



ENERGY SUPPLIER CONTRACTS
WHAT CONSUMERS NEED TO KNOW
ABOUT VARIABLE RATE CONTRACTS

OPC recommends that you exercise caution if you are thinking about variable rate contracts

ASK YOURSELF: Can I afford to pay for potentially large increases in my monthly bill?

CHECK OUT the following FACTS to see if a variable rate contract is right for you

- Energy suppliers offer both fixed rate and variable rate contracts
- The supply portion of the bill can be over 60% of your entire bill
- Fixed rate contracts allow you to compare the supplier offer to the utility supply rate (SOS) and fixed rate offers from other suppliers
 - Examples: 7.2 ¢/kwh (Electric) or 34 ¢/therm (Gas)
 - Check out OPC's Price Comparison Guides at www.opc.maryland.gov
- Variable rate contracts can be HIGH RISK for consumers
 - Suppliers often have low initial rates followed by variable rates
 - A penny or two per kwh can look good in the spring or fall, but you may pay the price with a high variable rate in the summer or winter
 - OPC has seen the rates go up from a "teaser" rate, but has not seen the rates go down
 - Almost all suppliers charge what they want month to month
 - There may be no transparency in how the rate is calculated
 - The contracts may have no formula or index, or restriction on increases in the rate

Maryland Office of People's Counsel

www.opc.maryland.gov

DLInfo_OP@maryland.gov

Revised August 2019