

National Energy Marketers Association

**Serving the Consumer Interest in Competitive
Retail Markets**

The Texas Perspective on Rate Comparisons

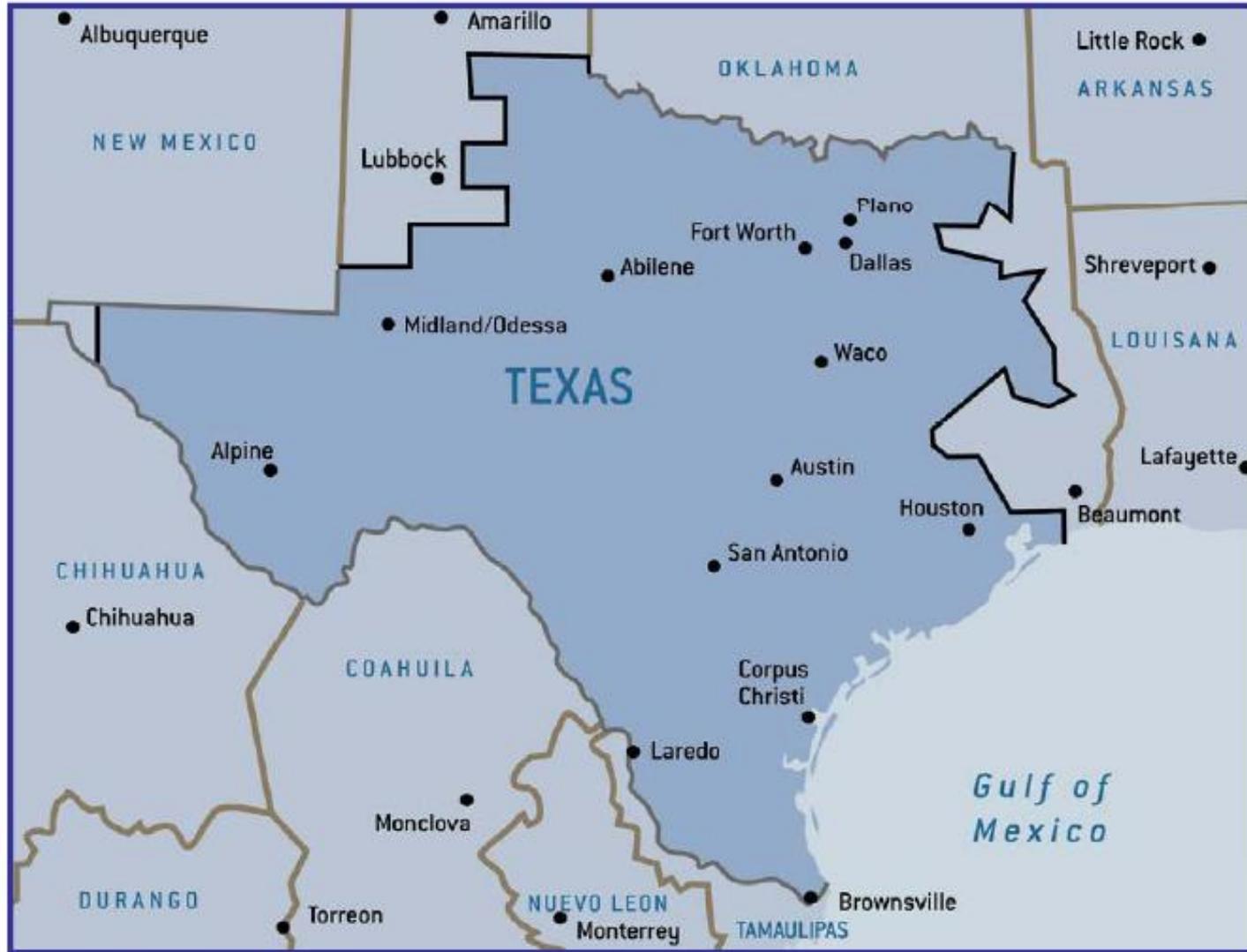
April 26, 2011

Commissioner Kenneth W. Anderson, Jr.

