

Texas Public Power Association



Municipally Owned Electric Utilities (MOUs) Hometown Service, Stability, Success

72 cities and towns in Texas light up their homes, businesses, and streets with “public power” from their local municipally owned electric utility (MOU). Each public power utility is different, reflecting its hometown characteristics and values. But, all have a common purpose: providing reliable and safe electricity at a reasonable price while supporting their local community. Service is the primary objective. Stability comes from up to a century in business and a diverse mix of energy sources that doesn’t “put all the eggs in one basket”. Success is reflected in creditworthy bond ratings, local jobs and economic development, efficient performance, and high customer satisfaction.

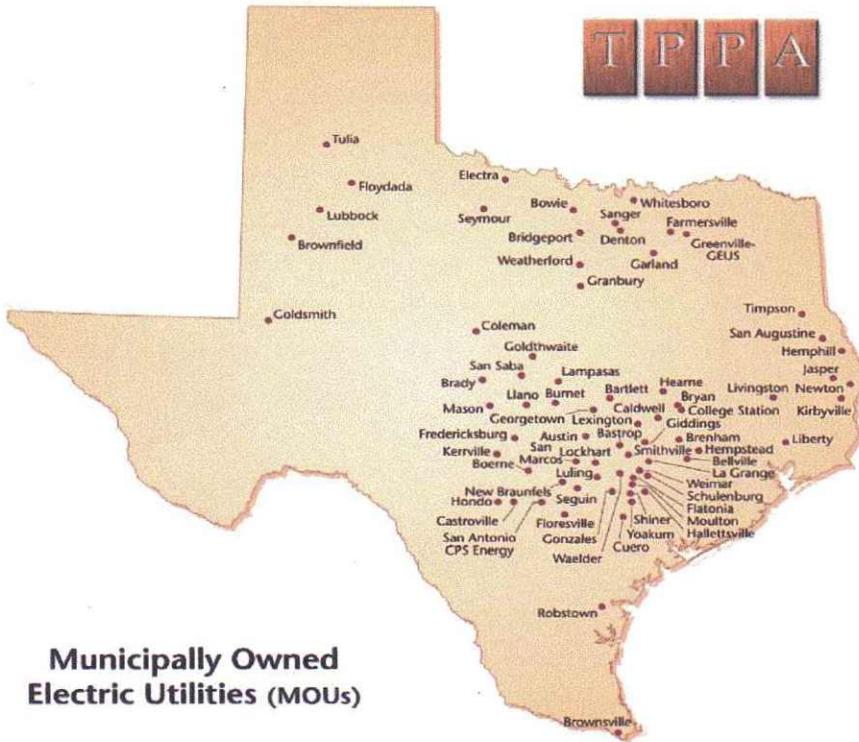
4.1 Million Texans Served by Public Power

Citizens and ratepayers have a direct and powerful voice in utility decisions and policies, respectively via the ballot box and a robust public process.



Local Electric Systems Boost Local Economies

Unlike private power companies, MOU power is hometown power. Local jobs and local economic development are priorities. MOUs are significant employers in their communities, for example, CPS Energy has over 3,500 local workers in San Antonio and College Station Utilities employs 68. Many utility purchases are made from local establishments. Support for economic development is a strong suit for MOUs, with predictable prices, reliable service, partnerships with local chambers of commerce, and the ability to tailor infrastructure and rates to retain and attract businesses. MOUs measure success by how much money comes into the community through economic development and by how much money stays within the community through reasonable rates and utility contributions to the city budget – not by how much money goes out to stockholders across the country and around the world.



Municipally Owned Electric Utilities (MOUs)

Public Power is Customer Focused

For more than 100 years, public power has been a tradition that works across the nation on behalf of its communities and customers.

Today, public power and MOUs are a thriving segment of the electric utility industry, building needed power plants, enhancing overall economic development, deploying energy efficiency and renewables, and providing excellent customer service.

MOUs are consumer-owned and thus have a built-in consumer orientation. Local employees, not remote call centers, interface with customers. Utility policies – like billing, deposits, deferred payment plans, advanced metering, and low income programs – are respectful to customers and responsive to community priorities.

The Texas Public Power Association

TPPA is the service organization for the state's 72 municipal electric systems, along with other public electric providers like river authorities and joint action agencies. It represents public power's interests at the state and national levels and provides an array of services to help its member utilities with managerial and operational issues.

More facts about public power...

72	2008	1891	A-A+	23,872
Number of MOU power systems in Texas.	Number of public power systems in U.S.	Year the first public power system in Texas (Greenville) was created.	Range of investment-grade bond ratings for major Texas MOUs.	Miles of overhead distribution lines for infrastructure based MOUs.

Local Control

Public power systems are locally controlled. Decisions about utility policies, infrastructure, and rates are made locally – by city councils and citizen boards, not regulators in Austin or Washington, DC. Local governance means that MOUs are accountable to their ratepayers and responsive to community priorities. MOUs have a local option to participate in retail deregulation, and can consider doing so if markets stabilize in the long-term and can provide real and sustainable benefits to their consumers and their cities.

Local

Public power today is an important, contemporary American institution. From small towns to big cities, wherever public power exists, it is an expression of the American ideal of local people working together to meet local needs. It is an expression of the local control that is at the heart of our republic. It embodies the conservative business practices that made this country great. Municipally owned electric utilities have many distinct characteristics that benefit their consumers and communities.

- ✦ Stable electric rates that are a good value..
- ✦ Efficient and reliable electric service.
- ✦ Responsiveness to customer concerns – every citizen is an owner with a direct say in policies.
- ✦ Emphasis on long-term community goals.
- ✦ Quick response from customer service representatives and crews located in the community.
- ✦ A significant portion of utility revenues stay in the community.
- ✦ Local employment and utility purchases from local establishments.
- ✦ Economic development – predictable prices, reliable service, and partnerships with community entities like chambers of commerce to attract and keep businesses.
- ✦ Opportunity for efficiency through integrated utility operations (e.g., operation with electric, water, sewer, garbage, gas, etc.).
- ✦ Improved local government efficiency through sharing of personnel, equipment and supplies.
- ✦ Recognized commitment to conservation, safety and the environment.
- ✦ Local control over special programs (energy conservation, rate relief for certain customer classes, etc.).
- ✦ Local control over the electric distribution system aesthetics and design.
- ✦ Local control that allows matching local resources to local needs.

Helping the Texas Grid

Industry regulators project a shortage of power on the Texas grid in 2014 and beyond. Public power generators are doing their part to help.

MOUs and other public power systems are taking an active role in the regulatory process – considering market improvements to incent developers to build new generation.

Public power systems themselves are building needed generation today and will do so in the future. Those power plants are built to serve public power customers, but also help the Texas grid by diversifying the overall resource mix and providing needed generation.

Public power is well positioned to make resource additions, with a stable customer base, a long-term planning horizon, and excellent credit.

