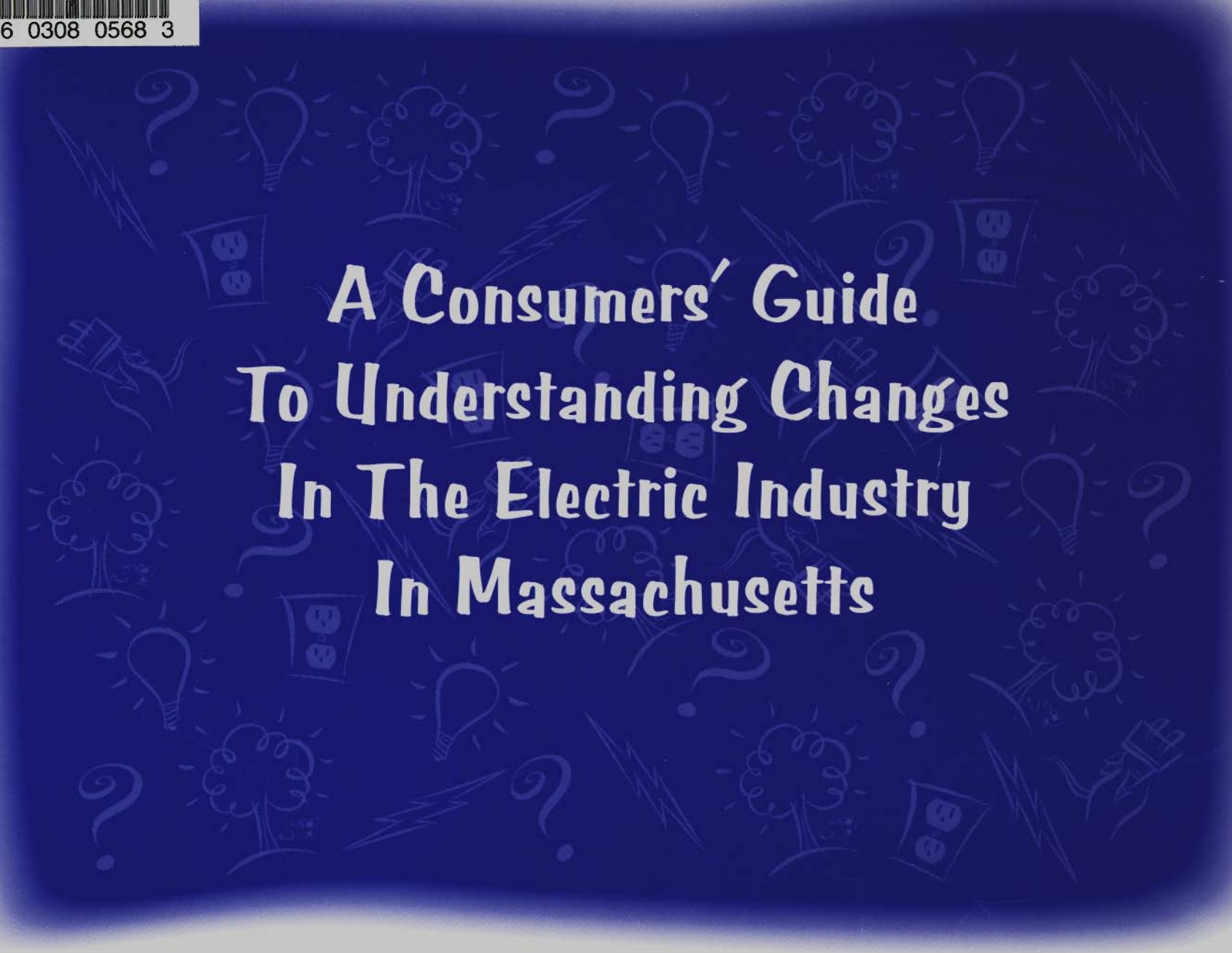


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A Consumers' Guide To Understanding Changes In The Electric Industry In Massachusetts

THE POWER IS YOURS
THE COMMONWEALTH OF MASSACHUSETTS

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INTRODUCTION

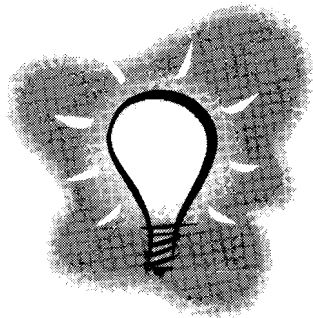
March 1, 1998, marked the beginning of a very big change in the electric industry in Massachusetts. Now, for the first time, consumers can choose their **power supplier**. Your current electric utility company will continue to deliver the power to your home or business, and will still read your meter, take care of the poles and wires, and restore power when there is an outage. However, now you can choose the company that supplies your power. You can choose a competitive supplier based on price, environmental factors, or other things that you find important.

It will take time for the competitive power supply market to develop. While the number of suppliers will be limited at first, the choices available to you will increase over time. You don't have to do anything right now. You can wait to decide for at least seven years. In the meantime, you will receive power purchased for you by your current utility company, which will now be known as your **distribution company**.

