GLOSSARY OF TERMS

Assessments – Includes the Miscellaneous Gross Receipts Tax and PUC Assessment.

Average Rate – The average price you paid for electric service for a month (in cents per Kilowatt hour); the average price also includes the Monthly Recurring Charge and other recurring charges.

Contract Documents – The Welcome Letter, Terms of Service document (TOS), the Electricity Facts Label (EFL), and Your Rights as a Customer document (YRAC).

Contract Expiration Date – The time when the initial term contract is completed.

Contract term – The time period the contract is in effect.

Current Meter Read – The numeric counter displayed on your meter used to calculate monthly usage up to your current meter read date.

Current Meter Read Date – The most current date your meter was read according to your scheduled meter read cycle (as defined by your TDU).

Energy Charge – A charge based on the electric energy (kWh) consumed.

Energy Efficiency Cost Recovery Factor – A charge assessed to recover a TDU's costs for energy efficiency programs, to the extent that the TDU charge is a separate charge exclusively for that purpose that is approved by the Public Utility Commission.

ERCOT – The Electric Reliability Council of Texas, the grid operator in most parts of Texas.

Fixed Rate Product – A retail electric product with a term of at least three months for which the price (including recurring charges) for each billing period of the contract term is the same throughout the contract term. Note that the price may vary from the disclosed amount to reflect actual changes in the Transmission and Distribution Utility (TDU) charges, changes to the Electric Reliability Council of Texas (ERCOT) or Texas Regional Entity administrative fees charged to loads or changes resulting from federal, state or local laws that impose new or modified fees or costs on a REP that are beyond the REP's control.

Invoice – Our billing reflecting amounts payable by you under the terms of the Agreement, including taxes and any other charges.

kW – Kilowatt, the standard unit for measuring electricity demand, equal to 1,000 watts.

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kWh – Kilowatt-hour, the standard unit for measuring electricity energy consumption, equal to 1,000 watt-hours.

Late Payment Charge – A charge assessed for late payment in accordance with Public Utility Commission rules.

Miscellaneous Gross Receipts Tax – A fee assessed to recover the miscellaneous gross receipts tax imposed on retail electric providers operating in an incorporated city or town having a population of more than 1,000.

Month-to-Month Contract – A contract with a term of 31 days or less. A month-to-month contract may not contain a termination fee or penalty.

Monthly Customer Fee – Monthly fee per ESI ID; also referred to as the Monthly Customer Charge, or MRC.

Nonrecurring Charge – A special charge that is applied to an invoice.

Previous Meter Read – The numeric counter displayed on your meter used to calculate monthly usage as of your previous meter read date.

Previous Meter Read Date – The previous date in which your meter was read according to your scheduled meter read cycle (as defined by your TDU).

Price – The cost for a retail electric product that includes all recurring charges excluding state and local sales taxes, and reimbursement for the state miscellaneous gross receipts tax.

Public Utility Assessment – Another term for the PUC Assessment; used on customer billings.

PUC Assessment – A fee assessed to recover the statutory fee for administering the Public Utility Regulatory Act.

PUCT – The Public Utility Commission of Texas, an agency that regulates the state's electric industry.

Recurring charge – A charge for a retail electric product that is expected to appear on a customer's bill in every billing period or appear in three or more billing periods in a twelve month period.

Residential Advanced Metering Charge – A charge assessed to recover a TDU's charges for Advanced Metering Systems.

Service Location – The address at which you are receiving power from us.

System Benefit Charge – Another term for the System Benefit Fund; used on customer billings.

System Benefit Fund – A charge assessed to recover rate reductions offered to low-income customers under the System Benefit Fund Program.

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Taxes – Sales tax collected by authorized taxing authorities, such as the state, cities and special purpose districts.

TDU – Transmission and Distribution Utility. Facility that transmits and/or distributes electricity, and whose rates for Transmission Service, distribution service, or both is set by a Governmental Authority. Previously referred to as TDSP - Transmission and Distribution Service Provider.

TDU Surcharges – One or more TDU surcharge(s) on a customer's bill in any combination.

Term Contract – A contract with a term in excess of 31 days.

Utility Gross Receipts Tax – Another term for the Miscellaneous Gross Receipts Tax.

Variable Price Product - A retail product for which price may vary according to a method determined by the REP, including a product for which the price, can increase no more than a defined percentage as indexed' to the customer's previous billing month's price. For residential customers, a variable price product can be only a month-to-month contract.

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