

Electricity marketplace can be dark and mysterious for Texas consumers



THE WATCHDOG
DAVE LIEBER dlieber@dallasnews.com

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Thanks to Fred and Sharon, I understand I must now update my most-read column of the past 10 years — “Here’s the best way to pick an electricity company in Texas.”

The Watchdog’s methods helped Texans find honest companies with low fixed rates. Now, I see its continued distribution is a disservice to consumers.

Why? Because my suggested strategies were based on honest marketing by electricity companies who burst on the scene after deregulation, and careful oversight by the Public Utility Commission.

Neither expectation was met. Electric companies deceive.

The Utility Commission (I dropped the “P” for public because it doesn’t care about us) pretends the system works.

We heard a moment of honesty last year when then- UC Chairwoman Donna Nelson complained that some electricity companies “always find a way” around her commission’s efforts to keep the marketplace honest and transparent.

“Whatever practice we put in place to try to end the confusion, then they find another way around it,” she said.

Fred Anders, who runs shopping helper TexasPower- Guide.com, tells The Watchdog in a note, “Google search sends consumers to your 2014 article.

But as thorough as it was, that article lacks any of the Public Utility Commission/PowerToChoose.org gamesmanship warnings of your half-dozen newer articles.

“Might it serve consumers,” Fred continues, “to update that 2014 article so it doesn’t unwittingly lead them to become the next victims of the PowerToChoose.org tool?”

Sharon B., a typical confused electricity customer, writes: “When I shop I see one number, but when I call and ask for the energy charge, they give me a different number. I don’t understand how they go from one number to the next. Is there a specific calculator on the web to help me make determinations?”

Know the basics

My original story covered the basics: Know when your contract expires. Know your kilowatt per hour rate. Know how to shop on the state-sponsored PowerTo- Choose.org website.

Read the facts label and also terms and conditions to see whether all charges are included or if, as is often the case, surprising charges hide.

Check the company’s customer service rating. Do a background check on the web before signing a contract. I view these recommendations now as out of date. Fred is right. The Sharons of the world need more help.

The negative side

My updated “2017 Electricity Guide” is harsher.

The system is rigged against consumers. Only the most mathematically inclined customers willing to spend much time shopping, probing and creating spread sheets can figure out the best deals.

PowerToChoose.org doesn’t work anymore. Electricity companies know that the lowest prices appear first in its search results. Some created impossibly low 1-cent kWh rates. The deals came with strict conditions that if not followed, raised rates considerably.

Here’s one example: some companies charge steep penalties if a customer doesn’t hit an exact kWh usage level each month: 2,000 kWh gets the promised price, but dare to use 2,001 and the monthly bill jumps. That’s preposterous.

Outside consultants offer help. Some take a fee; others earn a commission from electricity companies.

Avoid door-to-door sales people. They don’t work for electricity companies but for third parties. Many will say whatever it takes to get you to sign a contract.

Free electricity? Companies promise free power during certain hours. Check the fine print and learn that when it’s not free, rates are outrageous.

Fees are the killer. Aside from ugly minimum usage fees that penalize customers for using too little electricity, a slew of confusing monthly charges with different names became standard.

Comparison shopping is difficult. You can't easily tell from PowerToChoose which companies add the Oncor transmission charge to the base kWh rates.

Some do; some don't. State rules don't require standard, easy-to-compare pricing. That ruins comparison shopping.

Remember how the system works. Companies gamble on how much wholesale electricity they should purchase and what they can sell it for.

Smaller companies with lower rates often cut corners by offering no customer service or imposing large fees to talk to someone.

Bigger companies like Reliant hire famous actors and athletes to hawk their products and put their name on a sports arena.

Who do you think pays for that? Know the basics: Know when your contract expires. Begin shopping a few weeks before.

The Watchdog recommends switching companies and looking for better deals. Don't stay with the same company unless your rates remain low.

Use PowerToChoose.org skeptically. It no longer works as it should. If you find a deal you like, visit the company's website and call the company to verify and ask for a lower rate.

Check a company's customer service record on Google and on PowerToChoose.

You're on your own amid the treachery. The people in charge who can fix this — the Utility Commission and state lawmakers — are looking the other way. There's your update on a broken system.

Coming next: The Watchdog receives a mysterious, anonymous package that makes the Equifax data theft look like amateur hour.

Staff writer Marina Trahan Martinez contributed to this report.

The Watchdog Desk at The Dallas Morning News works for you to shine light on questionable practices in business and government.

Contact The Watchdog Email: watchdog@dallasnews.com Call: 214-977-2952 Write: Dave Lieber P.O. Box 655237 Dallas, TX 75265