



# A Brief Guide to Residential Competitive Electric Supply in Massachusetts

## What is a Competitive Supplier?

A competitive supplier is NOT your utility. A competitive supplier is a company licensed by the Department of Public Utilities to purchase electricity and related services from the wholesale electricity markets for resale to retail customers. Typically, a residential customer who buys electricity from a competitive supplier will see the charge as a line item on the customer's electric utility bill.

## What are my electric supply options?

1. Basic service with your electric company. Basic Service is competitively procured every 6-months by your electric company for all their residential customers. This is the default option for most customers and, generally, the most affordable.
2. Municipal aggregation, a process through which your city or town negotiates with a competitive supplier on behalf of residents.
3. Competitive supply from companies licensed to sell electricity to Massachusetts residents.

## Why do residential customers switch to Competitive Supply?

According to complaints submitted to the Attorney General, residential customers reported that they were enticed with promises of electricity savings. However, an AGO study found that most of those who switched **wound up paying more**. In Massachusetts alone, from July 2015 - June 2017, residential customers on competitive supply products suffered **NET losses of \$176.8 Million**. That's an **average loss of \$224** per customer in the second year of the study alone.

## 6 Tips for Consumers

1. **Beware of Utility Impersonators.** Your utility will never go door-door or call you asking to see your bill or your account number.
2. **Treat your utility account number as you would your credit card.** Don't share your account number with strangers or sales agents unless you want to sign up for competitive electric supply. If you give your account number to an unscrupulous agent, the agent can sign you up without your knowledge.
3. **Know how to evaluate your electricity rate.** Your basic service supply rate is competitively procured for you by your electric company every 6 months. Basic service rates are usually higher in the winter and lower in the summer.
4. **You are signing a contract** when you switch to competitive supply! Know your rights and ask questions: (1) how long is this contract, (2) is my rate fixed or variable, (3) **does this contract auto-renew** and, if so, will the rate go up when the new term starts, (4) is there a cancellation fee, (5) are you saving me money for the entire length of the contract?
5. If you change your mind after switching to competitive supply, **you have 3 business days to cancel** your contract.
6. Your utility offers a number of **flexible billing options** including budget billing, monthly variable rates, fixed rates, and options for low income customers. Contact your utility for more information.

To submit an official complaint regarding competitive suppliers, please file with either the AG Consumer Advocacy and Response Division or the Department of Public Utilities Consumer Division.

[www.mass.gov/how-to/file-a-complaint-involving-a-gas-electric-or-water-company](http://www.mass.gov/how-to/file-a-complaint-involving-a-gas-electric-or-water-company)

[www.mass.gov/how-to/file-a-consumer-complaint](http://www.mass.gov/how-to/file-a-consumer-complaint)  
or Call (617) 727-8400