us/texas-utility-customer-sues-griddy-after-electric-bill-tops-9000

4/11

This, and another major problem is nearly all the power companies failed, and the gov sees no problem with it.

L

Reply

1

lb0190147

> Bingo2016

25 February, 2021

The first problem is radical price changing during an emergency/disaster, which I believe is against State and/or Federal law. I also believe by law, utilities must give advance notice to price changes with an opportunity for public hearings on the changes before implementation.

Reply

4

3

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U

usahaspoliticalcancer

25 February, 2021

Never go the route of direct withdrawal payments from any account you own to pay any bill. A long time ago, I got AOL for my son so he could use his computer and the internet, the requirement was to have a credit card number on file for monthly billing purposes. I canceled AOL eventually, but they kept billing me for months afterwards. It almost took an act of God to get the fraudulent billing to stop, cancelled the credit card eventually. I pay all my bills by mail-in checks, might be inconvenient for some, not for me, no problems with fraudulent automatic withdrawals.

Reply

109

4

bluecollarbytes

> usahaspoliticalcancer

25 February, 2021

started with AOL in 97, and used them for about three years. when I decided to cancel, it took about 6-7 months for them to 'acknowledge' it and stop charging me. The reason they acknowledged it is because I reported my card lost/stolen, then got a new card with new numbers. .

Reply

26

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C

centerwins443

> usahaspoliticalcancer

25 February, 2021

You're lucky, I had cases where my checks were tossed and was charged late fees because I had no the proof that I had sent my payment. Only registered mail, or signature confirmation would work; and who has \$ or time to do that for their bills.

Reply

6

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S

sfbiker

24 February, 2021

You're suing the wrong entity -- Griddy promised to sell you power at wholesale rates (which, as they said on their website, are capped at \$9/KWh). And they did just that. They have a fixed price plan, which has a higher per KWh rate, but gives predictable prices. Or you could go with any of the other providers that have fixed rates.

If you want to blame anyone, blame the regulators that allow consumers to purchase power at spot market rates. Ordinary consumers aren't sophisticated enough to understand the risks or be able to mitigate them - spot market contracts are better for industrial/commercial purchasers who have automatic load shedding or local power generation so they can stop using power when it gets too expensive.

That's kind of the point of the high spot market pricing in the first place - to make it too expensive to keep using electricity, freeing up power when supplies are tight. *(Edited)*

Reply

95

7

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s

**SvenJohann** > sfbiker

25 February, 2021

⋮

Absolutely correct. As a former Griddy customer I was fully aware that I was buying wholesale electricity with the potential for huge swings during high demand low supply periods. A similar circumstance happened for a few days in August 2019 during a heatwave. Griddy actually reached out to customers to tell them to move elsewhere and provided links for the change. I heeded that advice, but still got hit with a \$200 one day bill on the last day (on low usage) since it takes a few business days to make the switch. The point is that while such a huge bill is quite ridiculous and rates should probably be capped by the state at a more modest number, I fully knew and understood the risks I was taking to generally pay a lower electric bill throughout the year. This isn't fraud. This is the market. Same problem exists when you bet on a losing stock. Caveat Emptor. I love however that we have this flexibility here, and I will likely switchback after my 6 month fixed term is complete with my new provider. But if you can't stomach that risk, it's definitely best to get a fixed rate plan.

Reply 3

R


**ringmaster859** > sfbiker

25 February, 2021

⋮

At first I was thinking that this was crazy, but it is to curb usage

Reply



**doughh**

24 February, 2021

⋮

I did not sign up with Giddy but stayed with TXU. My KW rate was \$.14 while their's was \$9. Last month, their's was probably a fraction of mine. "If it looks too good to be true..." *(Edited)*

Reply 75 3

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J


**joe7623** > doughh

25 February, 2021

⋮

If they get off the hook for this bill, then I think you should sue. For many years you were paying more while they got to pay less (I am sure they saved more then \$9K). What's the point of not entering a variable rate if the government will just bailout those who's price goes up?

Reply 29 1



**Juiced** > doughh

25 February, 2021

⋮

And that is what some people don't get. I actually produce more electricity then what I need and a portion is sold to the electric company. But being on a farm, I have 3 other lines set up that run off electric company power. And I get offers all the time that claim "let us lower your electricity rate." I ignore them. And last year when the two hurricanes went through, I was still paying \$.12 for my electric while people who signed up for the lower rates were paying \$.50-\$1.25 because rates skyrocketed when plants and feeder lines were taken out (plants temporarily due to the hurricanes.)

Reply 20 1

P

**ParadoxLost**

24 February, 2021

⋮

Texas electric bills were \$28B higher under deregulation.

