**Competitive Suppliers Pose Risks to Consumers**

The electricity that consumers pay for needs to be generated in a power plant and delivered before it reaches their homes. Only a few distribution utilities, such as NSTAR, National Grid, and Western Mass. Electric Company are allowed to transmit electricity in Massachusetts. But since 1998, Massachusetts has allowed other companies to generate and sell electricity—these companies are called competitive suppliers. Customers of competitive suppliers then receive the electricity after it is delivered by their local distribution utility. It is possible for consumers to save some money by purchasing electricity from competitive suppliers, but consumers should be prepared before purchasing electricity from a competitive supplier. There are risks inherent in choosing competitive supply and some competitive suppliers have a track record of taking advantage of consumers.

***Aggressive and Deceptive Marketing Practices***

Some competitive suppliers will aggressively market their products, repeatedly calling homes or going door-to-door to solicit customers. It is not uncommon for salespeople to misrepresent the products they are selling. Some salespeople will provide consumers with incorrect information regarding contract terms. Some salespeople have even gone so far as to pretend that they are members of a local distribution utility, falsely telling customers that they must purchase competitive supply or else have their service disconnected. Low-income, elderly, and non-English speaking persons are sometimes targeted. Consumers should be warned to be wary of electricity salespeople and to closely examine the terms of a competitive supplier’s contract before signing up.

***Confusing Rates and Hidden Fees***

Competitive supply contracts often have confusing rates and hidden fees. Competitive suppliers will frequently charge large fees for late payment, cancellation, etc. Competitive suppliers also often try to entice customers by offering teaser rates—low fixed rates that after a short period of time, automatically expire and increase or change into variable rates. And typically, competitive supply contracts with variable rates will fluctuate more dramatically than rates provided by local distribution utilities. This risk of greater fluctuation, in addition to the fees competitive suppliers typically charge for late payment and cancellation make competitive supply contracts extremely risky for low-income consumers.

***Poor Customer Service***

Many customers of competitive suppliers have reported encountering poor customer service. Customers have complained that after they had agreed to purchase competitive supply, they were unable to reach their provider to obtain even routine assistance.