Note: *These changes apply to most, but not all, electricity customers in the state. The changes apply to customers of Boston Edison, COM/Electric, Eastern Edison, Fitchburg Gas and Electric, Massachusetts Electric, Nantucket Electric, and Western Massachusetts Electric. They do not automatically apply to customers of the 40 non-profit municipal (town-owned) electric departments in Massachusetts. If you are a customer of a municipal light department, you should contact that department to learn whether these changes apply to you.*

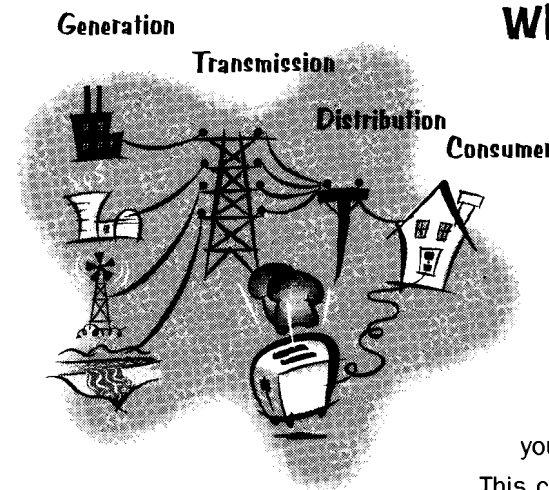
II. WHAT IS CHANGING AND WHAT IS STAYING THE SAME?

How did the electric system work before these changes?



Before this, your electric utility company was responsible for all aspects of electric service. They were responsible for both the generation of the power in power plants, and the delivery of that power over the wires to you. Since these companies were monopolies, you could not choose who supplied your power. The prices they charged for power were regulated by the Department of Public Utilities, now known as the Department of Telecommunications and Energy.

Readers may refer to a glossary of boldface terms in the back of this guide anytime.



What is different?

The combined services that were provided by your electric utility company have been divided into two parts. Your regulated electric utility will continue to deliver your power over the wires. This company is now called your **distribution company**.

However, the power running through those wires is sold by companies, which are known as **competitive power suppliers**. The prices that these companies charge for power **generation** are not regulated; instead, these companies will set their own prices, just like the sellers of almost all of the other products that you buy.



Buying electricity is now like buying telephone service.

The changes to the electric industry are somewhat similar to what happened when long-distance telephone service was restructured nearly fifteen years ago. As you may remember, for the first time, customers were able to choose their long-distance company (e.g., Sprint, MCI, or AT&T).

But they had no choice about who provided local service (now Bell Atlantic). In the electric industry, you are now able to choose your **competitive power supplier**, but do not have a choice about your **distribution company**.

Buying electricity is now like catalog shopping.

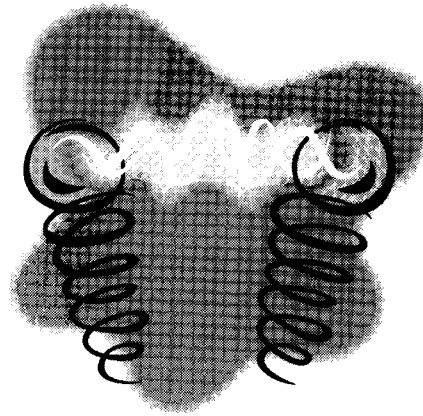
Another way to think about the changes to the electric industry is to think about buying clothes from a catalog. When you buy a shirt from a catalog, the catalog company supplies the product — the shirt. A separate company (for example, Federal Express or UPS) delivers the shirt to your home, and there are separate charges for the shirt and the delivery of the shirt. With electricity, you will buy the product (power) from a **competitive power supplier**. But a separate company (your **distribution company**) will deliver the product to you. As with catalog shopping, there are separate charges for the product and for delivery of the product.

Of course, there are differences between buying electricity and buying from a catalog. One important difference concerns whom you call if you have a problem. With catalog shopping, if your shirt doesn't arrive, you call the catalog company. With electricity, if your lights go out, you call your **distribution company** (the delivery company), not your competitive supplier.

What remains the same?

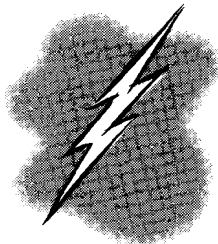
Most importantly, you will continue to receive the same level of reliable service. Your **distribution company** will continue to deliver the power to your home or business. That company will still read your meter, take care of the poles and wires, and restore power if there is an outage. The price for these services and the performance of your distribution

company continue to be regulated. Your choice of a **competitive power supplier** will not affect either the reliability of your power or the price that you pay for delivery service. Special protections continue. For example, low-income customers will also continue to receive discounts.



III. HOW MUCH DOES ELECTRICITY COST?

As with most other products, the amount that you pay for electricity depends on both the price and the amount that you use.



Unlike many other products, electricity is not measured in gallons or pounds. Instead, electricity is measured in units known as **kilowatt-hours (kWh)**. Your monthly electric bill is based on the number of **kWh** you use.

An average residential customer uses around 500 **kWh** per month. Customers who have electric heat often use much more. Customers with few electric appliances may use less. You can find your monthly usage by looking at your electric bills.