Public Utility Commission of Texas

Outline

- Retail market in Texas
- Disclosure rule
- Common billing terms
- Power to Choose website
- Issues to be addressed for improved retail rate transparency



ERCOT

Retail Competition

- Retail competition in the ERCOT market began in 1999 after the passage of S.B. 7, which required a competitive retail market by 2002
 - ERCOT covers 85% of all load in Texas
 - The other portion of the state is still fully regulated
- Since that time, the old affiliated retail electric providers (AREPs) have seen significant migration of customers to new market entrants
 - 55% of residential, 83% of small non-residential, and 78% of large non-residential customers have switched away from AREPs
- Significant rollout of advanced meters across ERCOT – 2.5 million meters as of March 2011
- Today, there are approximately 100 REPs in Texas serving residential and small commercial customers (59 of which have products listed on our Power to Choose website)

Regulated vs. Competitive Rates

TDU	Last Regulated (2001)	Lowest Fixed (12 months)	Mid-Range Fixed	Representative Variable
AEP Texas Central	9.57¢ kWh	9.4¢ kWh (Amigo)	11.5¢ kWh (Texpo Power)	7.9¢ kWh (Dynowatt)
AEP Texas North	9.98¢ kWh	8.3¢ kWh (Amigo)	10.1¢ kWh (StarTex and Spark)	7.2¢ kWh (Kinetic)
CenterPoint	10.40¢ kWh	9.2¢ kWh (Mega, Brilliant, APNA, Pennywise, and Potentia)	11¢ kWh (Champion and Spark)	7.3¢ kWh (Reliant)
Oncor	9.67¢ kWh	8.1¢ kWh (Amigo)	9.8¢ kWh (Direct and Spark)	7.0¢ kWh (Kinetic)
TNMP	10.57¢ kWh	8.3¢ kWh (Amigo and Gexa)	10.3¢ kWh (Texpo)	6.9¢ kWh (Dynowatt)

Customer Protection Rules

- In 2009, the Commission began amending a number of its customer protection rules
 - Two of those rules impacted customer billing and notification – the REP disclosure rule and the common billing terms rule

Disclosure Rule

- The new provisions include required differentiation between variable, indexed, and fixed rate products and more clearly worded terms of service and electricity fact labels, which must be posted on the Power to Choose if the REP chooses to post offers on the website
- Between 14 days and 60 days before the expiration of a contract, the REP must provide written notice in the customer's bill
- If a customer terminates a contract within 14 days of the expiration date, the customer will not incur an early termination fee

Electricity Facts Label (EFL)

{Name of REP}, {Name of Product}, {Service area (if applicable)},
 {Date}

Electricity price

Average Monthly Use	500kWh	1,000kWh	2,000kWh
Average price per kWh	{x.x}¢	{x.x}¢	{x.x}¢
For POLR use: Minimum price per kilowatt-hour.	{x.x}¢	{x.x}¢	{x.x}¢

{If applicable} On-peak {season or time}:{xxx}
 {If applicable} Average on-peak price per kilowatt-hour: {x.x}¢
 {If applicable} Average off-peak price per kilowatt-hour: {x.x}¢
 {If applicable} Potential surcharges corresponding to the given electric service.

{If variable that does not change within a defined percentage} Except for price changes allowed by law or regulatory action, this price is the price that will be applied during your first billing cycle; this price may change in subsequent months at the sole discretion of {insert REP name}. **{If residential}** Please review the historical price of this product available at {insert website address and toll-free number}.

{If variable that changes within a defined percentage} Except for price changes allowed by law or regulatory action, this price is the price that will be applied during your first billing cycle; this price may increase by no more than {insert percentage} percent from month-to-month. **{If residential}** Please review the historical price of this product available at {insert website address and toll-free number}.

Other Key Terms and questions

See Terms of Service statement for a full listing of fees, deposit policy, and other terms.

*Disclosure
Chart*

Type of Product	(fixed rate indexed or variable)
Contract Term	(number of months)
Do I have a termination fee or any fees associated with terminating service?	(yes/no) (if yes, how much)
Can my price change during contract period?	(yes/no)
If my price can change, how will it change, and by how much?	(formula/description of the way the price will vary and how much it can change) In addition if the REP chooses to pass through regulatory changes the following shall be required: “The price applied in the first billing cycle may be different from the price in this EFL if there are changes in TDSP charges; changes to the Electric Reliability Council of Texas or Texas Regional Entity administrative fees charged to loads; or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs that are outside our control.”
What other fees may I be charged?	(List, or give direct location in TOS.)
Is this a pre-pay or pay in advance product	(yes/no)
Does the REP purchase excess distributed renewable generation?	(yes/no)
Renewable Content	(This product is x% renewable)
The statewide average for renewable content is	(% of statewide average for renewable content)
<p>Contact info, certification number, version number <i>Additional information may be added below.</i></p>	

Common Billing Terms

- This rule developed a list of common terms for the electric industry (P.U.C. SUBST. R. 25.479)
 - Examples include advanced metering charge, transmission and distribution utility (TDU) delivery charge, and base charge
- These terms must be listed and defined in every customer's bill
- REPs are also required to include the Power to Choose website on their billing statements

McAfee

Power to Choose

HOME / ESPAÑOL

 **Texas Electric Choice**
EDUCATION PROGRAM

SHOP. SWITCH. SAVE.

