



Harvard Electric Policy Group
Thirty-Seventh Plenary Session

Retail Competition in Texas Electricity Markets: Is It Working? How Can We Tell?

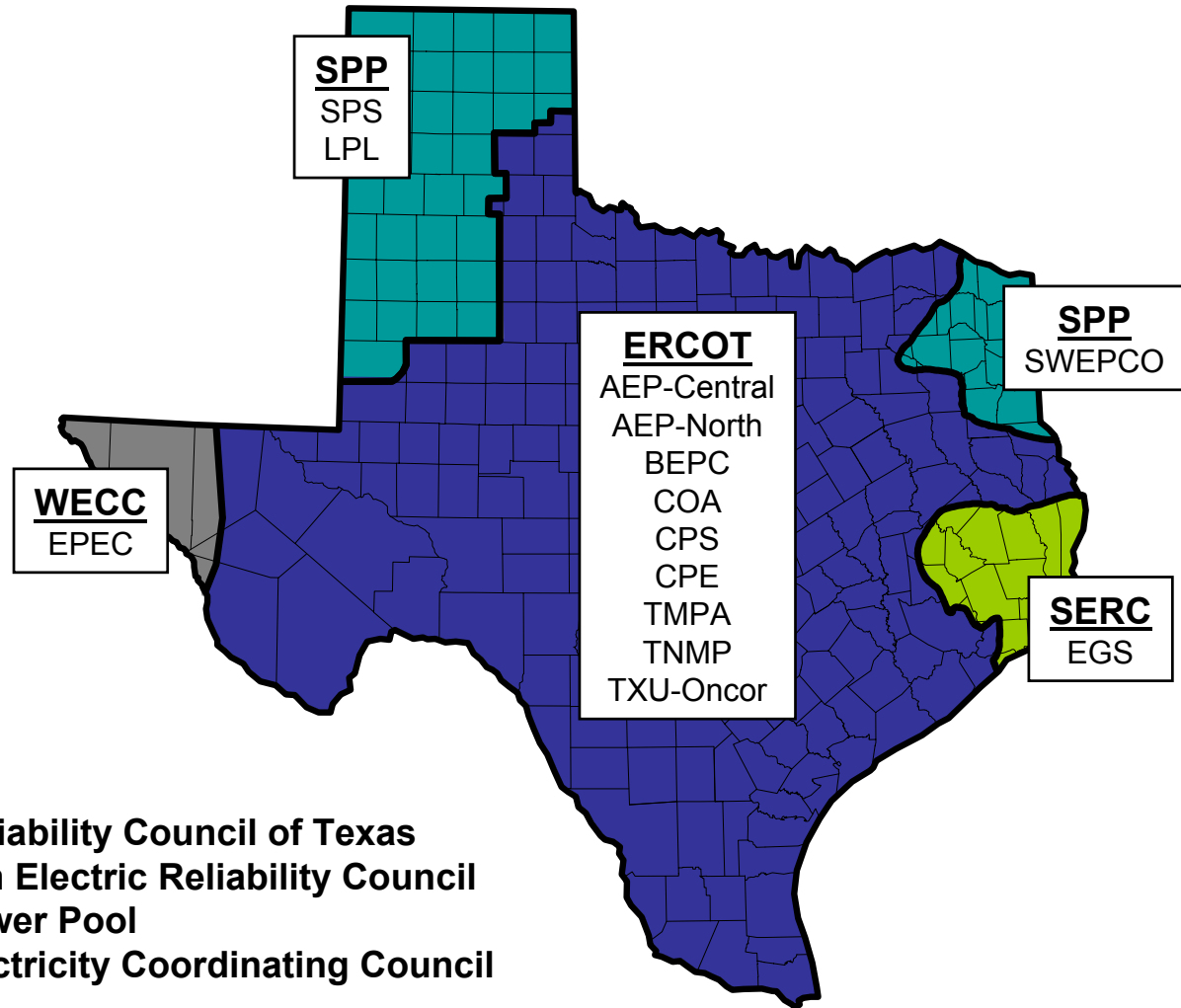
Barry T. Smitherman, Commissioner
Public Utility Commission of Texas

Austin, Texas
December 3, 2004



1-866-PWR-4-TEX
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1. Texas Electric Area Map



ERCOT - Electric Reliability Council of Texas
SERC - Southeastern Electric Reliability Council
SPP - Southwest Power Pool
WECC - Western Electricity Coordinating Council