Electric bills are divided between delivery charges and power **generation** charges. Power generation charges make up about one-quarter to one-third of the total bill. *This is the only part of your bill that is affected by your choice of a **competitive power supplier**.* The price for the delivery portion of the bill is the same no matter which competitive power supplier you choose. For most customers, the total price (delivery service charges + power generation charges) is now between 9 and 13 cents per **kWh**.

The rates for delivery service vary from **distribution company** to distribution company. The rate that you pay for delivery service depends on which distribution company serves the town where you live. Delivery charges include: distribution, transmission and transition charges, as well as charges for energy efficiency and renewable energy.

How costs are calculated

Electricity Charges	Unit Price		Kilowatt-hours Used		Monthly Bill
Power	3¢	X	500	=	\$15
Delivery	7¢	X	500	=	\$35
Total	10¢	X	500	=	\$50

Hypothetical Example: Mary Smith pays a total of 10 cents per kilowatt-hour for electricity. Of that 10 cents, delivery service charges are 7 cents per kWh and power generation charges are 3 cents per kWh. On average, Mary uses 500 kilowatt-hours a month, giving her a monthly bill of \$50 (\$15 for power supply and \$35 for delivery). Since only the power generation portion of her bill is open to competition, she will continue to pay an average of \$35 a month to her distribution company regardless of which supplier she chooses.

The prices for power **generation** vary from power supplier to power supplier. The price that you pay for power generation depends on which supplier you choose and your agreement with that supplier. Or, if you do not make a choice, it depends on the price for **standard offer service**, which is explained in Section V.

Your entire bill is affected by the amount of electricity you use.

Using less electricity reduces both the delivery

service charges and

the power **generation**

charges. Some

competitive power

suppliers may offer to

help you reduce your

electricity use by installing

energy efficiency measures.

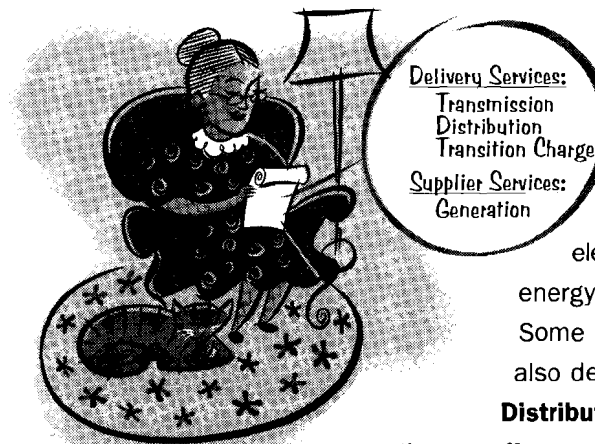
Some **public aggregators** may

also develop programs to do this.

Distribution companies will

continue to offer energy efficiency programs

to help customers reduce their bills.





IV. SHOPPING FOR ELECTRICITY

Although shopping for electricity is new, it is a lot like shopping for the hundreds of other products that you buy every month. You may look at many of the same factors when buying electricity that you now look at when buying other things, such as groceries, gasoline, or long-distance telephone service.

Ways to compare competitive power suppliers*

Price: Price is an important factor and may be quoted in different ways. For example, some **competitive power suppliers** may charge the same for each **kilowatt-hour** of electricity that you use, no matter when you use the electricity. Others may offer different prices depending on the time you use it; their prices may be higher during weekdays and lower during nights and weekends. You need a special electric meter, called a time-of-use meter, before a competitive power supplier can offer different prices for power based on when you use electricity.

**See page 7 for a list of questions to ask competitive power suppliers.*

Contract terms: The length and terms of your contract with your **competitive power supplier** are also important. Some suppliers may offer a price that is fixed for a year or longer; others may offer a price that varies from month-to-month or year-to-year. Some may require that you agree to stay with them for a minimum period and pay a termination fee if you leave early. Look at these terms carefully.

Environmental factors: Generating electricity in power plants is a major source of air pollution and other environmental impacts. Most **renewable energy sources** such as solar and wind are more environmentally-friendly than fuels such as coal and oil. Using natural gas for power **generation** creates less air pollution than burning coal or oil. Nuclear power has unique environmental impacts. You may want to use your choice of supplier to help protect the environment.

Energy efficiency: Some **competitive power suppliers** may provide energy efficiency services that reduce your bill by reducing your usage. For example, they may offer to install energy efficient light bulbs which use less electricity, or to install insulation if you use electric heat. Some suppliers may charge separately for these services; others may include the cost in the price of power.

Note: *Distribution companies will continue to offer energy efficiency programs.*

Other services: Some **competitive power suppliers** may package power with other products and services, such as natural gas, heating oil, telephone service, Internet access, home security, or cable television. You may prefer to buy power in this way, or you may prefer to buy power on its own.

