

Municipally Owned Electric Utilities

Local Control

- Municipally Owned Electric Utilities (MOUs) are units of local government owned by citizen/ratepayers.
- MOU rates/policies are set by local city councils or citizen governing boards.
- A portion of MOU proceeds help to fund local government.

Low Rates

- Local cost scrutiny and a not-for-profit motive have made MOU rates the benchmark for the industry.
- Statewide, average MOU rates are lower than private investor owned utilities (IOUs) in all applicable categories.

PUBLIC POWER: MOUs = LOWER RATES + COMMUNITY VALUE

OWNERSHIP: Customers are owners.

MISSION: Low rates and community value. Policies responsive to the community.

GOVERNANCE: Local governance, not state regulation.

FINANCE: Publically financed. Funded by utility revenues, not taxes.

UTILITY PROCEEDS: A portion of utility revenues support municipal government (average 7% - 9%). Proceeds stay in the community.

MOUs: A Significant Part of the Market

NO. OF UTILITIES

Texas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Municipals	73	<input type="checkbox"/>	<input type="checkbox"/>
Co-ops	85	<input type="checkbox"/>	<input type="checkbox"/>
IOUs	10	<input type="checkbox"/>	<input type="checkbox"/>

TEXAS MARKET

Retail Customers	
Municipals	15%
Co-ops	14%
IOUs	71%

USA

Municipals	2000+	<input type="checkbox"/>	<input type="checkbox"/>
Co-ops	900+	<input type="checkbox"/>	<input type="checkbox"/>
IOUs	243	<input type="checkbox"/>	<input type="checkbox"/>

Electricity Sales

Municipals	10%
Co-ops	8%
IOUs	82%

SB-7: Texas' deregulation law preserves MOU local control and protects MOU customers and cities.

1. MOUs can choose to "opt-in" to the competitive market when clear benefits are available to MOU customers and their cities.
2. Mandatory retail deregulation starts for IOUs on 1/1/02. MOUs can "opt-in" on or after that date as determined by local governing body.
3. Before "opting-in" MOUs continue to provide all local service. After "opting-in" other providers can compete for MOU customer.
4. Local control is preserved after the MOU "opts-in" to retail competition. Local authorities set competitively neutral distribution rates and other charges. Funding for general government remains a local decision.