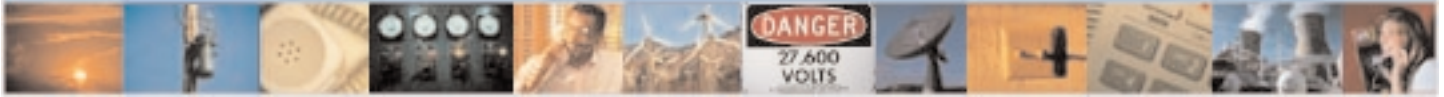




# PUBLIC UTILITY CONNECTION



VOLUME 9, ISSUE 2

NOVEMBER 2006

## Texas set for new phase of competition

*Electric customers will see new landscape as “Price To Beat” ends*

At midnight on January 1, 2007, the Texas retail electric market will transition to a new phase of competition.

The “price to beat” (PTB) is the benchmark price for retail electricity charged by the affiliated retail electric providers (Affiliated REPs) in the areas of Texas open for electric competition. The PTB – originally six percent lower than the rate charged by each incumbent at the time retail electric competition began at the start of 2002 – was

established to give new market entrants a “running start.” Affiliated REPs could ask the PUC up to twice a year for rate increases based on the cost of natural gas. Competitive REPs could charge whatever they wanted.

Now, after five years of retail electric competition, the state’s electric restructuring law calls for the PTB to disappear.

The affiliated REPs have been able to offer products at rates other than the PTB since the beginning of 2005.

Currently, there are over 60 retail electric providers and dozens of different rate plans and terms available in deregulated areas of Texas. So although

the PTB has been the benchmark for competitive pricing for the past five years, customers will have to begin to compare rates and terms across a host of competing providers and products come January 1.

There are still millions of Texas retail electric customers who are buying the affiliated REPs’ PTB product, which has a month-to-month term.

Those customers will remain on that rate until they either switch to a new provider or a new product or plan offered by the affiliated REP. PUC Chairman Paul Hudson has called on customers to shop around, as there are

**See Customers, p. 2**

### From the Commissioners

## Look for new competitive offers soon

Dear Customer,

You should expect to see the widest range of discounts and the most variety in competitive offers from electric providers than ever before over the next few months.

Here’s why. Beginning Jan. 1 the “price to beat” goes away. This will eliminate the regulated price cap for the traditional or Affiliated Retail Electric Provider in competitive areas of Texas. The end of the “price to beat” removes the last remaining piece of retail electric price regulation in competitive

areas of the state.

The end of price regulation combined with falling natural gas (the main fuel used to generate electricity in Texas) prices gives competitive retail electric providers a unique opportunity to attract new customers.

Some competitors are offering discounts of 25 percent and more from the “price to beat”. Other providers want your long-term loyalty by offering one-time rebates combined with multi-year commitments. The next few months

are shaping up to be the most competitive in terms of available offers since the Texas electric retail market opened for competition in 2002.

Depending on your area, discounts off the “price to beat” can be as much as \$50 a month. Even a 10 percent discount can give you a free month of electricity over a year’s time compared to what you’re used to paying.

Some of the best rates are only slightly higher than what they were

**See Electric, p. 2**



Hudson



Parsley



Smitherman

# Electric Choice Web Site offers one-stop service in viewing offers

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in the summer of 2001 before competition began.

The added variety and potential for savings can get confusing, but there's a one-stop service to sort out the issues. Simply log on to [www.powertochoose.org](http://www.powertochoose.org), enter your zip code and you will get an up-to-date readout of available offers in your area.

If you don't have Internet access call 1-866-PWR-4-TEX (1-866-797-4839) toll-free for the same information over the phone. For specific details on these pricing offers, you can call a toll-free number listed for each provider. Be sure to review your offer before signing a contract to switch your service.

And whatever provider you choose, you will get the very same level of reliability and safety from the same transmission and distribution utility. Nearly 1.7 million Texas households now get their electricity from a competitive retail electric provider. If you aren't yet part of this group, isn't it time to see if you're ready to start saving money?



Sincerely,  
Paul Hudson, Chairman  
Julie Parsley, Commissioner  
Barry T. Smitherman, Commissioner

## Customers can shop around for best electric deals

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many plans available in every market that have lower rates than the PTB.

For information on retail electric providers and plans in your market, visit the PUC's Texas Electric Choice Website at [www.PowerToChoose.org](http://www.PowerToChoose.org) and use its convenient Rate Finder tool.

Just enter your Zip Code and you'll see a list of affiliated and competitive REPs and products offered in your area.