Comparing power suppliers

	Low Cost Power	Clean Power	Combined Power
Power Price	3¢	4¢	3.5¢
Delivery Rate	7¢	7¢	7¢
Monthly Power Charges	\$15	\$20	\$17.50
Monthly Delivery Charges	\$35	\$35	\$35
Total Monthly Charges	\$50	\$55	\$52.50
Unique Benefit	<i>low price</i>	<i>Cleaner environment</i>	<i>low price on long distance telephone service</i>

Hypothetical Example: Before choosing a supplier, Mary compares several offers to determine which one is right for her. Given that she uses an average of 500 kilowatt-hours a month, Mary determines that her monthly charges from each supplier would be: \$15 for Low Cost Power (3¢ x 500 kWh), \$20 for Clean Power (4¢ x 500 kWh), and \$17.50 for Combined Power (3.5¢ x 500 kWh). Regardless of which supplier she chooses, Mary will still pay an average of \$35 a month to her distribution company for delivery charges (7¢ x 500 kWh).

To help you choose, all **competitive power suppliers** are required to provide a **disclosure label** by September 1998, which lists the price, power source, air emissions, and other information about the electricity they sell. This label is explained in Section X.

What happens when you have chosen a competitive power supplier?

Once you have chosen a competitive supplier, the supplier will make the arrangements to switch you to its service. The switch will usually take effect on the date of your next meter read.

Who will send the bills?

Once you have chosen a competitive supplier, there are two billing options. One option is to receive two separate bills – one from your

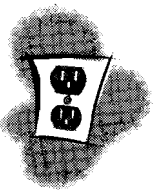
distribution company and one from your **competitive power supplier**.

The other option is to receive a single, combined bill from the distribution company; this combined bill will contain both the distribution company's charges and the competitive power supplier's charges.

This is similar to the two different ways of billing for telephone service. Some people get two bills: one from the local phone company (Bell Atlantic) and one from the long-distance company (e.g., AT&T). Other people get one bill from the local phone company (Bell Atlantic) that includes both charges for local service and charges from the long distance company (e.g., MCI) for long-distance service.

Group buying or "aggregation"

A number of organizations, including trade associations, are considering forming electricity buying groups. This practice is known as **aggregation**. Local municipal or county governments may also provide opportunities for consumers to join together in **public aggregation** programs. Groups may be able to get a volume discount from power suppliers, which may be a lower price than consumers can get on their own. You should look carefully at proposals from buying groups, just as you would look carefully at proposals from competitive suppliers.



Questions to ask competitive power suppliers and aggregators

Asking basic questions of each potential competitive power supplier should help you to choose the supplier that best suits your needs:

1. Are you licensed in Massachusetts by the Department of Telecommunications and Energy?
2. Could you please send me your disclosure label and statement of terms and conditions?
3. What different prices do you offer? Do you offer different prices for different power products?
4. Is the price fixed, or will it vary?
 - a. If it is fixed, is it guaranteed? for how long?
 - b. If it will vary, how does it vary by time of use? by how much I use? by year? by anything else?
5. What am I likely to pay in an average month, based on my usage?
6. What fuels will be used to generate the power that I will buy? How do your power sources affect the environment?
7. Are there any discounts? Bonuses?
8. Are there any customer services? Special programs?
9. Does the price that I would pay for power depend on my purchase of any other products or services?
10. Will I need to sign a written contract? If yes, how long does the contract last? Are there any penalties for early termination?
11. How often will I be billed?
12. Are there any additional fees or other special conditions?
13. How does the price of your offer compare to standard offer service?



V. WHAT HAPPENS IF YOU WAIT TO CHOOSE?

You are free to choose a **competitive power supplier**, but you are not required to choose right away. You may wait to make a choice for

at least seven years. Until you choose, you will

receive power from your **distribution company** under a rate called **standard offer service**. After seven years, if you do not choose, you will receive electricity from your distribution company under **default service**. Default service is described on the next page.

Standard offer service

Standard offer service is the price at which **distribution companies** will provide power to their customers who have not chosen a **competitive power supplier**. At first, this price will be set at about 3 cents per **kilowatt-hour**. However, it will increase over time.

The standard offer price is the price for just the power **generation** part of your bill. You will also pay delivery charges, which will be the same whether you take **standard offer service** or choose to buy power from a **competitive power supplier**.

Who is eligible for standard offer service?

Standard offer service is available to *existing* customers as of March 1, 1998. It is not available to *new* customers other than low-income customers who move into Massachusetts after that date. Customers who are not eligible for **standard offer service** must either choose a **competitive power supplier** or take **default service**.

What happens if I move within Massachusetts?

If you move within Massachusetts and stay within the same **distribution company** service area, you can continue to receive **standard offer service**. On the other hand, if you move into a different distribution company service area, you cannot stay on standard offer service; you must either choose a competitive supplier or take **default service**. However, customers who qualify for low-income rates can stay on standard offer service, even if they move into a different distribution company service area.

How long can I stay on standard offer service?

You can stay on **standard offer service** until March 2005. However, since the price of standard offer service will go up every year, it is likely that you will want to choose a **competitive power supplier** before then.

If I leave standard offer service, can I return?

Generally speaking, once you leave **standard offer service**, you cannot return. However, there are three exceptions:



During the first year (until March 1, 1999), residential and small business customers can return to **standard offer service** during the first 120 days after choosing a **competitive power supplier**.



