

UTILI-FACTS

Types of Electric Plans

Customers who live in competitive areas are able to choose from an assortment of available plans with a variety of term



lengths and incentives offered by retail electric providers (REPs). Plans offered by REPs can be fixed where the REP's prices do not change for a fixed contract period, variable where there is no contract period and the rates can vary at the discretion of the REP, or indexed plans where the rate charged by the REP can vary based on a pricing formula tied to a publicly available index. REPs may also offer prepaid service for one of these plans where the electric service is paid for in advance. The REPs may also offer a time-of-use service under one of these plans where the per kWh charge will vary depending on the time of day or day that the service is used.



When shopping for an energy plan, please make sure the plan is compatible with your needs.

Fixed Rate Plan

If you choose a plan with a fixed rate, your price per kWh will not change during your contract period except for changes in Transmission and Distribution fees, changes in ERCOT, the Texas electric grid, or Texas Regional Entity administrative fees, or changes resulting from federal, state or local laws that impose fees beyond your REP's control. This may help your household budgeting, but if market prices fall you may have to wait until your contract ends to enjoy a lower price.

Variable Rate Plan (Month-to-Month)

Variable rate plans have no monthly contract or cancellation fee, but the rate you pay per kilowatt-hour (kWh) can vary from month to month. Your rate can go up or down based on the market and the discretion of your electric company. Variable plans allow customers to benefit from falling market prices, but they

also have an increased risk for higher rates if electricity prices spike due to natural disasters, cold winters, or adverse market conditions.

Indexed Plan (Market Rate)

An indexed or market rate plan is similar to a variable plan in that the price per kWh can go up or down each month. The difference is that the rates for these plans are directly tied to a pricing formula connected to a publicly available index. If the index rises, your monthly rate will too, but if the index falls, your rates will be lower.

Customers considering these plans should ask the electric company for specifics about the pricing formula as well as how and when they will receive notifications of changes to the index.

Prepaid Service Option

Prepaid service allows customers to make electric service purchase in advance. Service is provided on a "pay-as-you-go" basis, with usage calculated daily via a smart meter or other specialized device. Prepaid service may be provided as either a fixed, variable, or indexed plan.

Customers should consider that prepaid service may require upfront payment for electricity service. Contact the REP for more information before agreeing to this type of plan.

Time of Use Service

Time-of-Use service include incentives to use power during certain periods such as nights or weekends. The average price calculations for Time-of-Use Plan service on the REP's Electricity Facts Label and the Power to Choose website are based on the REP's estimation of the percentage of energy used during free or discounted hours versus non-free or premium non-discounted hours. These estimates and hours vary from REP to REP and from product to product.

Please note that the average price you pay will vary depending on your actual usage of energy during the free versus non-free hours. Shifting your usage to the discounted times will maximize your benefit from the plan. If you do not shift your usage, your bill may actually increase.

Contact the REP for more information before deciding on this type of service.

QUESTIONS:

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

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

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