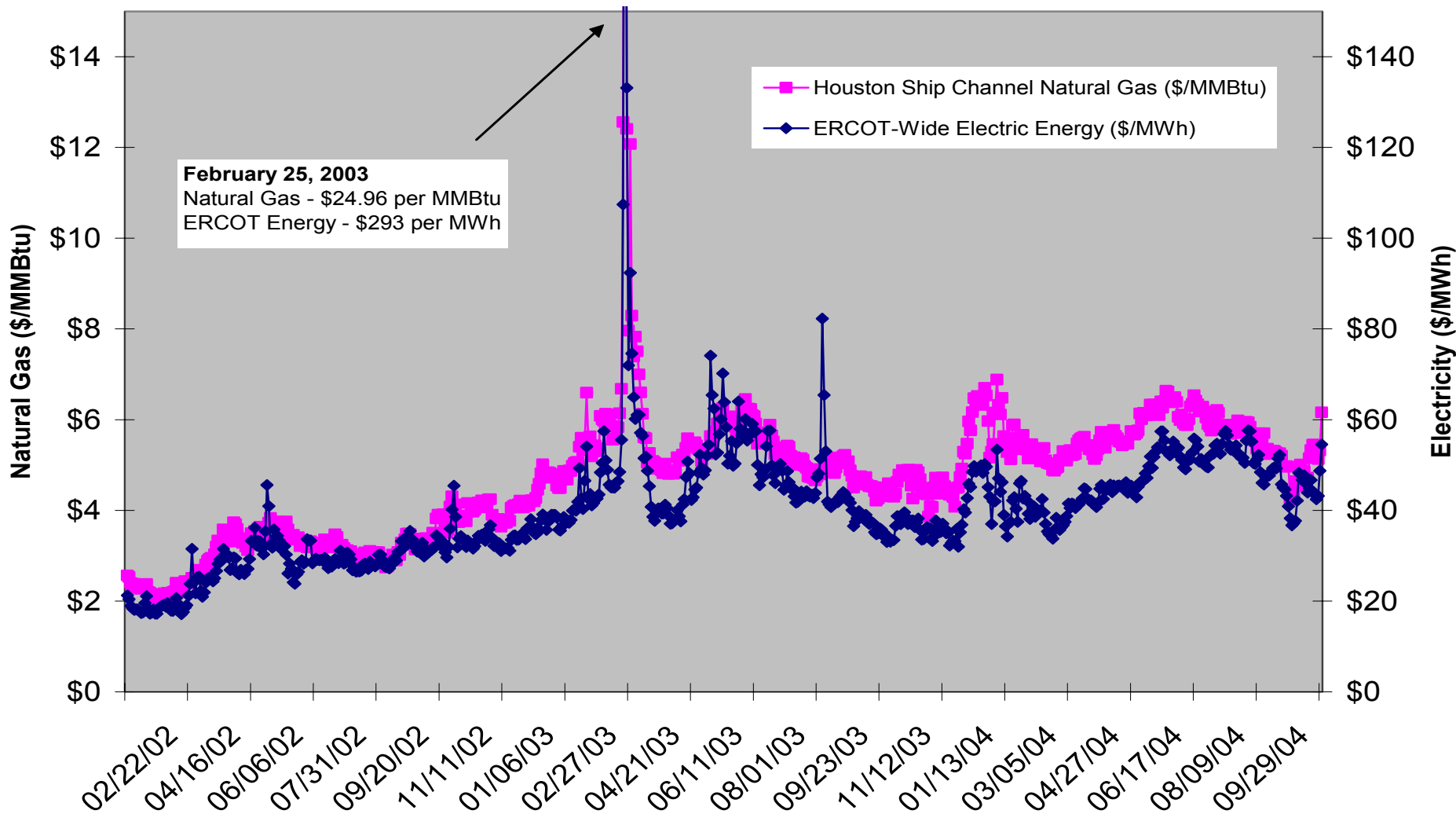
2. Price to Beat (PTB)

- **Purposes of PTB**
 - **Price protection for small non-switching customers**
 - **Allow new REPs headroom to gain customers**
 - **Allow all REPs to adjust retail prices based on changes in wholesale prices**
- **Available from the affiliated REP to customers below 1 MW until January 1, 2007**
 - **But not mandatory after January 1, 2005**
- **PTB rates generally 6% less than January 1, 1999 rates, adjusted for fuel-cost increases**