ELECTRICITY BASICS



WHY SWITCH



COMPARE OFFERS



YOU HAVE THE POWER TO CHOOSE.™

Welcome to the official Electric Choice Website of the Public Utility Commission of Texas. Here you can learn about electric competition in Texas and shop for electricity providers.

[Go Directly To Offers](#)

Featured

Smart Meters
Many Texans have, or soon will have, a digital Smart Meter. These new electric meters offer advancements in the way we manage electricity use and offer many benefits over the current mechanical meters. [Learn more](#)

Generating and Selling Renewable Power
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Incentives for Energy Efficiency and Renewables
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This is a website maintained by the Commission that allows customers to compare retail offers (www.powertochoose.org).



- ELECTRICITY BASICS
- WHY SWITCH
- COMPARE RETAIL OFFERS

COMPARE OFFERS NOW

Available Offers

The offer information on the following pages is provided by the Retail Electric Providers. While the PUC does not warranty that the information is a complete list of all offers in the marketplace, REPs are required to honor prices listed here as a condition of posting their offers on this site. If you see a REP or product that you are interested in, click on the provided links to see more detailed information and contract terms regarding their service. Make sure you understand all the terms and conditions of services before you sign up. All REPs must be certified by the PUC before they can offer service. The PUC does not endorse or recommend any particular REP.

Enter a Zip code in the box below and click the Submit button to see the offers available in your area. Alternately, you can select your Transmission and Distribution Service Area.

Search By Zip Code

Enter a Zip Code:

Search By TDU Service Companies

Customer Complaint Statistics

Comparative complaint statistics for retail electric providers.

Customer Service Contact Information

Customer service contact information for Retail Electric Providers that have chosen to



- Step 1: Understand your choices
- Step 2: Questions to ask providers
- Step 3: Compare offers now

You can search by zip code or service area and can access the complaint scorecard.



ELECTRICITY BASICS WHY SWITCH COMPARE RETAIL OFFERS

AVAILABLE OFFERS

Search Criteria

Search Help

Zip Code: 75001

TDU Service Areas: ONCOR ELECTRIC DELIVERY COMPANY

Rate Type: All

Renewable Content: All

Price (cents per kWh): From: \$ To: \$

Contract Term (months): From: To:

REP Company: ALL

Or check boxes to compare offers

Submit

Click the column headings to sort offers

Filter	Retail Electric Provider	Avg. Price/kWh (1,000 kWh)	Cost per 1,000 kWh	Rate Type	Renewable Energy Content	Term (Mo.) Cancellation Fee
<input type="checkbox"/>	Kinetic Energy Meet Kinetic Monthly Terms of Service Facts Label Sign Up Special Terms	5.2¢	\$52.00	Variable	5%	1 \$0.00
<input type="checkbox"/>	Pennywise Power Wise Buy Monthly Terms of Service Facts Label Sign Up Special Terms	5.2¢	\$52.00	Variable	3%	0 \$0.00
<input type="checkbox"/>	Mega Energy LP Mega Man Savings Plan "Introductory Rate" Oncor Terms of Service Facts Label Sign Up Special Terms	5.4¢	\$54.00	Variable	6%	1 \$0.00
<input type="checkbox"/>	Reliant Energy Basic Power Flex Plan - 24/7 customer service	5.4¢	\$54.00	Variable	3%	0 \$0.00

Print search results Export offers to XML* XML Export offers to CSV (Excel)

You can search all rate types or fixed, variable, or indexed. The lowest rate automatically is listed first but you can sort by any of the headings.

Issues to be Addressed

- While I believe the Commission does a good job at educating customers and providing the tools to find a lower rate, there are still issues that need to be addressed including:
 - Some REPs pass along more fees such as fees for making payments or there are significant variations in the amount of fees assessed by each REP such as disconnect and reconnect fees
 - All of these fees should be disclosed on the electricity facts label (postpaid products) and the prepaid disclosure statement (prepaid products)
- Teaser rates – need for full disclosure

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