

10 Things You May Not Know About Buying Electricity in Deregulated Markets

1. Switching electricity suppliers is a simple process.

Switching your electricity accounts to DANCOR ENERGY is a simple and straightforward process. Once you sign an agreement, DANCOR ENERGY is responsible for coordinating the transition with the utility. DANCOR ENERGY will use your electricity account information to ensure your accounts are enrolled in a timely manner.

2. The reliability of your electricity service will not change if your company switches from the utility.

The reliability of your electric service will not be affected by switching to DANCOR ENERGY. The utility is still responsible for the lines and wires that deliver the electricity to your facility. There will be no difference in the power quality or reliability of your electric service.

3. You can always return to your utility's service.

When an agreement is signed, the customer is committed for the term of the contract. However, after the term has expired, customers can re-sign their agreement with DANCOR ENERGY, or return to the utility.

4. Switching to DANCOR ENERGY can help your business gain control over your electricity expenses.

Many companies feel that they have no control over their electricity usage. However, working with DANCOR ENERGY can be the first step in developing a comprehensive energy strategy. DANCOR ENERGY can provide tools that can show you how and where your electricity is being used and identify ways to save you money and use your electricity more efficiently.

5. There are financial incentives to switch to DANCOR ENERGY.

In the state of Massachusetts, businesses that switch to DANCOR ENERGY do not pay sales tax on delivery charges. This can amount to a savings of up to 4 % off the total electricity bill.

6. Aggregating your electricity demands with other businesses may not be the best course of action when buying electricity from DANCOR ENERGY.

One of the benefits of electricity competition is that businesses typically get customized quotations based on the rate class, usage patterns and peak demand. Utility prices are based on a "one-size-fits-all" rate for each rate class. Inevitably, those businesses with better load profiles end up subsidizing those with worse load profiles. Unless the aggregation is extremely large (such as a group of 50,000 homes) it is in a business' best interest to seek customized pricing from DANCOR ENERGY.

7. In an emergency, the utility will still respond in restoring power to your facility.

Your utility's response in an emergency will not be affected by switching electricity suppliers. The utility is required to provide your business with the same level of service, regardless of your electricity supply choice.

8. DANCOR ENERGY can offer a variety of different service options to customers.

DANCOR ENERGY specializes in serving Commercial and Industrial customers. DANCOR ENERGY also offers different ways to purchase electricity. Some offers for electricity is similar to buying a mortgage - with a fixed rate or variable rate. Other offers are more sophisticated ways to procure electricity. DANCOR ENERGY also bundles other services such as energy information tracking and even electricity from renewable power sources such as solar or wind power. Payment options and customer care also vary among suppliers.

9. When comparing electricity prices, don't compare the price DANCOR ENERGY gives with what your business has paid in the past.

In Massachusetts, the price for electricity varies each day with market conditions. Just as there is a market price for oil and natural gas - there is a market price for electricity. There are many factors that affect the market price of electricity. These factors include: weather, natural gas prices, world events, and demand. Since the offer you get from DANCOR ENERGY reflects current market prices, comparing with historical prices is useful only as an indicator of general market trends.

10. Purchasing power is a viable option for businesses. Imagine the cost in 5 years.

On March 1, 2005, Standard Offer Service will no longer exist in Massachusetts. A state law called the Electric Restructuring Act created Standard Offer Service. This law was passed to promote competition in the electricity market. In order to protect consumers, the law created a seven-year period to transition from electricity sold under a monopoly system to electricity sold in a competitive market. Standard Offer Service provided discounted rates for electricity to those who were customers of their electric company as of March 1, 1998. On February 28, 2005, the seven-



year transition period ended. **On March 1, 2005, all Standard Offer Service customers were automatically transferred to Basic Service and will pay market rates for electricity.**

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