Article published on March 29th 2012 | Marketing

As energy providers are starting to introduce increases to their rates of up to fifteen per cent, many companies are wondering whether signing up to a deal that ensures a fixed payment for business electricity prices between one and four years would reduce the balance paid monthly or result in them paying through top prices should the market take a turn during the contract stretch.

In May 2011, British Gas' parent company Centrica claimed that the wholesale cost of gas was due to rise by twenty-five per cent. This encouraged many energy providers to announce increased rates for use of their gas or electricity. There has been estimations that most customers in the UK will watch their utility bills increase by almost one-hundred and fifty pounds a year. This figure could have a massively detrimental effect on those with a low business turnover. So with prices already rising, how can customers make sure their bills stay affordable allowing them to spend their money wisely?

The benefits of a fixed plan are quite obvious- a fixed price plan will ensure that your business bill will not all of a sudden become more expensive due to your inconsistent use of energy. Even when the provider of your plan chooses to increase the unit price of their energy, this will still not effect your monthly tariff. Although it is important to be aware that a fixed price tariff does not imply that you will be charged the same balance each time you are billed. Instead, the price of each unit of energy will be capped, so if you use more, the amount owed will be higher.

On the other hand of this, it is important to know, that if prices do begin to fall you cannot move to the cheaper rate without termination of your current contract. This can also result in a penalty fee. There are no guarantees that a fixed price electricity contract will be an economically wise long-term solution, companies that do take the risk can be sure that the rate that they are paying will be the highest it can be regardless of the suppliers situation of general cost of gas etc. In the current climate, this stability is hard to come by and would be advised to be took advantage of.

It is worth looking into t he options available to you online- there are many reasonable fixed plans to investigate if it would suit your business. In fact these online deals often work out more lucrative then you would find had you signed up through an agent. Before you sign a contract attaching you to a fixed price energy offer, shop around to see if one of these online-only deals could provide greater savings in the long-run. Should you sign up to a fixed rate then find a cheaper deal elsewhere, you will encounter a huge cancellation fee that will negate any saving you were looking to make in the first place. So be aware of this also.

Just remember to do your full research to ensure the best business electricity choice. Visit the website of each provider and look at service reviews on independent price comparison sites before you agree to anything.

Article Source:
http://www.articleside.com/marketing-articles/are-fixed-the-business-electricity-prices-to-stick-with.htm - Article Side

David Samson - About Author:
Energy Choices is an Ofcom-approved energy comparison website. Whether you want to change energy provider or are looking to a compare combi-boiler insurance , their impartial review and

comparison service can help you to find the right deal for your needs and even get you set to a install a new boiler if that is what you need.

Article Keywords:
business electricity prices, compare combi-boiler insurance, install a new boiler

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!