

ENERGY & TELECOMMUNICATIONS SOLUTIONS

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How Can Alternate Suppliers Charge Less Than The Utility Company?

Eversource & United Illuminating (UI) are in the business of "distributing" power, as opposed to "producing" it. So, even if your bill states that your supplier is "UI" or "Eversource", technically another company is "producing" the power. More often than not, alternate supplier rates are less (sometimes much less) than the utility companies? Why?

Eversource's & UI's standard rates for small & medium size businesses change every 6 months (in January & July). But, many things can happen during the year, causing dramatic swings in prices. For instance, since the recent winter was much milder than some expected, not as much natural gas was used to power up the Power Plants. This, along with the fact that natural gas is abundantly available and relatively inexpensive, has allowed alternate supply rates to continue to fall.

How Can Smaller Companies Charge Less Than The Phone Company?

Along with the Telecom Act of 1996, came full-throttle local voice & data competition. Many times, companies such as Earthlink and Windstream are able to offer services at a lower price than the **ILEC**, or "*Incumbent Local Exchange Company*". But how?

Usually, **CLEC's**, or "*Certified Local Exchange Companies*" need to partner with the **ILEC**, who already has wiring in place on telephone poles, or buried in the ground. So, the **ILEC** typically wholesales their networks to **CLEC's** at volume discounts. This, in turn, allows customers a choice of competitively-priced providers.





At our first meeting, Steve Burns, the Senior Business Manager from Algonquin Windsor Locks, was interested in cutting some of his telecommunications expenses. After a high-level review of their phone bills, it was determined that some savings were possible.

After a few on-site visits, and a number of conversations with the local provider, an extensive bill analysis was created, which included a detailed breakdown of all services. The services that were still needed were renewed at a lower rate, and the services that were no longer needed were removed.

According to Steve; "Dave was able to cut our telecom expenses nearly in half. He had a number of obstacles, but he continued to be persistent and got the job done!"



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