Customers who qualify for low-income rates may return to **standard offer service** at any time.



Customers who join a **public aggregation** program through a local government have 180 days from the time they join to return to standard offer service.

What options do I have if I cannot return to standard offer service?

If you want to leave the **competitive power supplier** that you have chosen, you must either switch to a different competitive supplier, or switch to **default service**, which is described below.

Default service

Like **standard offer service**, **default service** is power supply that you receive from the **distribution company**, rather than buying directly from a **competitive power supplier**. You can switch to default service at any time. The main difference between default service and standard offer service is the pricing. Standard offer pricing has been generally set in advance. It begins at about 3 cents per **kWh** and goes up each year (and may go up at other times). The price for default service is not set in advance. Instead, that price will move up and down based on the market price for electricity. If you do not receive service from a competitive supplier and are not eligible for standard offer service, your distribution company will automatically place you on default service.

Readers may refer to a glossary of boldface terms in the back of this guide anytime.

10% savings

State law requires that, starting March 1, 1998, customers receiving standard offer service receive a cut in their electric rate of at least 10%. This means that the total rate you pay drops by 10% compared to August 1997 rates. This 10% discount applies to the entire bill: delivery service charges and power generation charges.

The 10% figure is a minimum reduction set by state law. Customers of some distribution companies may see a larger reduction. State law requires that the discount increase to at least 15% by September 1, 1999, with the rate adjusted for inflation.

Does this mean that my electric bill will drop by 10%?

As discussed earlier, your electric bill is determined by both the rate and the amount of electricity you use. If you used exactly the same amount of electricity every month, your bill would be 10% lower for power used after March 1 than it was before. If, like most people, your usage varies from month to month, your bill will vary accordingly, but will be 10% lower than it would have been for the same level of use.

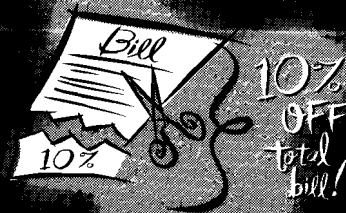
Do I keep the 10% savings if I choose a competitive power supplier rather than standard offer service?

If you choose a competitive supplier, your cost for power generation will depend on the price charged by that supplier. It may be higher or lower than the standard offer. If it's higher than the standard offer, you will still have savings, but your savings will be less than 10%. If it's lower, your savings will be more than 10%.

Where does the 10% savings come from?

The 10% discount comes from both reduced transition charges and reduced power generation charges in your electric bill. The new law strongly encourages utilities to sell their power plants. As they do so, the discounts may increase.

If utilities incur losses to achieve the 10% savings, these can be recovered later. However, these losses must be recovered from the proceeds of the sale of power plants and other profitable utility operations before they can be recovered from customers.

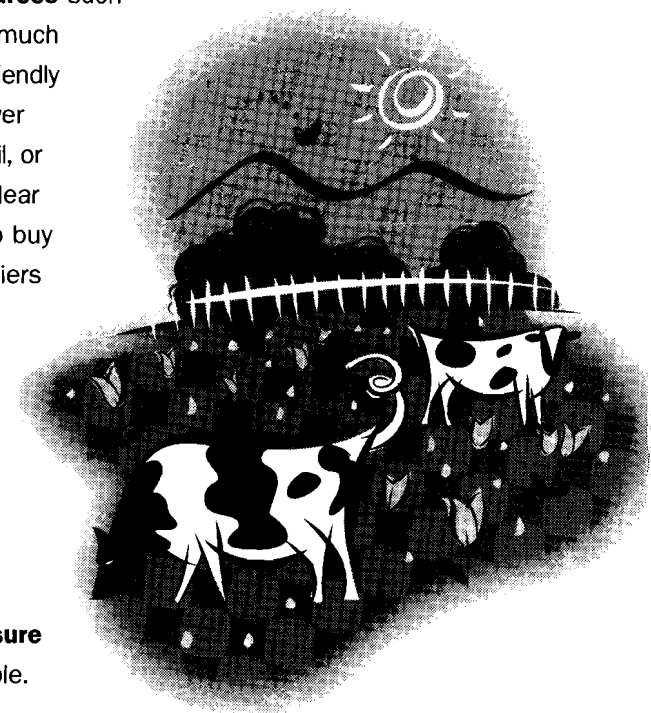


VI. ELECTRICITY AND THE ENVIRONMENT

The **generation** and use of electricity has a significant impact on the environment. In fact, power plants are one of the largest sources of air pollution, including greenhouse gases that are associated with global climate change, and radioactive waste. With electric competition, you can use your choice of a **competitive power supplier** to help the environment.

Buying cleaner power

Renewable energy sources such as solar and wind are much more environmentally-friendly than conventional power plants that burn coal, oil, or natural gas or use nuclear power. If you choose to buy from competitive suppliers that use cleaner power sources, you will help the environment. You can learn about the environmental characteristics of each supplier by looking at the information **disclosure label** when it is available.



