

Getting Smart About Energy Bills

(NAPSA)—Despite growing concerns over rising energy costs, a lightbulb hasn't exactly gone off in consumers' heads when it comes to understanding what their potentially less expensive options are.

And we're not just talking unplugging electronic equipment when it's not in use.

According to a new poll, a whopping 90 percent of consumers felt they had "limited or no control" over their home energy bills. That, of course, flies in the face of years of deregulation by state governments across the country that was specifically intended to empower consumers. The idea being, by forcing the traditional monopolies to suddenly compete with other utility companies—as is now the case in states such as New York, Michigan and Texas—consumers could seek out the best deals for themselves.

Alas, most of those polled had never even *heard* of deregulation.

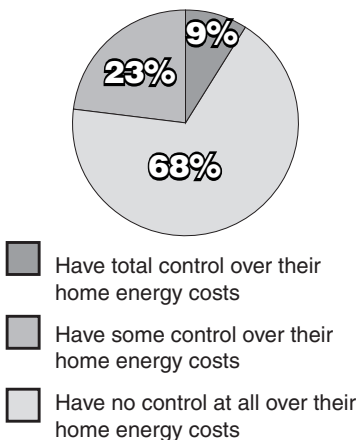
And given the "extreme volatility" in energy prices that those like Jeffrey Mayer, president and chief executive officer of MXenergy, predicts is "likely to continue," such unfamiliarity is likely to keep costing consumers. "It's important that people understand the steps they can take to keep costs under control," says Mayer, whose company provides deregulated energy.

Here are some tips for deciding which energy provider is right for you:

• **Fixed Or Floating?**—The big question is whether to lock in a fixed rate or choose one that floats with the market. Keep in mind that variable rates—just like variable-rate mortgages—rise and fall and don't provide price protection. But they do let you take advantage of lower rates in a declining market.

Powerless

Most consumers think they have only limited control over their energy bills, according to a new poll.



Source: Impulse Research for MXenergy



• **Locking In Prices**—The duration of a fixed price protection is between one and three years. If you think prices may drop in the near future, choose a shorter term. If you think they'll continue climbing, go with a longer term.

• **Consider The Source**—Price is important, but so is reputation. Locking in a fixed rate with a supplier that goes bankrupt only means trouble. So before signing up for a plan, check its balance sheet, access to financial capital and risk-management process that helps ensure it will be around to back up its advertised low, long-term rates.

How much of an impact are higher energy bills having on consumers? More than one-third reported they'd cut back on spending in other areas to offset the cost, according to the poll, which was conducted by Impulse Research.

For more information, visit www.mxenergy.com.