

In Texas, you have a

CHOICE

in retail electric providers (REP's).

CHOICE CAN BE GOOD

Too many choices can be confusing. There are currently about forty-two electric providers offering about two hundred plans in our area. How can you possibly make the best choice?

It can be tempting to close your eyes and just pick a provider. After all, they are probably all about the same, like choosing a box of cereal, right? WRONG !!

Taking the time to do a little research can save you hundreds of dollars per year.

The Electrical Puzzle

Before discussing how to choose an electricity provider for your home, we need to understand the process. There are four main parts to the electrical puzzle:

- Generation
- Transmission and Distribution
- Retail Electric Providers (REP's)
- Energy Reliability Council of Texas (ERCOT)

Generation

These are companies who own and operate power plants all over the state.

The electricity they generate is put on the grid to be shared across the service area.

Transmission & Distribution

These companies own all the poles and power lines that are used to get the electricity to your home.

They read your meter monthly.

They make repairs in a power outage.

For our area, this is *Oncor Electric Delivery*.

Retail Electric Providers (REP's)

The REP's buy electricity from the power plants and sell it to you. In our area, there are currently forty-two companies to choose from with names like TXU, Reliant, Cirro, Gexa, etc.

Regardless of which REP you choose, you are buying the same electricity being produced by the same power plants, distributed by Oncor. The only difference is who you buy it from and how much you pay.

Energy Reliability Council of Texas

ERCOT has the responsibility for coordinating all the players involved in providing electricity on a day-to-day basis.

They have the authority to manage the allocation of power across the state to prevent blackouts and other problems.

Making It Simple

It can be overwhelming to choose the right plan when there are so many REP's and plans. To make the process simple, look for three facts on the Energy Facts Label:

- Type of plan
- Terms of the contract
- Price per kWh for your level of usage

An Energy Facts Label allows you to compare plans being offered. It is like comparing a nutrition facts label when choosing a box of cereal. Every plan has one.

Types of Plans

Fixed Rate: except for mandated regulatory changes, your price will not change for the contract term.

Variable Rate: your price can change from month to month, according to a formula the REP uses.

Indexed Rate: your price can change from month to month, based on natural gas rates or some other criteria.

Terms of Contract

No Contract: you can cancel anytime

6-, 12-, 24-Month Contract: usually a substantial penalty for early termination

Price per kWh

A kWh (kilowatt hour) is the unit of measure for electricity.

To fully assess the actual price per kWh, you need to understand its components:

- Oncor delivery charge - usually about 3¢ per kWh
- REP energy charge - can be 2-10¢ per kWh
- Base charges (if any)
- Taxes

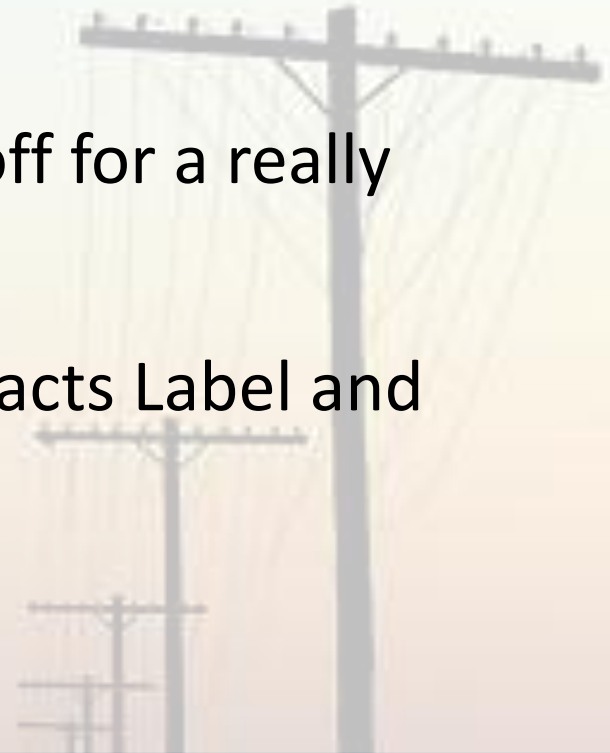
Making A Wise Choice

Are you currently in a contract? If so, is there a cancellation fee?

Price should be your first guide. It is all the same electricity, so low price is better.

There is usually a catch or a trade-off for a really low price. Be careful.

Read all the details on the Energy Facts Label and the contractual agreement.



Making A Wise Choice

Considering a variable or indexed plan can save you money, but only if you are willing to be vigilant at monitoring the price of kWh on each month's bill!

No contract with no cancellation fee is the best option for variable plans.



Making A Wise Choice

A fixed plan may be the best option for people who are not willing to monitor their kWh rate each month and just want to pay a bill.

If this is you, choose a plan with a low rate and a contract that you are comfortable agreeing to.

You can check rates again when the contract period is up.

Making A Wise Choice

Retail Electric Providers offer a variety of customer service features that you may consider when making your choice, for example:

- Average Billing
- Balanced Billing
- Payment Options
- Online Statements
- Emailed Usage Notifications



Don't Be Swayed by

Signing Bonuses

Gift Cards

Cash Back offers

Free nights and weekends

These simply divert your attention from the bottom line...

...how much is the electricity going to cost you over the long haul?

Switching Providers is Easy

1. Go to www.powertochoose.org
2. Choose the plan that works best for you
3. Sign up with the new company
4. You're done!

The new company will coordinate everything including cancelling service with the old company. You do not need to be home when the switch occurs because it is done remotely. **Switching will not cause you to be without power.**

In Texas, you have a

CHOICE!

Find out if switching is right for you.

The information in this presentation is current as of August 1, 2011.

Names of service providers are presented as examples only. There is no intent to endorse service providers or products. It is the individual's responsibility to read all contracts before agreeing to a provider's offer.