



THOMAS M. MENINO
MAYOR

RESIDENTIAL ELECTRICITY PURCHASE OPTIONS

Competitive Power Supplier

As a residential electricity consumer, you may receive solicitations to purchase electricity directly from a **Competitive Power Supplier**. If you choose a Competitive Supplier, you will be purchasing your electricity from a company **other than your current electric company** (NSTAR is the electric company serving Boston residents). These offers often save consumers money, but it is important to understand your options and the contractual terms of these agreements.

Electric "Distribution" Company

Even if you purchase electricity from a Competitive Supplier, your current electric company ("distribution company") will continue to deliver the electricity to your home over the wires connected to your house.

Basic Service

If you do not choose to purchase electricity from a Competitive Supplier, you are purchasing **Basic Service** electricity directly **from your current electric company**.

Evaluating Competitive Supply Offers

The Massachusetts Department of Telecommunications and Energy requires all Competitive Power Suppliers to provide you with rate information prior to signing a contract or an agreement. The information should include current rates, contract terms, environmental characteristics and labor practices in a standard format.

Competitive Power Suppliers generally require a one-year contract and charge a \$50 cancellation fee if the customer leaves early.

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. **The prices offered by Competitive Power Suppliers only apply to the cost of electricity, not the cost to deliver it.**

Energy Sources: When you chose a Competitive Power Supplier, that supplier is responsible for power that is added to the power grid in an amount equivalent to your electricity use. The Competitive Supplier may add power to the grid with environmental characteristics that you may not want to purchase.

RECOMMENDATION: You should periodically compare the price and other terms of **Basic Service and Competitive Supply**. NSTAR adjusts its prices every six months, each year on January 1 and July 1.



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Electric Utility Restructuring ("deregulation") and Consumer Choice

There are four components to electric service:

1. **generation:** the power plants that create the electricity supply that is transported to homes and facilities
2. **transmission:** the wires and associated facilities that transport electricity (at high voltage levels) from power plants to distribution substations
3. **distribution:** the wires and associated facilities that transport electricity (at lower voltage levels) from distribution substations to customers
4. **consumer services:** metering, billing and information services

Prior to electric restructuring, these components were provided as monopoly services by electric companies, at prices that were fully regulated by the Massachusetts Department of Telecommunications and Energy. **Restructuring opened only the generation component to competition.** The other components (transmission, distribution and customer services) continue to be provided by your existing electric company.

Your Rights

A Competitive Power Supplier may not switch you to its service without your consent. If you are switched without your authorization, you may file a complaint with the Massachusetts Department of Telecommunications and Energy by calling 800-392-6066. Your choice of a Competitive Power Supplier will not take effect for at least three business days. Should you change your mind during that three day period, you will not incur any charges.

Low Income and Elderly Protections

You are protected from having your electric service shut off if you have a "financial hardship" AND (1) you, or someone in your home, is seriously ill; or (2) you have an infant in the home under 12 months; or (3) it is between November 15 and March 15 and you need electric service to heat your home. A "financial hardship" exists when a customer is unable to pay an overdue bill and such customer meets income eligibility requirements for the Low-Income Home Energy Assistance Program ("LIHEAP").

Also, if you and every resident in your household are 65 or older, your electric company may not shut off service to your household without prior written approval from the DTE. If all residents of your household are over age 65, you should inform your electric company. In addition, a low-income discount rate is available from each electric company. To qualify, your income must not exceed 200 percent of the federal poverty level and you must receive a public benefit program or low-income fuel assistance. Currently, low-income customers must apply to their electric company for the discount rate.

For More Information

- City of Boston, Mayor's Office of Consumer Affairs and Licensing:
(617) 635-3834
- Massachusetts Office of Consumer Affairs and Business Affairs Consumer Hotline:
(800) 392-6066
- Massachusetts Department of Telecommunications and Energy Consumer Complaints: (617) 305-3531