

THE STATE OF TEXAS

# OFFICIAL GUIDE TO ELECTRIC CHOICE



ALL YOU NEED TO KNOW ABOUT FINDING AND CHOOSING THE ELECTRIC COMPANY THAT WORKS BEST FOR YOU



Texas **Electric Choice**<sup>\*</sup>  
EDUCATION PROGRAM



# SHOP. SWITCH. SAVE.



Just like you shop around for the best deal for a car or for insurance, you can also shop around to find the company that best fits your needs for electric service. The Public Utility Commission of Texas (PUC) is here to help you with tools and unbiased information, and walk you through the simple steps on how to shop, switch and save while choosing the electric provider and plan that works best for you.

## 1 Should you switch?

Although you may have the option, switching may not be right for you—especially if you are locked into a long-term contract. You should ask yourself if switching providers saves you money. Here are some questions that may help you decide.

*Note: Not all areas of Texas have a choice of electric providers, including areas served by a city-owned utility or most electric cooperatives.*

### 1. AM I SATISFIED WITH MY CURRENT ELECTRIC PROVIDER?

Let's say you are. That doesn't mean you can't contact your provider to see if it has a more affordable service plan. Companies update offers all the time. If you are not locked into a contract, you could save money by comparing offers from your current provider and other companies and, if there are better rate plans available, switching plans. It can't hurt to ask!





## 2. WILL I HAVE TO PAY A DEPOSIT?

Depending on your utility payment history, a new electric company may charge an up-front deposit. In some instances, deposits can be waived or paid in installments. Ask each provider for more information.

## 3. WHAT IF I MISS A PAYMENT?

Any provider can discontinue your service for non-payment. If you have had problems paying your electric bill on time, and your current company has been willing to work out a payment plan, think hard before making a switch. A new provider may not be as understanding as your current one.



# What should you know before you start shopping around?

## CONTRACTS AND TERMS

Some companies offer month-to-month plans with no contract period, and others may offer plans with contract periods as long as three years or more. Contracts may have a penalty if you cancel before the contract period ends.

## FIXED AND VARIABLE ELECTRIC RATES

Electricity can be priced like interest rates. For example, a **fixed rate** will remain the same throughout the term of a contract (with minor exceptions). A **variable rate** can go up or down based on the monthly changes in the electricity market or other benchmarks to which the rate may be tied. Fixed rate plans are best for those interested in locking in a long-term price, while variable rate plans (which are typically month-to-month) are best for people who have the ability to regularly monitor the electricity market and don't mind switching often.

## GREEN OR RENEWABLE ENERGY

In Texas, renewable or green energy can include natural gas because it's a cleaner-burning fuel than some other alternatives, like coal. For a renewable plan without natural gas, check to see if the electricity is generated from a 100% renewable source, such as wind.

## How do you compare choices?

It's easy. Think about what's important to you, such as contract terms, lowest rate, green energy, etc.

Then visit [www.PowerToChoose.org](http://www.PowerToChoose.org) to find the service plans that are available to you. Our rate calculator bases rates on 1,000 kilowatt hours (kWh) of electricity used. To best compare what you pay now with what is available, you will need to

know your plan's total electric rate, including recurring plan costs and fees before taxes, based on 1,000 kWh usage.



The easiest way to find your rate is to call your electric company and ask, since it may be difficult to determine from your bill. Look at each plan's Electricity Facts Label (EFL) for details.

Once you narrow your choices, call your list of providers and ask some questions to get the best “apples-to-apples” comparison.

If you don't have Internet access, call the Texas Electric Choice Answer Center toll free at 866-797-4839 for a list of companies and service plans in your area.

### QUESTIONS TO ASK EACH PROVIDER:

1. What will I pay per “kilowatt hour” (kWh) of electricity based on 1,000 kWh usage?
2. Does this rate include everything—the electricity cost, the transmission and distribution charges, fuel charges, if any, as well as a monthly customer charge or other recurring fees?
3. Is a deposit required? How much is it?
4. What if I miss a payment?
5. What are my payment options?
6. Is this offer a fixed rate offer or a variable rate offer?  
If it is a variable rate offer, how can it change and how do I find out when the rate will change?
7. Is there a contract period and if so, how long is it for?
8. Is there a penalty if I break the contract?
9. What happens when my contract period expires?

## How do you switch once you've chosen a company?

Simply contact the electric company you've chosen. They'll send you a "Terms of Service" agreement, which is your new service contract. Review it carefully because you'll only have three days to cancel. Then check your mail for a switch confirmation notice.

Switching providers or plans takes no more than seven business days, so you can begin enjoying the benefits of your new plan in a little more than a week.

The good news is switching providers will not interrupt your electric service. The only thing that changes is the company that sells you the power—not the company that maintains the lines and poles that deliver electricity to your home or business. And, as always, if a power outage occurs, your service will be restored just as before, regardless of which electric company you choose.



## Still have questions?

The Public Utility Commission of Texas is dedicated to helping protect your rights and making sure that no electric company discriminates against anyone for any reason.



For more information, visit [www.PowerToChoose.org](http://www.PowerToChoose.org), or call us toll free at 866-797-4839.



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