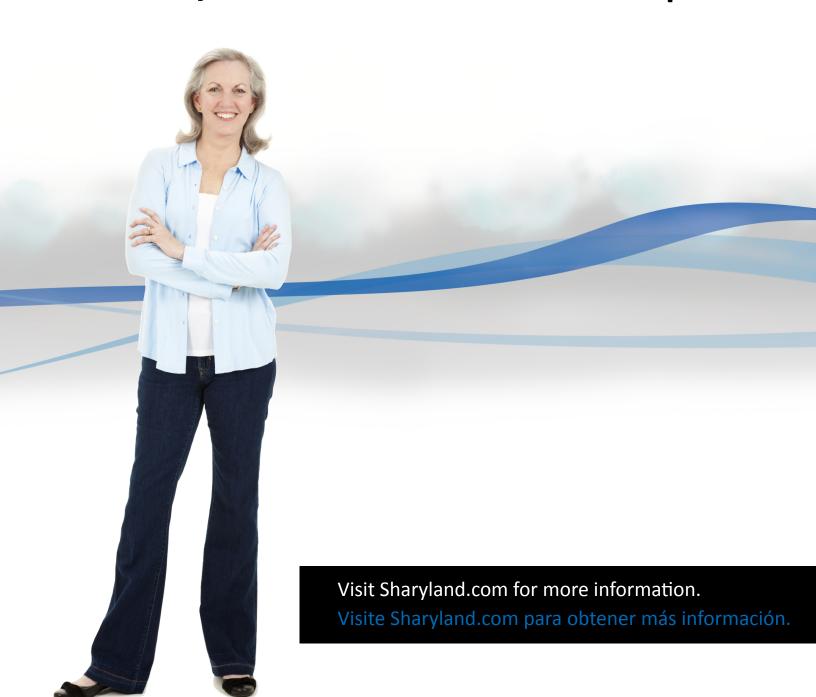


Your future in the Competitive Retail Electricity Market

Su futuro en el Mercado Eléctrico Minorista Competitivo



What is Retail Electric Competition?

Retail electric competition in Texas has been around since 2002. In the competitive retail electric market, the generation, transmission, distribution and retail sales of electric power are provided by separate companies.

The "wires" companies (like Sharyland) that own, operate, and manage the transmission and distribution system remain regulated, but the companies that produce and sell electricity are not regulated so that market forces can determine prices and services. This model allows residential and commercial retail customers more choices and opportunities to shop around and to reduce their electric bills.

How electricity is delivered. Cómo la electricidad se entrega.

Why is Sharyland moving to competition now?

Sharyland has been directed by the Public Utility Commission of Texas (PUCT) to transition our customers in our Brady, Celeste, Colorado City, and Stanton service areas into retail electric competition as early as May 1, 2014.

Prior to July 2010, the customers in these service territories were served by Cap Rock Energy, which by law did not have to offer retail choice for electric service. In July 2010, these customers were transferred to Sharyland Utilities, and at that time, the PUCT directed Sharyland to prepare a plan to transition customers to the competitive retail electricity market. Sharyland filed its plan in July 2011, and the PUCT approved it in August 2012.

How will Retail Electric Competition affect me?

Once you are transitioned into the competitive retail electric market, you will be able to shop around and choose your own Retail Electric Provider (REP), the company that will sell you electricity and send you a bill.

While Sharyland will no longer sell electricity or send you a bill, we will remain your "local wires company" responsible for the delivery of electricity and reading your meter, no matter which REP you choose. You may still call us when you have an outage, and we will still perform all connections and disconnections related to your service, but it will be at the direction of your REP.

The illustration below shows how electricity is delivered to customers by function.

The boxes in blue represent the role Sharyland will continue to provide into electric competition as a Transmission and Distribution Service Provider.



¿Qué es la competencia eléctrica?

¿Competencia eléctrico por menor se me afecta?

In order to xxxxx

Elegir un Proveedor Minorista de Electricidad

XXXXX

En Español....

The boxes in blue represent the role Sharyland will continue to provide into electric competition as a Transmission and Distribution Service Provider.

How do I start the process of choosing a Retail Electric Provider (REP)?

You will be able to choose your REP starting in spring 2014. Early next year, Sharyland will send you another mailer containing detailed information about REPs that are interested in serving customers in your area. In addition, Sharyland will be hosting public open house meetings next February and March to help provide additional information to your community.

In the meantime, it is important to start doing your homework and evaluate your electric service choices in advance so you can decide which REP works best for you. Consider the following tips:

- **Tip 1:** Go to PowerToChoose.org* and find tools to compare electric provider offers and plans based on price, contract terms, and other factors.
- Tip 2: Visit our website at Sharyland.com on a regular basis to get the latest updates and timelines.
- **Tip 3:** Make sure to attend the open house meeting that we will host in your community next February and March, so that you will have a chance to speak with Sharyland staff directly about this transition.

Hacer su tarea sobre la competencia eléctrica por menor.

^{*}Sharyland's current listing on PowerToChoose.org is for customers in our Mission/McAllen service territory located in South Texas. Rates for our Brady, Celeste, Colorado City, and Stanton service territories will not be posted until January 2014.