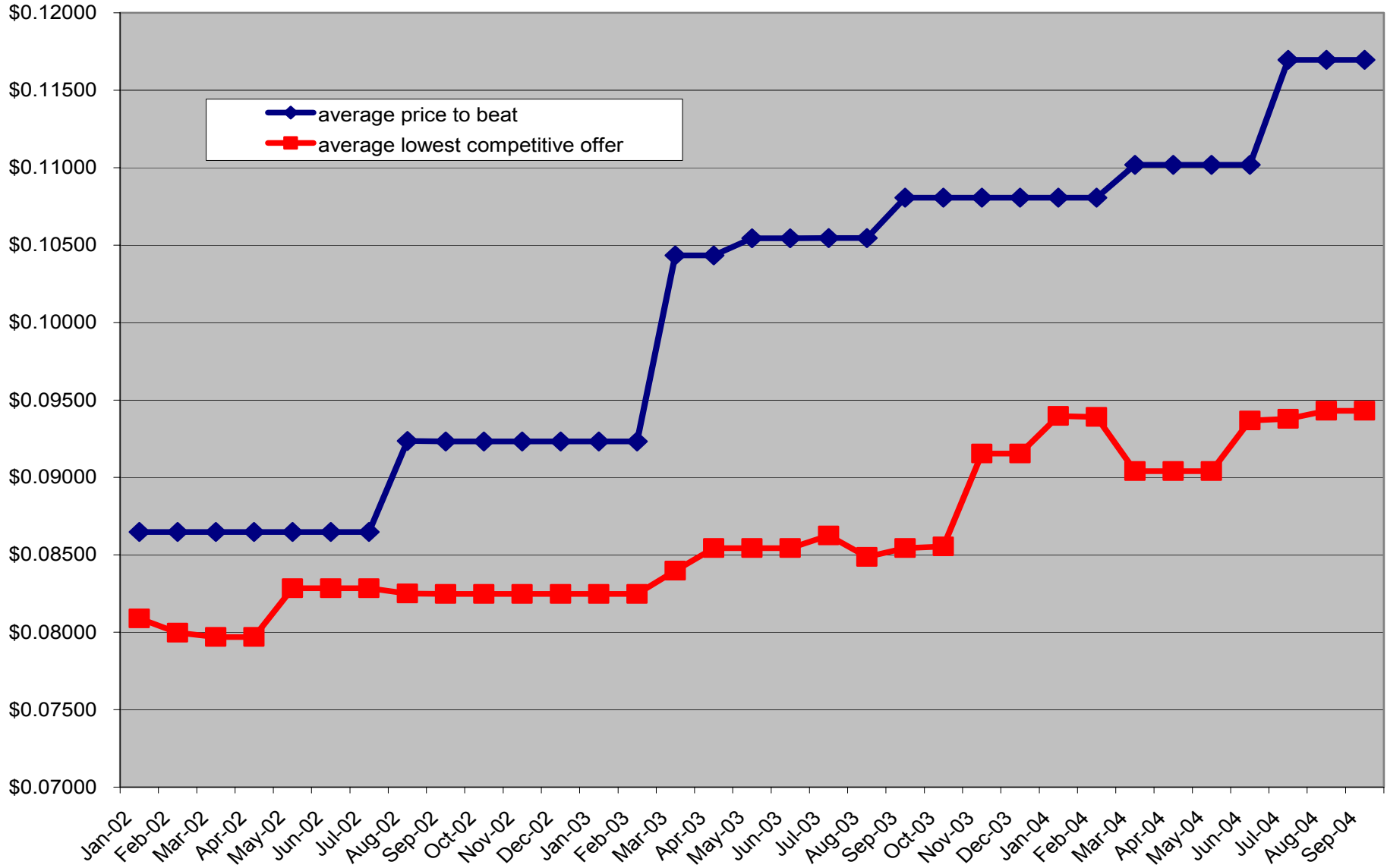
3: Number of REPs and Residential Product Offerings, 2002 Versus 2004

TDSP Service Area	# of REPs (December '02)	# of REPs (October '04)	# of Products (December '02)	# of Products (October '04)
TXU Electric Delivery	10	12	11	14
Centerpoint	10	11	11	12
Texas New Mexico Power	5	8	6	11
AEP Central	7	10	8	13
AEP North	3	7	3	9

