

Energy Deregulation: What it means to your business.

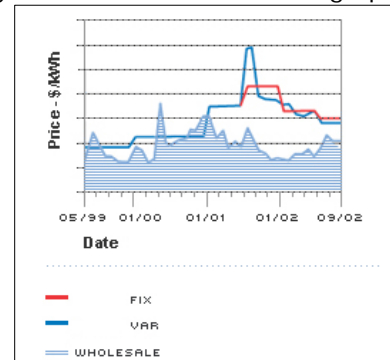
The first question customers have regarding energy deregulation is: Why Should I Switch? This varies depending on the customer's business but, in general, customers should consider switching for three reasons:

1. **Savings**
2. **Stability**
3. **Service**

Electricity is a traded commodity, just like gold and oil.

The cost of electricity unit (kilowatt) is constantly changing depending on pressures of supply and demand. When demand is high and supply is low, the cost is typically high. When demand is low and supply is high, the cost is typically low. In addition to these fundamental principals of supply and demand, the cost of Natural Gas, Oil, and Coal also affect the price, as they are the primary sources of fuel driving the turbines that create the electricity we use every day. If that isn't enough variables, there are also geographic influences, weather influences, and transmission congestion to contend with when determining how much a kilowatt of electricity costs today!

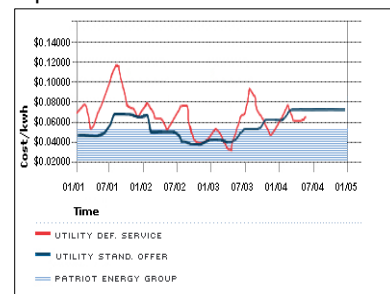
By providing consumers with one-on-one market related information, customers can make informed decisions about where they can buy their energy. For instance, the first graph depicts a period of slightly more than three years of wholesale and retail power prices in the from three different power supply sources. How does one know if they are getting the best price for their energy? As a customer, we will help explain to you the sometimes confusing electricity markets and how to obtain the best priced energy for your business needs.



On average, the utility has older, less efficient generation than the rest of the market. They are forced to sell you their higher cost electricity. The Monopoly Utility does not need to gain your business-they've had it from the beginning. But the Competitive Supplier wants to earn your business and then typically needs to do so every day to keep you as a happy customer. They, unlike the Utility, take into consideration all influencing price factors that go into your final cost per kilowatt. This is unlike the Utility, who sets a price for the millions of customers in their entire service area. What does this mean for you, the consumer? **Savings** and specialized **Service**.

That leaves **Stability**.

The cost of electricity changes every day. But overall, when looking at historical trends, a cyclical nature can be recognized. Most customers like to apply the same concepts to electricity procurement as they do with other fluctuating priced purchases-lock it in low. Most suppliers offer a fixed price over a term. This is best thought of in the terms of a mortgage. The Utility is the Variable Rate and the Competitive Supplier is the Fixed Rate. (Only you don't need to lock in for 30 years with Electricity!) Most suppliers offer flexible terms for their customers. This results in a fixed electrical expense to be budgeted for monthly. As this second graph shows, the volatile commodity markets have no bearing on the monthly electric bill once a fixed rate is established. This allows for the typically variable cost of electricity to be budgeted for in a more fixed manner.



The independent is **not** a Competitive Supplier of Electricity but rather a licensed **Electricity Broker**. They represent you, the consumer, and the competitive suppliers. They are able to bid out your electricity service to multiple suppliers to obtain the most competitive supply as well as aid in the procurement process. **They also are able to aggregate multiple customers together to buy in bulk for all their customers.** So you can be sure you get the best price, the best suppliers, and the plan that best fits your needs rather than the needs of the suppliers or the utility.

FAQ: [See below](#)

Frequently Asked Questions:

What is electricity deregulation and what is its purpose?