Energy efficiency

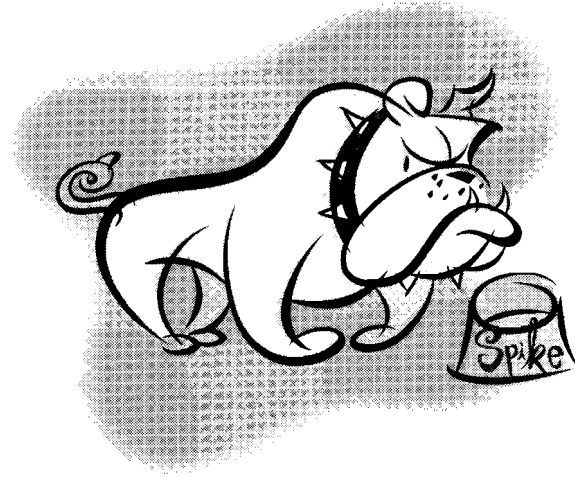
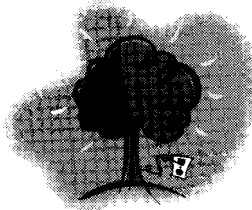
You can also reduce harmful environmental impacts by reducing the amount of electricity that you use. One big advantage of energy efficiency is that it helps you to reduce your bill while helping the environment at the same time.

Some **competitive power suppliers** may provide energy efficiency services. For example, they may offer to install energy efficient light bulbs which use less electricity, or to install insulation if you use electric heat. Some suppliers may charge separately for these services; others may include the cost in the price of power.

There are also many energy efficiency companies that sell these services. In addition, **distribution companies** will continue to offer energy efficiency programs for their customers. Some **public aggregators** may also develop programs to do this.

VII. TRANSITION CHARGE

Your bill for delivery includes a charge called the **transition charge**. This charge allows your **distribution company** to recover costs, including investments in generating plants and power contracts, that they would be unable to recover in a competitive market. These costs, also known as "stranded costs," were part of electric rates before competition, but they were not set out as a separate charge. The transition charge will go down over time as the company pays down these costs. This charge is paid by all customers and varies from distribution company to distribution company. It is included in the overall rate that was reduced by 10% as of March 1, 1998.



VIII. CONSUMER RIGHTS

You have a number of consumer rights that will help you to make an informed choice and protect you against unfair conduct.

Cooling-off period: Your choice of a **competitive power supplier** will not take effect for at least three business days. You can change your mind during that three-day period without incurring any charges by contacting the supplier.

Unauthorized switching of suppliers or "slamming": A **competitive power supplier** may not switch you to its service without your consent. Your consent must take the form of either 1) a written letter of authorization signed by you; or 2) your oral statement to an independent third party, such as a separate verification company. If you are switched without your authorization, call the supplier that switched your service. Then you may file a complaint with the Massachusetts Department of Telecommunications and Energy by calling 1-800-392-6066.

Information label: Starting in September 1998, before beginning to provide service your **competitive power supplier** must give you an information **disclosure label**. The label will set forth the power supply price, the power sources, air emissions, a toll-free number for customer service, and other information. Every supplier will use the same format, so it will be easier to compare the various offers. The label is explained further in Section X.

Terms of service: Before beginning to provide service, your supplier must give you a terms of service statement. This document will describe all charges, the length of the contract, payment due date, how the supplier will tell you of any changes in the terms of service, and a toll-free number to call for more information.

Billing and termination: The billing and termination regulations enforced by the Department of Telecommunications (DTE) remain in effect. These rules restrict shut-offs during the winter months, prohibit security deposits and late charges for residential customers, and provide other consumer protections.

IX. LOW-INCOME CUSTOMERS

There are special discounts and protections available for low-income customers.

Rate discount: Low-income customers can receive a rate discount of 25-35%, depending on their **distribution company**. These discounts are applied to the delivery service portion of the bill. These discounts are in addition to the 10% discount that is available to all customers starting on March 1, 1998.

Standard offer service: Low-income customers who leave **standard offer service** may return to it at any time. They may

also stay on standard offer service if they move anywhere within Massachusetts, even if they move into a different distribution company service area. Also, low-income customers who move into the state after March 1, 1998 are eligible for **standard offer service**.

Energy efficiency programs: The fuel assistance agency network offers special energy efficiency programs for low-income customers that will help you to reduce your energy bill by using less energy.

Low-Income Eligibility

You can receive these benefits if your household income is at or below 175 percent of the federal poverty level. (Guidelines as of March 15, 1999).

Household Size	Maximum Income
1	\$14,420
2	\$19,355
3	\$24,290
4	\$29,225
5	\$34,160
6	\$39,357
each additional person	\$4,935

Note: You may qualify as a **low-income customer** if you are receiving benefits administered through the Department of Transitional Assistance (for example, TAFDC, EAEDC, Food Stamps), or if you receive Mass. Health (Medicaid), Supplemental Security Income (SSI), Veterans benefits, live in public or subsidized housing, or are certified eligible for Fuel Assistance. For more information about low-income discounts, please call:

Boston Edison (1-800-592-2000)
Com/Electric (1-800-642-7070)

Eastern Edison
Fall River:
(508-675-2100)
Brockton/South Shore:
(1-800-242-5810)
(508-583-3700)

Fitchburg Gas & Electric
(1-888-301-7700)

Massachusetts Electric (1-888-211-1111)
Nantucket Electric (1-888-444-6326)

Western Massachusetts Electric
(1-800-286-2000)

**Electricity Facts
XYZ Company**

Generation Price

Average unit price per kWh at different levels of use. Prices do not include regulated charges for customer service and delivery.