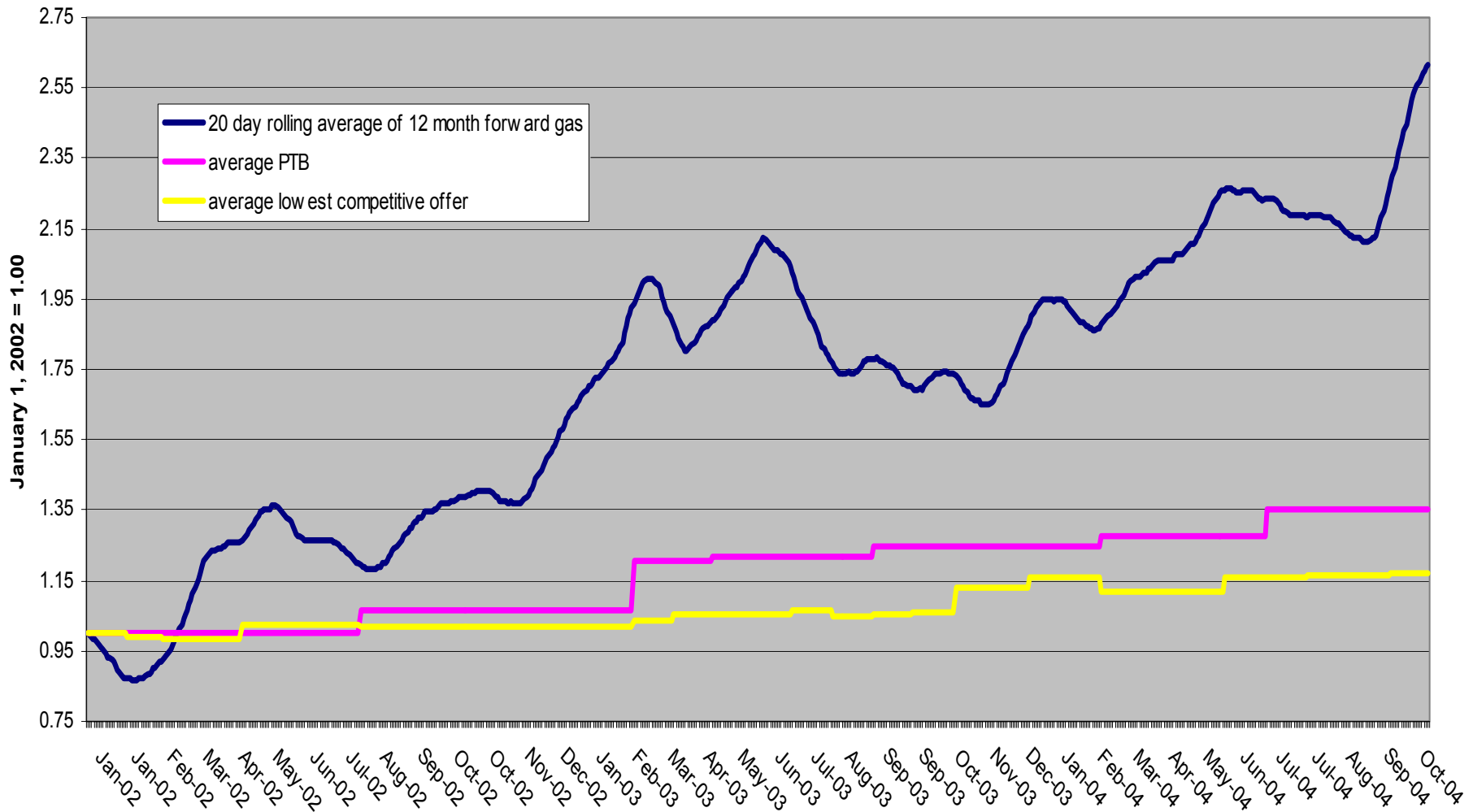
4. Electricity vs. Gas Prices, 02/02-09/04