Electricity deregulation, also known as electricity restructuring, is the process by which the traditional monopoly structure for generating and delivering power to retail consumers is opened to competition by a legislative or regulatory initiative. Addressed at the state level, electricity deregulation is in its very early stages and is already beginning to show benefits for customers, the economy and the future reliability of energy sources. When allowed to mature, deregulation will enable the marketplace and customer to produce competitive prices, top-quality customer service and product innovation.

How does electricity deregulation and competition help keep costs down?

Historical trends demonstrate that market forces drive down relative prices for products and services previously regulated. Long-distance telephone services, natural gas prices and airline ticket prices are just three examples. However, inflation, international events, the price of fuel for electricity generation plants and other factors can cause volatility in the electricity marketplace. Cost-effective energy is important for keeping the American economy healthy and prosperous. Electricity is inextricably linked to all aspects of the nation's economy. The cost of energy is a component of virtually everything we buy or use. Just as businesses shop for the best prices and products in long-distance phone services and airline tickets, deregulation helps businesses keep expenses down. Lower internal costs decrease pressure on the prices consumers pay for each company's products and services.

Where have competition and choice been introduced?

Several states and the District of Columbia have enacted legislation or issued regulatory orders creating competitive electric markets. Click here for more specific information regarding current events in specific states: http://www.eia.doe.gov/cneaf/electricity/chg_str/regmap.html. Currently, we can offer this service in the following states; IL, MA, ME, MD, MI, NH, NY, NJ, OH, PA, RI, TX.

How much does electricity cost?

Electricity is measured in units known as kilowatt-hours (kWh). Your monthly electric bill is based on the number of kWh you use. When you shop for electricity, Competitive Power Suppliers must state their price in kilowatt-hours, so you can compare prices.

How do I know the rates different suppliers charge?

The Department of Energy requires all Competitive Suppliers to provide you with rate information prior to signing a contract or an agreement. The information should include current rates, contract terms, and environmental characteristics in a standard format similar to food labels. This information can help you compare offers from Competitive Power Suppliers.

What happens after choosing a competitive power supplier?

Once you make a choice, everything is taken care of by the Competitive Power Supplier. The supplier will arrange to switch your service. The switch will usually take effect on the date of your next meter reading or billing cycle.

Will there be any need to replace any existing electrical service components such as service wires and transformers at my location?

No physical modifications are required to begin electric service with a Competitive Power Supplier. Your electricity will be delivered through the same transmission system owned and operated by your current utility.

Will my reliability be affected by buying electricity from a Competitive Power Supplier rather than buying from my regular utility company?

You will not experience any change in reliability when switching to a Competitive Power Supplier, since no changes to your electric delivery system are required. Your reliability will not change if you purchase electricity through a Competitive Power Supplier.

Will my regular utility treat my company differently if I buy power from an alternate energy provider?

Your utility will provide equal service to all of its customers on a non-discriminatory basis. Utility company field workers are unconcerned with whose customers they are serving.

Are there any fees incurred when switching service to a Competitive Power Supplier?

No additional charges or fees are assessed when a business switches over to a Competitive Power Supplier.

Will I receive different bills?

If you choose a Competitive Power Supplier, there are two billing options. One option is to receive two separate bills--one from the Utility for delivery services and one from your supplier for power generation services. The other option is to receive a single combined bill from your electric distribution company for both delivery and power generation services. The choice is yours to make.

What happens if I lose electric service at my location?

Your current utility company will still own and operate the transmission and distribution system. As such, all repairs and on going maintenance will continue to be provided by your local utility company.

When will deregulation help residential consumers?

In many states, taxpayers are experiencing the benefits of deregulation when their city and town buildings reduce their expenses by purchasing competitively priced electricity. In addition, when commercial and industrial businesses reduce their electric bills, savings are reflected in the prices of their products. As the market matures, a number of companies will offer electricity supply choices to residential customers, as well.

How do I get I get a quote for my business?

The quickest and simplest way to receive the necessary information is to provide us a copy of the first page from your current electric bill. That can be faxed in and used to determine all the relevant information the Competitive Power Supplier needs.

Most quotes can be returned in about an hour.