Average Use per Month	250 kwh	500 kwh	1000 kwh	2000 kwh
Average Price per kWh	4.5 cents	4.5 cents	4.5 cents	5 cents

Your average generation price will vary according to when and how much electricity you consume. See your most recent bill for your monthly use and your Terms of Service for the actual prices.

Contract

■ **Minimum Length:** 3 Years (30-day notice required for termination. Penalties may apply.) ■ **Contract Terms:** Fixed price over contract period

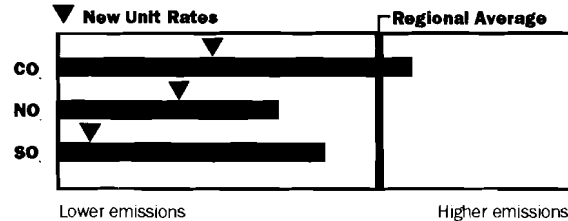
Power Sources

Demand for this electricity product in the period 3/1/97 - 2/28/98 was assigned from the following sources:

Power Source	Known Resources	System Power	Total
Biomass	5%	3%	8%
Coal	0%	10%	10%
Hydro: Large	11%	5%	16%
Hydro: Small	0%	2%	2%
Imported Power	0%	5%	5%
Municipal Trash	0%	15%	15%
Natural Gas	5%	0%	5%
Nuclear	0%	4%	4%
Oil	0%	24%	24%
Other Renewable	4%	0%	4%
Solar	5%	0%	5%
Wind	2%	0%	2%

Air Emissions

Carbon dioxide (CO₂), Nitrogen oxide (NO_x), and sulfur dioxide (SO₂) emissions rates from these sources, relative to the regional average, and to the emission rates of a new generating unit.



Labor Information

95% of the electricity assigned to this electricity product came from power sources with union contracts with their employees.

0% of the electricity assigned to this electricity product came from power sources that used replacement labor during labor disputes between 3/1/97 and 2/28/98.

NOTES

1. Electricity customers in New England are served by an integrated power grid, not particular generating units. The above information is on generating units assigned to this electricity product. To obtain information on all generating units owned by, or under contract to XYZ Company, call 1(800)123-4567.
2. See reverse side and your contract terms and conditions for further information on this label. You may also call XYZ Company at 1 (800) 123-4567, or the Massachusetts Division of Energy Resources at 1(800)727-1234.

X. UNIFORM DISCLOSURE LABEL

Beginning in September 1998, competitive power suppliers are required by the Department of Telecommunications and Energy to provide customers with a disclosure label. The label will provide customers with detailed facts about the electricity product or services you are buying: the price, the contract terms, the sources of power, the rates of emissions created by those power sources, and labor data. Here is the current draft of what that label will look like. It may change before September 1.

Generation Price: Allows you to compare prices from one competitive power supplier to another. These are average prices for generation service at typical monthly usage levels. These prices do not include regulated charges for customer service and delivery.

Contract: Indicates the minimum length of the contract term, notice provisions for termination of service, and penalties, if any, for early termination of service. It also provides the basis of any price adjustments allowed by the contract.

Power Sources: Describes the power that the supplier generated or purchased to meet the demand for this product or service over a specific period of time. The electricity you consume comes from the New England power grid, which receives power from a variety of power plants and transmits the power throughout the region as needed to meet the needs of all customers. "Known Resources" are power supplies from specific power plants that are owned by or under contract to your supplier. "System Power" is power the supplier purchased in the regional electricity market.

Emissions: Shows the air pollution from the supplier's power sources measured against (1) the average for power plants in the region, and (2) emissions from new power plants being constructed in the region. The pollutants listed include carbon dioxide (CO₂), a major contributor to global warming, nitrogen oxides (NO_x) a pollutant that causes acid rain and ground level ozone (smog), and sulfur dioxide (SO₂), a pollutant that causes acid rain.

Labor Data: The Labor Data section indicates the extent to which the power generated or contracted by your supplier came from plants where workers operate under union contracts, and the extent to which such plants used replacement labor during a strike or lock-out of employees.

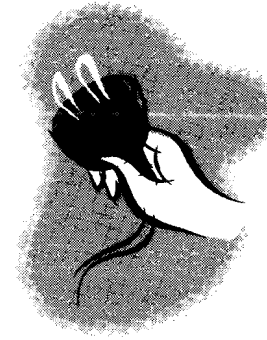
XI. ADDITIONAL INFORMATION

If you have questions about the changes in the electric industry, please call the Commonwealth's hotline at 1-888-758-4469.

You can also find information on the Internet at
<http://www.state.ma.us/thepower>
<http://www.magnet.state.ma.us/dpu>

If you believe your electric service has been changed without your authorization, or you have complaints about billing or termination, please call the Department of Telecommunications and Energy (DTE) at 1-800-392-6066.