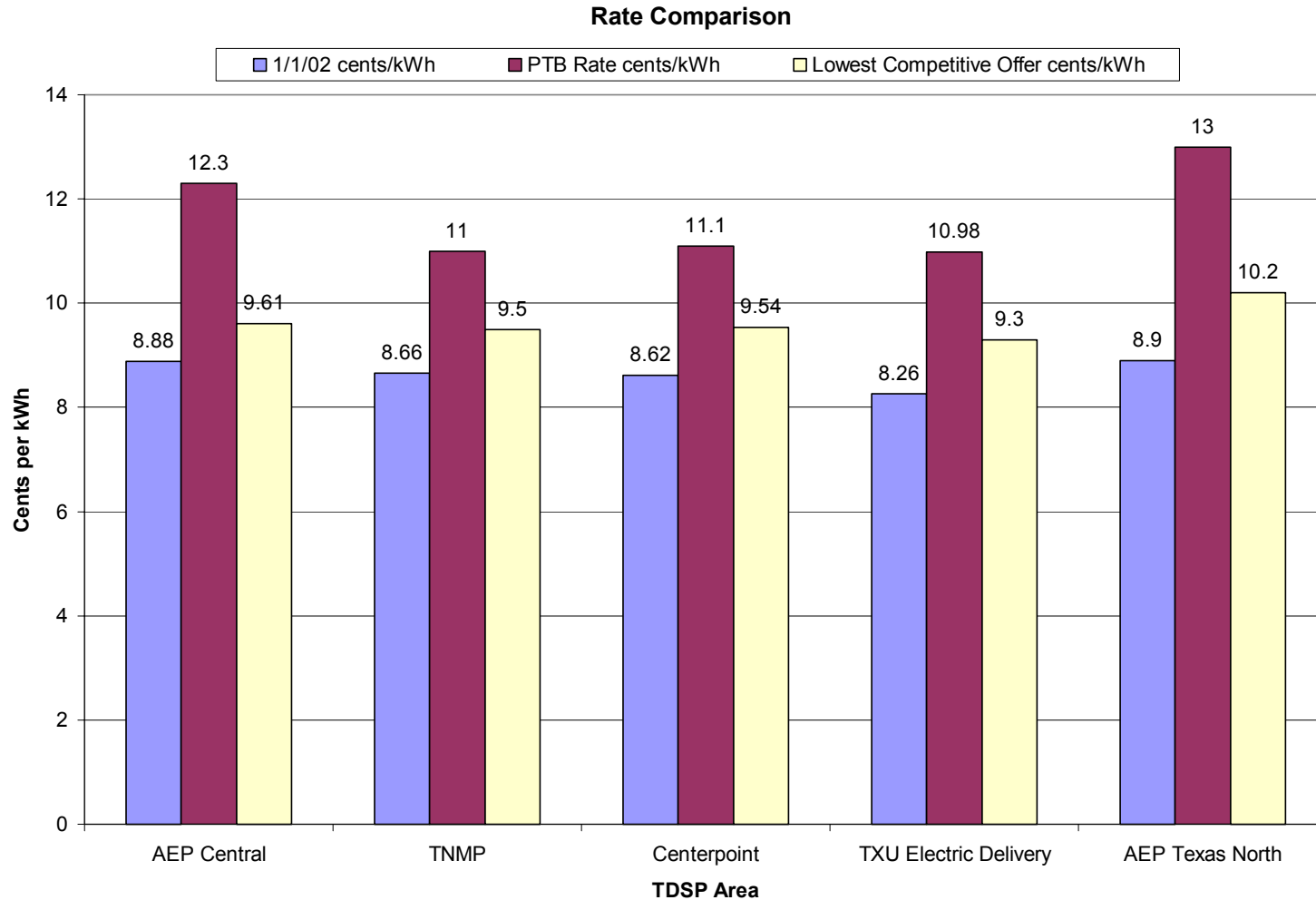
5. Average Res. PTB vs. Average Lowest Competitive Offer, 01/02-09/04