Nearly 20 years ago, Texas shifted from using full-service regulated utilities to generate

power and deliver it to consumers. The state deregulated power generation, creating the system that failed last week. And it required nearly 60% of consumers to buy their electricity from one of many retail power companies, rather than a local utility.

Those deregulated Texas residential consumers paid \$28 billion more for their power since 2004 than they would have paid at the rates charged to the customers of the state's traditional utilities, according to the Journal's analysis of data from the federal Energy Information Administration.

Reply  49  7

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c

**consrvmaster314** > ParadoxLost

25 February, 2021

Three decades ago, in MD, the power company began a program that encouraged home users to reduce their use of electricity. The customers did as requested, and lived with warmer summers and colder winters.

Less than a year later, the Potomac Electric Power Company went to the State regulators and asked for a price increase. Of course, the customers were using electricity, so their revenue was less. The "regulators" obliged, and the customers began paying more for electricity.

What a bargain! Pay more for less!

My wife and family long ago kissed MD goodbye for lots of reasons, their handling of the PEPCO matter was a factor. Having our teenage son held up at gun point in front of our house was another factor. Having a crooked "tenant's judge" in landlord/tenant court didn't help our modest collection of rental properties either.  
...See more

Reply  2 

F

**FreedomJusticeLiberty** > ParadoxLost

24 February, 2021

All energy prices went up over the past 20 years due to the push for expensive renewable energy. They went up a lot less under deregulation than they did under regulation. In Texas people regularly paid \$200 for a single family home. In CA my relatives pay two to three times that every month.

Reply  55 

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N

**nofreelunch444**

24 February, 2021

I feel like I defeated the devil with this. My power went out for two days during all this, and I generated my own power with \$10 of gasoline and a small generator to power a few appliances and my gas central heat unit during the deep freeze. I skipped the whole thing. They can't make me pay because I was offline.

Reply  125 

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R

**Rottanpit** > nofreelunch444

25 February, 2021

Agreed , if you don't have a 400 or 500 dollar gen. but have a thousand dollar iPhone, you need to be humbled

Reply  22 

This comment violated our policy.

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D

dividedstatesofamerica072

25 February, 2021

Wow a proud American huh? Sounds like you hate it here and hate your fellow Americans. Maybe you should move somewhere you like and respect the citizens.

Reply 

18

7

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S

slftlc2020

25 February, 2021


I doubt you have never paid a utility bill in your entire life.

Reply 

14

5

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electraglider


25 February, 2021

I live in Colorado where the winters are cold. I have a 1600 sq. ft. house and my utility bill in the winter rarely exceeds \$150 and it's a third of that in summer. I thought Texas was an "energy" state.

Reply 

32

1



bluecollarbytes > electraglider

25 February, 2021

in Colorado as well, and i essentially made the same comment as you.

Reply 

4

1

B

Bingo2016

24 February, 2021

"An order from the utility commission said that "energy prices should reflect [the] scarcity of the supply." No absolutely not. Energy prices should reflect what it would cost a properly managed system to supply electricity to the consumer. The consumer should not have to pay the costs of incompetent or criminally bad management.

Reply 

77

15

O

OldKidz > Bingo2016

25 February, 2021

what about in cases of an emergency as this? Hurricane, etc.? I get what you are saying but preparation does not always keep things working in specific situations.

Reply 

1

L

lawyerDave > Bingo2016

24 February, 2021


Oh you republicans no longer like the free market? Lolol typical

Reply 

48

93

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stardomino

24 February, 2021

This is obscene. The utility companies should not bankrupt their clients because of their own shortcomings. Texas Governor needs to intervene here. This is simply unconscionable that this happens during a disaster.

Reply 

136

25

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S

secretlady118 > stardomino


25 February, 2021

https://www.foxnews.com/us/texas-utility-customer-sues-griddy-after-electric-bill-tops-9000

8/11



Price gouging during a disaster...Griddy is just GREEDY !!! *(Edited)*



JohnJJamesr

> stardomino

24 February, 2021

Salacious news. Gets clicks. That's all. An incredibly small number of Texas energy customers opted for variable rate plans.

Reply 

18

14

 Show 1 more reply

T

Tiburon

24 February, 2021

Don't agree to variable rates .

Reply 

65

1

C

ConservativeToTheExtreme

> Tiburon

25 February, 2021

I'm in Texas and my electric bill, which includes last week, was \$46. Fixed rate. Full disclosure, my furnace, water heater, and range are natural gas. I learned very early that when shopping for an electric plan, avoid variable rates.

Reply 

3

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