In addition to reporting these complaints to the DTE, these and other problems such as fraud or unfair and deceptive practices can be reported to the Office of the Attorney General at 617-727-2200.



Who to call if the lights go out

As before, your distribution company will be responsible for maintaining safe and reliable service and for restoring your electricity in the event of a power outage. The **distribution companies** serving Massachusetts are:

Boston Edison (1-800-592-2000)

COM/Electric (1-800-642-7070)

Eastern Edison (1-800-242-3850)

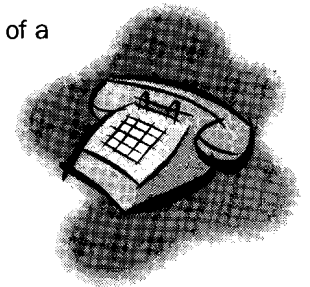
Fitchburg Gas and Electric (1-888-301-7700)

Massachusetts Electric (1-800-465-1212)

Nantucket Electric (1-888-444-6326)

Western Massachusetts Electric (1-800-286-2000)

Customers of the state's 40 non-profit municipal utilities should contact their municipal utility in the event of a power outage.



XII. Definitions

AGGREGATOR/AGGREGATION: An entity that brings customers together to buy electricity in bulk in order to increase customers' buying power. Aggregators can serve homes, businesses, or entire communities. They facilitate the sale of power but are not usually the sellers.

COMPETITIVE POWER SUPPLIER: A company that sells power. The power will be delivered by your distribution company. Competitive power suppliers are sometimes called electricity suppliers, electricity providers, power generators, or power sellers.

CONTRACT TERMS: The agreement between a competitive power supplier and a consumer, including the length of service and whether there are penalties for early termination.

DEFAULT SERVICE: Default service automatically provides you with a continuous power supply at a rate based on market prices when you are not receiving electricity either through Standard Offer Service or a competitive power supplier.

DISCLOSURE LABEL: A standard format of information furnished by competitive power suppliers about their prices, contract terms, power sources, air emissions, and labor practices which will be required as of September 1998.

DISTRIBUTION: The use of wires by your distribution company to deliver electricity to your home or business.

DISTRIBUTION COMPANY: The company that delivers power to your home or business, formerly known as your electric utility company.

EFFICIENCY PROGRAMS: Programs that reduce energy use in order to lower electric bills.

ELECTRICITY BROKER: A company or individual that facilitates the sale of power to customers, but does not take title to the power and is therefore not the seller.

GENERATION: The act of changing other forms of energy, such as fossil fuels, nuclear or renewable energy, into electricity. This word is sometimes used to mean the electricity that has been generated.

KILOWATT-HOUR or kWh: The standard unit to measure electricity. For example, ten 100-watt light bulbs used for 1 hour use one kilowatt-hour (1,000 watt-hours) of electricity. Your electricity use determines the total number of kilowatt-hours on your bill.

LOW-INCOME CUSTOMERS: Individuals and families whose household income is at or below 175% of the federal poverty level.

MUNICIPAL UTILITY: A non-profit utility that is owned and operated by the community it serves. Whether municipal utilities are open to customer choice and competition is a decision to be made by the municipality's public officials.

POWER SOURCES: The fuels that are used to produce electricity. These can include nuclear, fossil fuels (oil, coal, and natural gas) and renewable energy resources (for example, hydro, wind, biomass, and solar).

PRICING OPTIONS: Some competitive power suppliers may charge different rates for electricity according to when it is used or how much is consumed, or they may include other services in the price such as energy efficiency or Internet service.

PUBLIC AGGREGATOR: An organization established by a city, town, or county to purchase electricity in bulk for its citizens in order to increase their buying power. Participation is voluntary; consumers can opt-out if they choose and return to the standard offer within 180 days.

RENEWABLE POWER/ENERGY SOURCES: Electricity produced with environmentally-clean power sources such as solar, wind, and hydro.

RESTRUCTURING: Opening a market, whose prices and practices were formerly fully regulated by government, to competition.

STANDARD OFFER SERVICE: Standard Offer Service provides you with power at a fixed rate, adjusted annually, for up to seven years until you choose a competitive power supplier.

TRANSITION CHARGE: The transition charge covers the cost of past utility investments, including power plants and power contracts, which cannot be fully recovered in a competitive market. These charges will be reduced as utilities sell off their power plants.

TRANSMISSION: The delivery of electricity from a generator to a distribution company over high-voltage power lines.

Note: This document is produced by the Division of Energy Resources, in consultation with the Office of the Attorney General and the Department of Telecommunications and Energy, and is intended for educational purposes only. Any hypothetical example used is for illustrative purposes only. The Commonwealth of Massachusetts does not hereby recommend, promote, or endorse any power source, retail supplier of electricity or distribution company. Every effort has been made to ensure the accuracy of this information; however, this information may be subject to change or correction.

A Consumers' Guide To Understanding Changes In The Electric Industry In Massachusetts



1.888.758.4469

TOLL FREE CONSUMER HOTLINE

www.state.ma.us/thepower

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