6. PTB vs. Lowest Competitive Offer vs. Gas Prices, 01/02-10/04

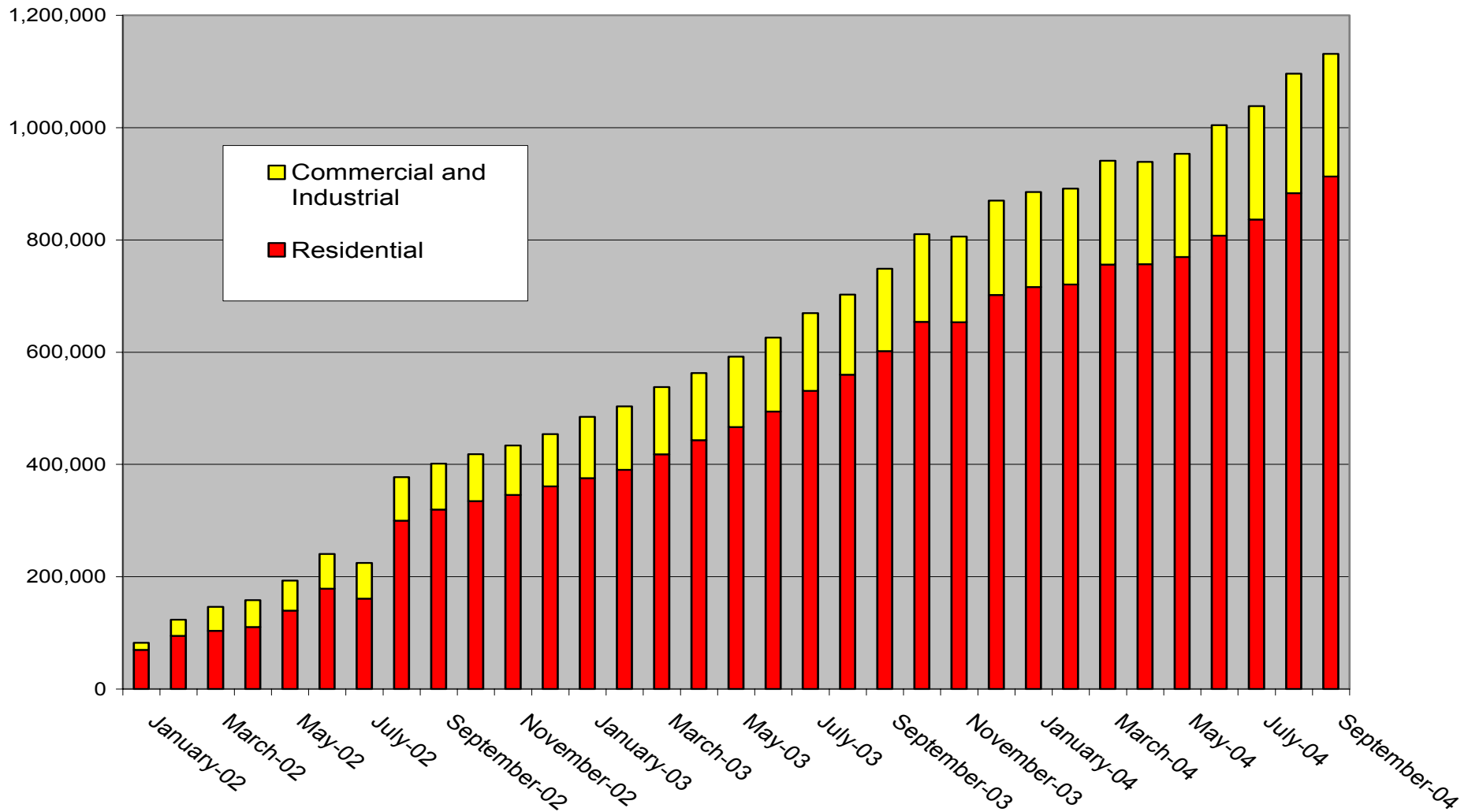


7. PTB vs. Lowest Competitive Offer vs. Pre-Competition Retail Price

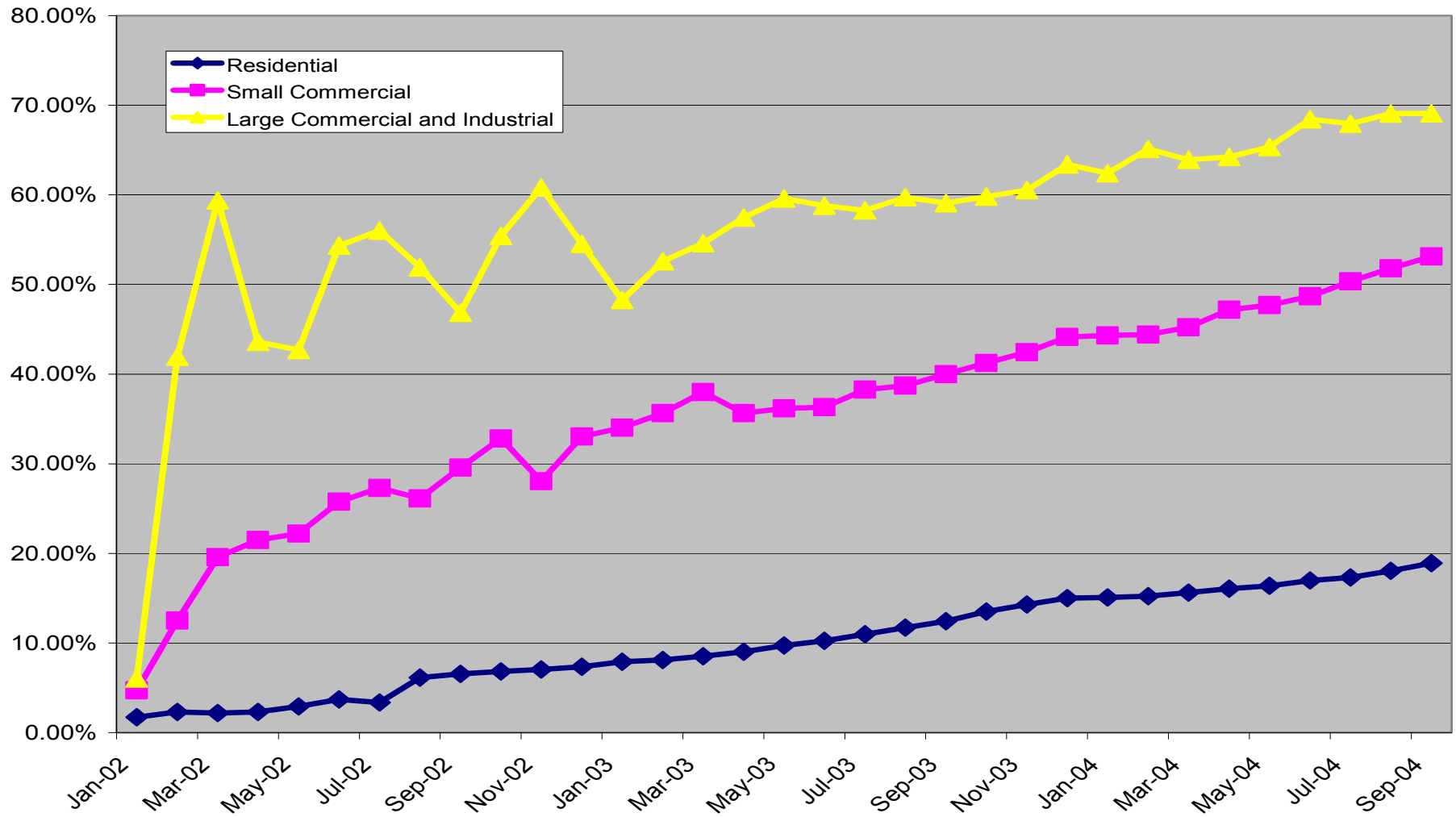


Source: Average Annual Rate Comparison for Residential Electric Service, PUC Electric Division

