



Tips on Reducing Your Electrical Billing

1. **The Contract** – Be sure and know when your contract is up. Staying on a contract is a great way to keep your rate consistent because it allows the retailer to better forecast their electricity requirements. Any retail provider will automatically put you on a variable or higher rate plan if you let your contract go beyond a month without renewal. By law, your contract expiration date is included on your billing. If there is no expiration date, you are not under a contract.
2. **Know what is in your contract** – Many people look at just the Kilowatt rate also known as the Energy Charge the retailer will be charging. Don't ignore the fine print as to when and why that charge can change during your contract- usage minimums, changes after two months, or peak times.
3. **Referral Programs** – Take advantage of your provider's referral plans. Many retailers offer a one-time credit for a referral, but the best plans offer a residual credit for your referrals that continues every month.
4. **TDU Charge** – This is the area that is the "gotcha" for most customers. The TDU charge is the fee associated with delivering the power to your home or business. This fee is beyond the Energy Charge provided in the disclosures and marketing materials that most provide. For example, for most in our area, your delivery agent is Oncor. Very few retailers will provide a "bundled" rate with all fees included so look for ones that do. Many retailers also mark up the TDU charge since this is a good place to hide an extra penny or two charged to you. To see if your TDU charge is marked up on your bill, look at the description, it will actually list just the service company by the line item. If it only says "TDU" or list the Service Provider and "other charges," your TDU charges are being marked up.
5. **Watch out for the marketing gimmicks** – It is best to avoid the "specials" unless you are in the habit of shopping every month for the latest deal. Most deals are just that –gimmicks. "Free nights and weekends" and low introductory Kilowatt rates in most all cases have hidden opportunities for the retailer to get the money out of you! Look for companies with a consistent marketing message that have programs that are available all the time.
6. **Know the company!** Dozens of new retailers come and go each year. Is the company you're dealing with a Texas-based company? Are they debt free or on the verge of bankruptcy? Do they have a steady supply of energy or do they buy on the open market? Call their customer service line and see what country you reach! Be careful with online reviews though. Many complaints from online review sites come from users that have not followed the rules, didn't check their contracts or from competitors trying to dog the competition!
7. **Other Discounts and Perks** – Look for other discounts the retailer provides. Ask if the company gives a discount for automatic bill pay and paperless billing. Do they have a rewards program for longevity?
8. **Pay on Time** – Late pay and disconnects is an opportunity for your retailer to raise your rate or to charge extra fees. Many of these fees are also passed on from the service provider. Set-up automatic bill pay to prevent this from happening.
9. **Demand Charges and Business Accounts** – Many business users incur an extra fee based on a demand charge from the service provider. This fee many times is exorbitant! For greater savings, choose a retailer that can provide your power without the demand fee. If you are a larger user with any bill over \$5,000, ask for bids from multiple electrical providers and if they include a demand charge.

For further information or a quote on reducing your bill, contact Lee Miller at (936) 637-3742 or by email at lee@msgenergy.net . An Ambit Energy Independent Consultant.