The PUC is in the planning process to revamp the Website to make it even more useful for customers to shop for the best deal and terms that best suits them.

Additional information is available at the Texas Electric Choice call center, which can be reached toll-free at (866) 797-4839, Monday through Saturday.

## Dictionary of Utility Terms

### Deregulation

Removal or relaxation of regulations or controls governing a business or service operation, like utilities.

### Do Not Call List

The PUC has established two No Call Lists for customers who do not want to receive telemarketing calls from Retail Electric Providers or other telephone marketers doing business in Texas.

### Electric Reliability Council of Texas (ERCOT)

The corporation that administers and maintains the reliability of the state's electrical power grid. When you choose a new Retail Electric Provider, this group will send you a postcard confirming your switch from one Retail Electric Provider to another.

### Kilowatt-Hour (kWh)

A unit of energy equivalent to one kilowatt (kW) of power expended for one hour of time. The amount of electricity you use each billing period is expressed in terms of a kilowatt-hour, and is noted on your bill.

### Local Wires Company

The company that transmits and delivers electricity to a customer's home or business along the poles and wires (formerly a local electric utility). This company is still responsible for maintenance and repair of these poles and wires.

Public Utility Connection  
Customer Protection Division  
Public Utility Commission of Texas  
P.O. Box 13326  
Austin, TX 78711-3326

Editor: Henry Garza

Contributors: Henry Garza, Grace Godines,  
Terry Hadley, Steve Hudson

Publication design: Henry Garza

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FAX: 512-936-7003

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## Energy-Saving Tips For Winter Season

The following are easy low-cost and no-cost ways to start saving energy this winter.

- Set your thermostat at 68 degrees in the winter and dress warmly. Use more blankets at night.
- Install a programmable thermostat – it could save about a \$100 a year
- Use compact florescent light bulbs.
- Turn off your computer and monitor when not in use.
- Lower the thermostat on your hot water heater to 115° F.
- Take short showers instead of baths - it could save up to \$28 a year.
- Wash only full load of dishes and clothes.
- Open draperies on sunny days; close them at night and cloudy days.
- Clean or replace filters on furnaces once a month or as needed.
- Caulk and weatherstrip windows and exterior doors.
- Set ceiling fans on reverse to re-circulate heat that would otherwise build up near the ceiling.
- Close vents in unused rooms – it could save \$100 a year.
- Clean dryer lint filter every time you use the dryer – it could save up to \$66 a year.
- Cover windows on winter nights with insulated curtains – it could save up to \$24 a year.
- Wrap the hot water heater in an insulation blanket – it could save up to \$20 a year.

## Telephone customers can sign up for “No Call” list without charge online

Texans can now sign up for the state’s “No Call” list without a charge at [www.texasnocall.com](http://www.texasnocall.com).

The free offer is good for new sign-ups and for renewals. Starting in 2005, Texas No Call list registrations will begin to expire, depending on the enrollment date.

The sign-up process began on Jan. 1, 2002, and registrations are good for at least three years. Customers are encouraged to re-enroll before their registration expires.

As of mid-October, 1,274,076 Texas phone numbers were registered on Texas No Call list.

Because of administrative costs, a charge for the No Call lists will still apply to customers who enroll or re-enroll by phone or mail. The cost is \$2.25 per telephone number for the statewide list, which is good for three years.

Only business numbers may register for the Electric No Call list at a cost of

\$2.55 per number and is good for five years.

The Texas No Call list is updated every three months. Customers who sign up for a list will be included on the list beginning with the next quarter (Jan. 1, April 1, July 1, Sept. 1).

Texans may file No Call list complaints online at [www.puc.state.tx.us](http://www.puc.state.tx.us) or by calling the PUC toll free at 1-888-782-8477. Calls from state-licensed individuals such as real estate agents are exempt as are survey calls and get out the vote calls.

A National Do Not Call Registry is now available free of charge. Customers can register phone numbers on the national registry at [www.donotcall.gov](http://www.donotcall.gov) or by calling 1-888-382-1222.

While safeguards from the federal list are very similar to the Texas lists, customers get the maximum level of protection by enrolling for both the state and federal lists.

## Texas No Call List Registration

Residential phone customers can get their phone number on the Texas No Call lists using one of three methods:

1. **Online:** [www.texasnocall.com](http://www.texasnocall.com). This is a free service.

2. **By Phone:** Call toll free 1-866-TXNOCAL (1-866-896-6225). An automated payment system is available 24/7. Payments may be made with MasterCard or Visa.

