

Alternative Provider Contracts for Business Owners: What You Need to Know

Updated: 02/07/2024

What does it mean to choose an alternative supplier?

Choosing an alternative supplier means choosing an electric or natural gas supplier that is not the regulated utility.

What is in the alternative supplier contract?

The alternative supplier contract has pricing and other terms that regulate the relationship between you and the provider from whom you choose to take service.

Because you will be buying natural gas and electricity from an alternative provider at prices that the MPSC does not regulate, be aware that provisions in these contracts may vary widely among providers. You should receive the contract in writing and carefully review the terms prior to entering into an agreement.

MPSC does not regulate these following terms:

- Length of the agreement.
- Penalties for early cancellation.

What items will the regulated gas utility still supply?

Your current regulated gas utility will still supply the delivery, metering, and billing for your gas service.

Check the [MPSC's Natural Gas Customer Choice webpage](#) for more information. You can also see what your natural gas choice bill will look like compared to your regulated provider bill.

What items will the regulated electric utility still bill?

Your current regulated electric utility will bill for the delivery of your electricity. However, the alternative electricity supplier usually bills the power supply cost of your electric service.



What should I tell my employees about alternative provider contracts?

Make sure that your employees:

- Understand who is legally authorized to sign contracts for your business. Signing contracts or applications for service may bind your business for thousands of dollars and years of service.
- Contact you or your legally authorized agent if there are any questions about energy services. **Beware that a verbal agreement to switch service during a third-party voice verification call is a binding contract.**
- Do a thorough review of any information that they receive, especially from door-to-door marketers. Ask the marketers to supply the information for your review at a time convenient for you.
- Do not sign an application for service without understanding that it may take immediate effect if your credit history shows you are approved.

What should I do if I choose to use an alternative supplier?

When using alternative suppliers, you should:





What happens if I want to cancel?

You should contact the alternative supplier by phone or in writing as specified in the contract. If you have difficulty reaching the company by telephone, do the following:

- Cancel in writing.
- Keep a copy of your communication to the company.
- Continue to review your utility bills to be sure the cancellation has occurred.

What should I do if contacting the company is unsuccessful?

If contacting the company is unsuccessful, contact the MPSC:

- Toll-free at 800-292-9555.
- Via website at www.michigan.gov/mpsc.

- Always request and keep copies of all utility service contracts. Read these carefully for information about the terms of service and cancellation fees. This can help to prevent any misunderstandings or potential financial loss.
- Contact the company within the cancellation period if there are any questions or doubts about the following:
 - Rates.
 - Services provided.
 - Duration of the contract.
 - Early termination charges if you cancel your service.
- Know that early termination charges could be high and would be paid for unused service.
- Be aware that some utility contracts may be automatically renewed at the end of the contract period unless specific measures are taken to cancel the contract.
- Make cancellation requests using the prescribed method given in the contract and within the proper timeframe for cancellation prior to the contract's ending date.

