

The Dallas Morning News Watchdog Columnist Shares Ten Rules to Help You Find the Right Electricity Provider

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For me, the good news about Texas electricity is that I have used five different power companies in the last five years and not once has the power gone out for any reason other than bad weather.

Uninterrupted power. That should put to rest one of your fears.

Texas electricity costs are lower than they have been in years. Now is the time to consider switching to a lower-priced company. But companies offer such confusing rates and service plans that many Texas consumers feel like victims of bait-and-switch schemes. And those whose electrical provider went bust found themselves slammed into high-cost plans.

The Texas Legislature started this mess in 1999, when it passed a law deregulating the electricity marketplace. Until recently, Texans were paying some of the highest electricity rates in the nation.

State lawmakers have passed some cleanup legislation that makes it harder for electricity companies to engage in shady practices. But it hasn't stopped them. The Texas Public Utility Commission also issued some new pro-consumer pricing rules that went into in 2009. Shopping for an electricity contract is now simpler and fairer than before.

Why should you care? A smart shopper can save a family hundreds of dollars a year — for the same amount of electricity. When it comes to making your family's decision about which power company to choose, you have to be your own watchdog. Sometime in the next year, when your current contract is set to expire, you will have to make major decisions:

Will you stay with your current company or switch to an unknown? Should you extend the contract for a year, a half-year, three months or go month-to-month? What about a fixed rate versus a variable rate?

Here's Watchdog Nation's gift to you - My Guide to Picking the Best Electricity Provider in Texas:

TXU no longer rules. Get over the idea that TXU Energy, most likely your original provider, is the only company that can offer solid, uninterrupted service. And don't believe the fallacy that TXU customers get serviced first when power goes out.

Oncor Electric Delivery is responsible for maintaining the transmission system.

Everybody, TXU and its many competitors, uses Oncor to handle repairs.

Switching is good. Act under the assumption that you should switch companies every year. The market is constantly changing. You can find better deals and save hundreds of dollars a year, maybe even more, with this one decision. Electricity is measured by kWh, or kilowatt-hour. If you pay 9 cents a kWh instead of 14 cents, your monthly electric bill could be \$100 or more lower.

Know your current contract terms. Before you can shop, know what you have. Do you know your kWh rate? It's on your electric bill, and it might be higher than what's available now. (In Texas, it ranges from around 6 cents to 25 cents.) Also call your provider and ask for the date when your contract expires. Find out, if you don't know, whether your rate is fixed or variable. Start planning a possible switch two months before a contract expires.

Decide whether you want to play it safe or be a gambler. Do you want to lock in a fixed rate that you can afford for a longer period of time? Or are you willing to take a low price now and understand that a variable rate could spike depending on market conditions?

Conduct a thorough search. Go to this Web site: www.powertochoose.org. (If you don't have an Internet connection, visit your public library and ask your librarian for help. Or ask a friend or relative to help you.) Click on "Go Directly to Offers," and then enter your zip code. Also, check the company's own Web site. Sometimes the company's price might be cheaper than powertochoose.org

Pick your poison. Deeper in the website you, see a search box along the left side. Under "Plan Type," a recommended pick is fixed, but you can also choose a variable or an indexed market rate. (The Watchdog likes fixed since market conditions are too volatile.) Under "Price," type in a range of from 6 cents to 12 cents. That's a good spread. Give a contract length. Fill out the other boxes. Then hit "Refresh Results" on the bottom. Keep trying different combinations to see what the prices are that day. They change often.

Study the results. For the selection cited above, about a dozen companies recently offered rates between 8.9 cents per kWh and 13 cents. Contract lengths varied between three and 24 months. Each service plan comes with links to "Terms of Ser-

vice," "Facts Label," "Signup" and "Special Terms." When you click on these, you learn the nitty-gritty details. Many companies have minimums about the amount of power you must use, or you pay more. Try, if you can, to find a company that doesn't penalize you because you use less electricity than others.

Check out your favorite. After you find a company with a rate and contract length you like, learn more about them. One way is to do an Internet search of the company. Try these search terms: XYZ Electric and scam, XYZ Electric and ripoff, XYZ Electric and complaints. If anything horrible has happened in this company's past, you want to know *before* you sign the contract. If only a few results come up from disgruntled customers, don't worry. But if there are several dozen, do a search for the company's name and "Better Business Bureau." You'll be able to pull up the company's report in the BBB region of its headquarters. The second way to search is to return to powertochoose.org and below the name of the company, you'll see "Complaint Scorecard" in dark blue letters and "Complaint History" in red letters. Click on those links and learn more about the company before you sign a contract.

Final switch tips. When you make your final selection, don't call your current electricity provider to cancel. That could cause problems. Sign up with the new company, and it will handle the transfer. Switches can be made now in several days. So to be safe, do it about a week before your contract expiration date.

Remember, there's no loss of power when you switch. It happens, and you don't even know it.

Until the bill comes.

Read Dave's column in *The Dallas Morning News* Fridays & Sundays

If you thought this was cool, you'll love the book:



**Dave Lieber's
Watchdog Nation:
Bite Back When Businesses and
Scammers Do You Wrong.**

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