



Understanding Your Electric Supplier's Contract and What To Look For As It Expires

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When you enter into a contract with a new supplier for electric generation, make sure that you understand all terms and conditions contained in the contract. The terms and conditions are found in the contract's disclosure statement. Once a contract is in place, both the supplier and the customer must follow all terms and conditions, which may include:

- If the product has a fixed rate, which remains the **same** for the length of the contract, or a variable rate, which can **change** by the hour, day or month, as stated in the contract;
- The price per kilowatt hour (kWh), including the price for the first billing cycle of service for variable rate contracts;
- If there is an introductory price ranging between one and three billing cycles, before the price changes to a fixed or variable rate;
- If a variable rate product, if there is a limit or specific price cap, or are there no limits on price variability;
- If the supplier charges monthly fees for ongoing service of the customer's account;
- If there are cancellation or other fees if the customer terminates the contract early; and
- The length of the contract, and when the contract expires.

WHAT HAPPENS AS MY CONTRACT IS ENDING?

You should look for two notices from your supplier. The supplier will send an initial notice between 45 and 60 days before the contract expires. You will be notified either by mail or electronically (should you choose) that your contract is ending. The supplier will send a second notice, or Options Notice, no less than 30 days prior to the expiration date. The Options Notice will be sent via first class mail, not electronically, in an envelope clearly marked that the inside contains important information regarding your contract. The Options Notice outlines the actions that you may take, including remaining with your current supplier, switching to another supplier, or returning to your electric utility.

IF I AM ON A VARIABLE RATE, WILL I BE NOTIFIED OF CHANGES IN PRICE OR OTHER TERMS AND CONDITIONS?

Variable rate customers may or may not be notified of changes in price. Regulations require suppliers to provide the customer with the price for the first billing cycle only, as well as specify in the contract whether there are limits on price variability. After that, suppliers may choose whether to notify their customers of price changes.

For any other changes in service, suppliers must notify customers in the same manner and timeframes as when a contract is ending. Suppliers send customers both the Initial Notice and Options Notice, including information on customer options that include remaining with the supplier, selecting another supplier, or returning to your electric utility.

WHAT IF MY CURRENT CONTRACT HAS A CANCELLATION FEE?

You should always be aware if you will be charged a cancellation fee for early contract termination. As the contract is ending, suppliers must notify customers if there is a cancellation fee; if so, how much is the fee; and how to avoid the fee. The information should include the date when the customer can choose a different product from the current supplier, switch to another competitive supplier or return to default service.

WHAT HAPPENS IF I DO NOT RESPOND TO THE SUPPLIER'S RENEWAL NOTICES?

Supplier renewal notices provide you with options, which may include remaining with your current supplier, switching to another competitive supplier or returning to your electric utility. If you do not choose one of these options, your current supplier can convert the contract to a month-to-month variable rate contract or fixed rate contract, with the supplier required to notify you of the first billing cycle's per kilowatt hour rate. In either case, cancellation fees do not apply, and you can get out of the contract without penalty by notifying the supplier. You also will receive a 30-day notice of any subsequent price changes.



CAN I GET A SUMMARY OF ALL TERMS AND CONDITIONS?

Yes. Along with the contract's disclosure statement, suppliers must provide a separate Electric Generation Supplier Contract Summary for the consumer's benefit. The Contract Summary is an easy-to-read document that provides a clear and concise summary of key terms and conditions. See below for a sample summary.

ELECTRIC GENERATION SUPPLIER CONTRACT SUMMARY

Electric Generation Supplier (EGS) Information	<i>Name, telephone number, website, etc. Plain language statement that EGS is responsible for generation charges.</i>
Price Structure	<i>Fixed or variable. If variable, the rate is based on what conditions? If variable, how often is the rate expected to vary? If variable, give any applicable ranges/ceilings. If no ranges/ceilings, a plain language statement indicating this fact. If variable, describe when the customer will receive notification of price changes in relation to time of month, final monthly meter read, billing cycle or when the price takes effect.</i>
Generation/Supply Price	<i>\$/kWh or ¢/kWh. If variable rate, the first billing cycle's rate. Any introductory rate with length of term.</i>
Statement Regarding Savings	<i>Plain language that the supply price may not always provide savings to the customer</i>
Deposit Requirements	<i>Any deposit requirements necessary for a customer and any terms associated with that deposit, in plain language.</i>
Incentives	<i>Any bonuses, discounts, cashback, etc., offers and any associated terms, in plain language.</i>
Contract Start Date	<i>Plain language regarding start of EGS service (meter reads/billing cycles/etc.)</i>
Contract Term/Length	<i>In months, billing cycles, etc.</i>
Cancellation/Early Termination Fees	<i>Yes or no. If yes, describe the amount of the fee and how to avoid that fee, if possible.</i>
Renewal Terms	<i>Treatment of customer at end of contract. Timing of notices. No cancellation/early termination fees. In plain language.</i>
Electric Distribution Company Information	<i>Name, telephone number, website, etc. Plain language statement that Electric Distribution Company (EDC) is responsible for distribution charges, as well as any emergencies/outages/etc.</i>

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