3. **By Mail:** Ask for a registration form by calling the toll-free number (1-866-896-6225) or by downloading and printing a form from [www.texasnocall.com](http://www.texasnocall.com). Payment may be made with MasterCard or Visa or by mailing a check or money order to TEXAS NO CALL, P.O. Box 313, East Walpole, MA 02032.

# Education blitz reaches almost 10 million

## *PUC uses variety of media in Electric Choice awareness push*

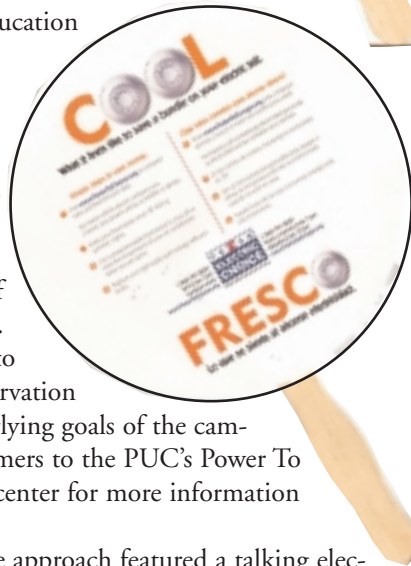
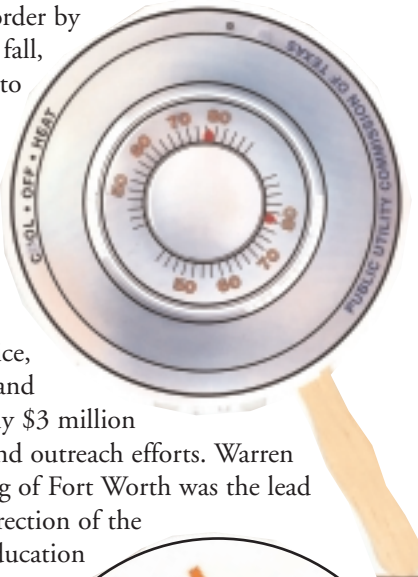
A summer-long campaign to increase customer awareness of retail electric choice reached almost 10 million Texans.

The customer education blitz was spurred by an executive order by Governor Rick Perry last fall, which directed the PUC to manage a privately-funded effort to make customers aware of their choice of electric providers. Six retail electric providers – Constellation Energy, Direct Energy, First Choice, Gexa, Green Mountain, and TXU – contributed nearly \$3 million to fund the advertising and outreach efforts. Warren Douglas Brand Marketing of Fort Worth was the lead agency working at the direction of the PUC's Information & Education group.

The campaign had two core messages. The main message was to promote awareness of retail electric choice and that switching electric providers would not affect the reliability of customers' electric service. The second message was to share money-saving conservation and efficiency tips. Underlying goals of the campaign were to drive customers to the PUC's Power To Choose Website and call center for more information about electric choice.

The campaign's creative approach featured a talking electric meter who informed customers about electric choice, about service reliability during and after switching providers, and about ways to save money by conserving energy and making cost-effective energy efficiency improvements at home.

By all measures, the campaign was a success. Call volumes to the PUC's Answer Center rose to over 14,000 a month during the summer, more than a 20% increase over the previous year. Traffic to the PUC's Power To Choose Website rose dramatically, with more than 90,000 unique visitors monthly during the



### Campaign Media Strategies

Nine different media strategies were used during the four-month-long campaign:

- radio advertising in English and Spanish
- billboards in English and Spanish
- Internet search engine marketing
- televised consumer news events ("telethons")
- gas station pump topper posters
- posters in shopping malls
- print ads in Hispanic and African-American community newspapers
- print ads in rural and small community newspapers
- distribution of bilingual hand fans



summer versus 40,000 per month during the summer of 2005.

Some campaign highlights:

- Six radio spots were produced (three each in English and Spanish) and placed on 67 stations in eleven metro markets. The radio spots reached an estimated 5.2 million Texans.
- Drivers in 13 markets saw over 1,000 billboards in English and/or Spanish, with a reach of 4.2 million.
- The PUC organized four televised consumer news events in conjunction with local news broadcasts in Dallas, Houston, and the Rio Grande Valley, reaching 2.4 million viewers and generating almost a half-million dollars in free airtime.
- 1,248 print ads were placed atop gas station pumps in 14 markets, reaching 1.6 million.
- Print ads were placed in 54 Hispanic and African-American community newspapers with a total circulation of nearly 2 million.
- 150,000 hand fans featuring bilingual information on Electric Choice were distributed at community events across the state, including nearly 100,000 on National Night Out in August. An additional 75,000 "brochures on a stick" were printed for distribution during fiscal year 2007.