



## PUC Reaffirms Success of Texas' Retail Electric Market

In response to a legislative request to compare residential rates experienced in the Texas competitive market to what rates might have been under continued regulation, the Public Utility Commission of Texas (PUC) released an analysis finding that **“the results indicate that the competitive market has provided customers with prices that were significantly below the estimated rates that would have been in effect in a regulated environment. Even customers who did not switch to a competitive rate have benefited from the introduction of retail competition.”**

The PUC analyzed the competitive offers available in the CenterPoint Energy service area, which includes Houston, and the TXU Electric Delivery Service Area, which includes the Dallas/Fort Worth Metroplex. The savings are significant under the competitive market as illustrated below.

<b>CenterPoint Energy Service Area</b>		<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	Estimated Regulated Price:	11.0	12.0	12.8	14.0
	Average of Lowest 5 Competitive Prices	8.2	9.0	9.8	11.4
	<b>% Difference from Estimated Regulated Price</b>	<b>26%</b>	<b>25%</b>	<b>24%</b>	<b>19%</b>
	Best Competitive Price	8.0	8.5	9.4	10.6
	<b>% Difference from Best Competitive Price</b>	<b>28%</b>	<b>29%</b>	<b>27%</b>	<b>25%</b>
	Reliant Energy Price-to-Beat:	8.8	10.3	11.1	12.9
<i>Source: PUC. All prices are average yearly price for residential customer using 1,000 kWh per month (¢/kWh)</i>					
<b>TXU Electric Delivery Service Area</b>		<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	Estimated Regulated Price:	9.4	10.5	10.7	12.1
	Average of Lowest 5 Competitive Prices	8.0	8.7	9.1	10.7
	<b>% Difference from Estimated Regulated Price</b>	<b>15%</b>	<b>18%</b>	<b>15%</b>	<b>11%</b>
	Best Competitive Price	7.8	8.4	8.7	10.1
	<b>% Difference from Best Competitive Price</b>	<b>17%</b>	<b>21%</b>	<b>18%</b>	<b>16%</b>
	TXU Energy Price-to-Beat:	8.4	9.6	10.5	11.9
<i>Source: PUC. All prices are average yearly price for residential customer using 1,000 kWh per month (¢/kWh)</i>					

The PUC also found:

- A residential customer in the CenterPoint Energy service area who switched to the lowest available offer annually since 2002 would have **saved about \$1450 when compared to the estimated regulated rate.**
- Similarly, a residential customer in the TXU Electric Delivery service area would have **saved about \$800.**
- Competitive forces have also resulted in the replacement of older power plants with new, more efficient generating units, helping the state reduce emissions and make progress towards meeting federal requirements in Houston and DFW.

The PUC study reaffirms AECT’s belief that all retail customers in competitive areas of the state have benefited through access to multiple product choices available at competitive prices. Customers have the power in Texas, and continue to exercise their right to switch, helping ensure our state remains the best example of doing electric competition right.