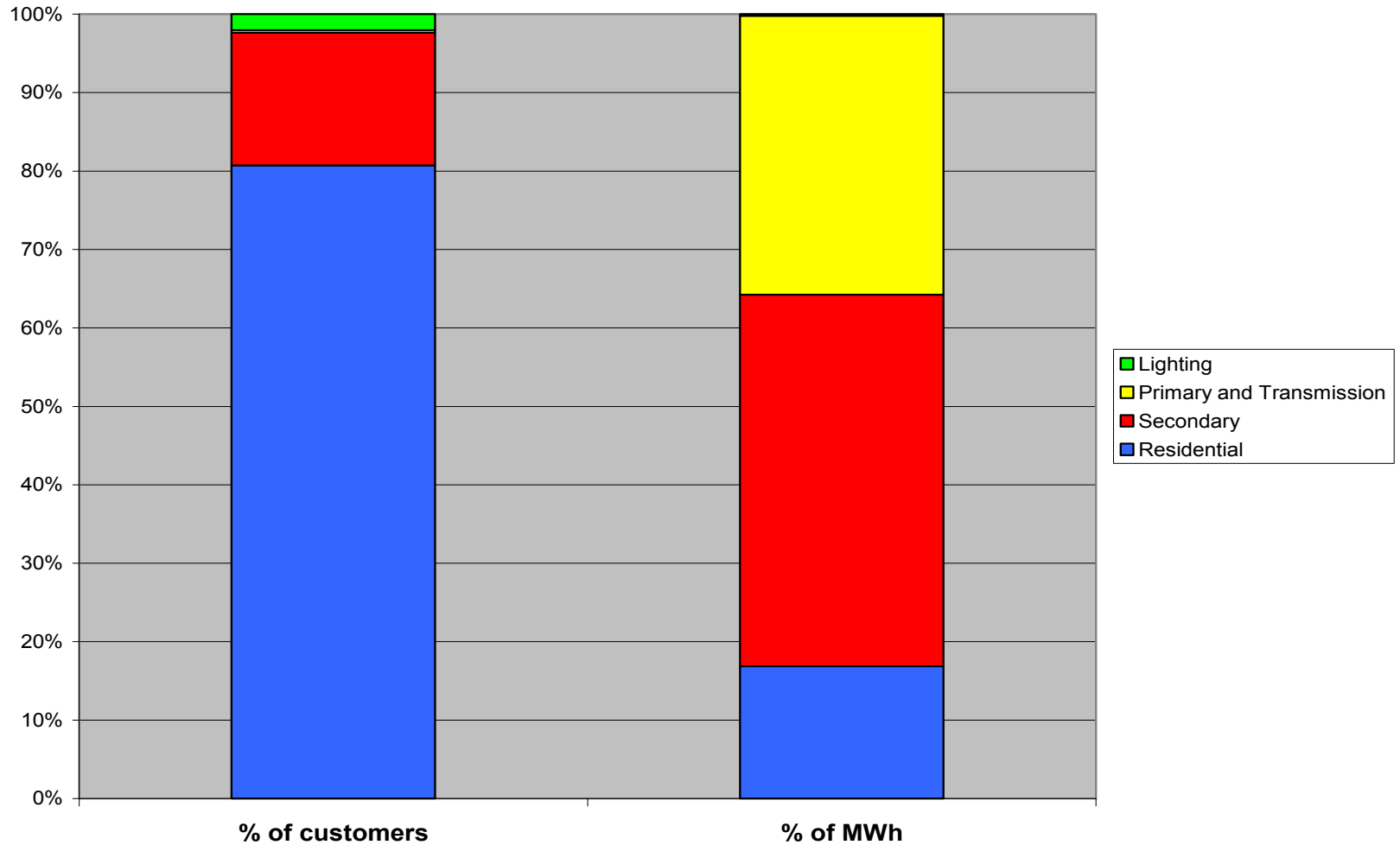
8. Customer Switches, 01/02-09/04



9. Customer-Switching Percentages, 01/02-09/04

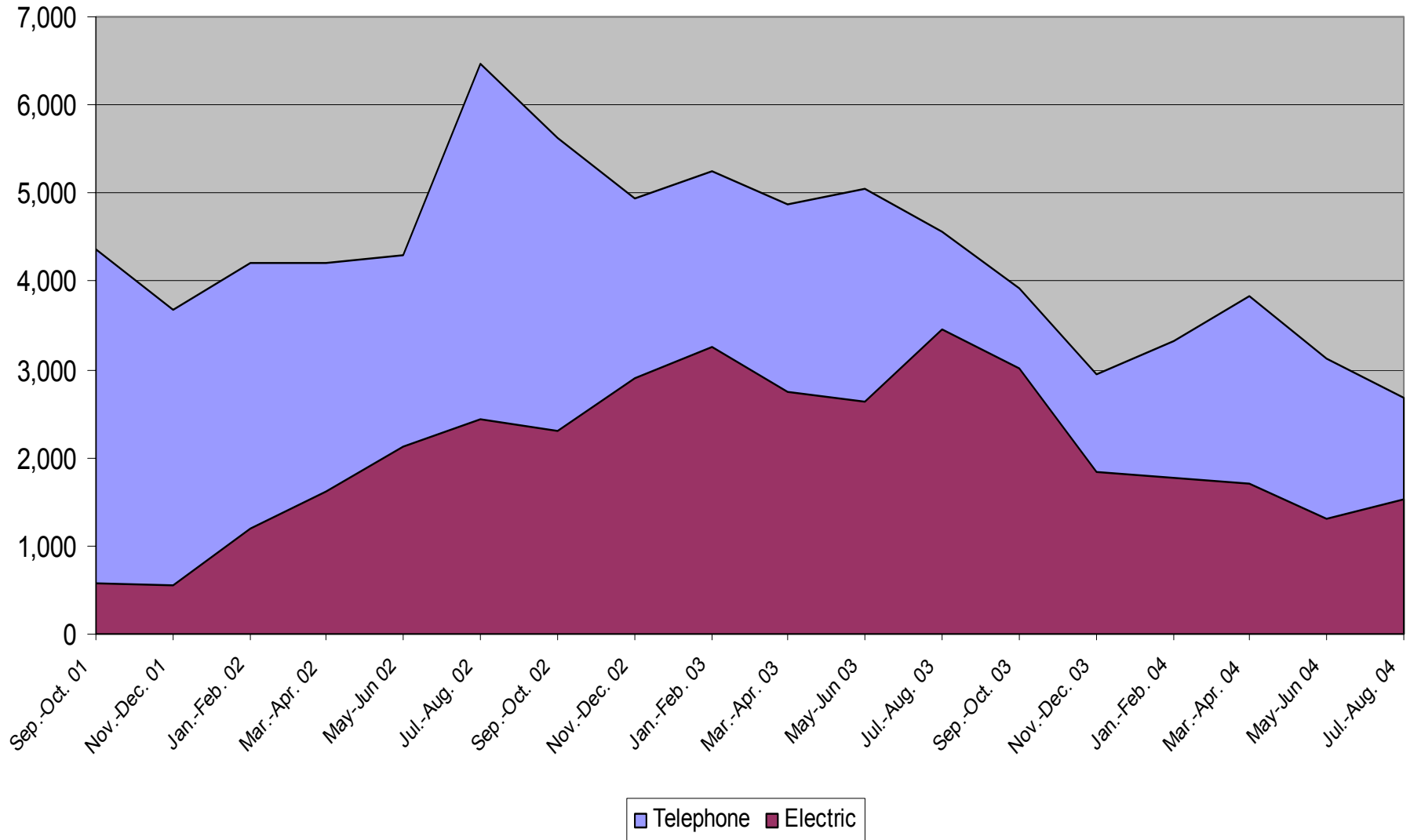


10. CREP Service Composition by Number of Customers and by MWhs Provided



Source: Performance Measures Reports, Project No. 24462, PUC Electric Di

11. Total Customer Complaints to PUC, 09/01-08/04



12. Electric Complaints By Type, 09/03-08/04

