



# Fixed vs Flexible

December 9, 2016

## Making the right choice for your business

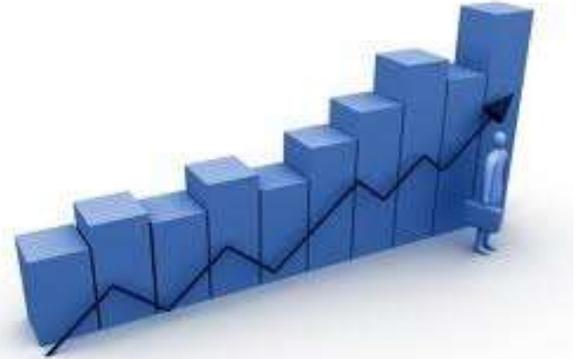
Eutility offer a variety of contracting options and strategies in which you can purchase your business energy. The most frequent question among our client base is whether to fix their energy costs or to flex their contract to give them multiple buying opportunities.

### Fixed contracts

A fixed contract is a traditional contract that allows you to fix all your energy charges for long term contracts that secure all of your commodity and non-commodity costs. Depending on the type of fixed contract you opt for (please refer to our third part charges document).

### Benefits

- Budget certainty
- Protection against third party costs
- Protection against large market swings
- Simple billing
- Less management time needed



### Flexible contracts

A Flexible contract enables you to make more than one buying decision in your contract, allowing you to manage your market position actively and take advantage of any downward trends in the market.

### Benefits

- Multiple buying opportunities
- Great transparency



**We are now procuring water. Get in touch to find out how much you can save.**

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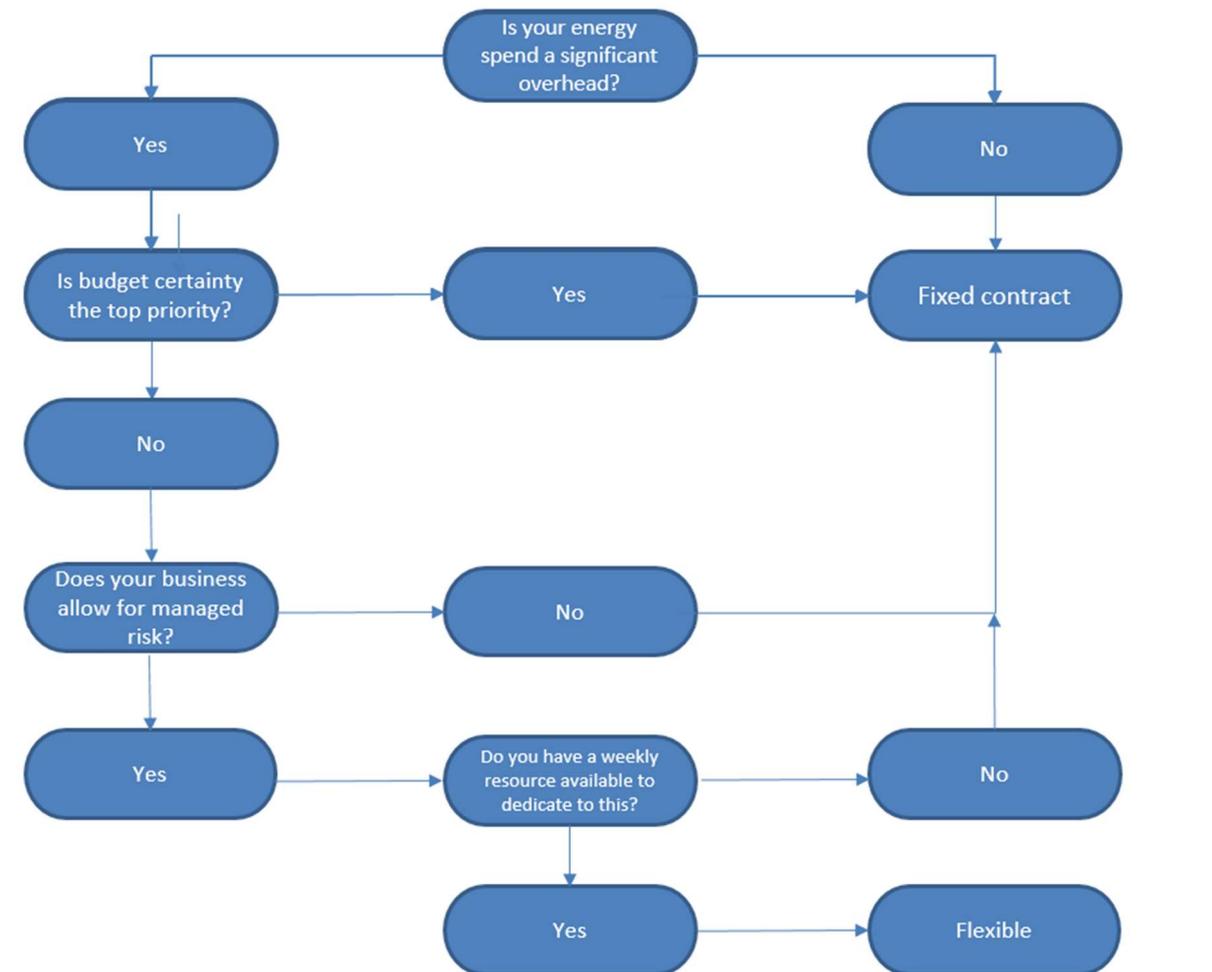


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## Helping you review the options

It is key to understand your business requirements and whether there is a productivity and financial argument for a contract that requires more management and exposes higher risk levels than fixed. Depending on your business needs and attitude to risk then flex can provide a significant cost management solution to your business or expose your business to too much risk.



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It is important to ascertain the needs of your organisation when selecting a contract because both contracts have their advantages and dis-advantages.

### Fixed

Advantages	Dis-advantages
Budget certainty	Risk premiums are built-in
Clear simple Billing	Not transparent
Easier to forecast spend	No advantage from lower third part costs
Protected against legislative changes	Unsuitable for dynamic response products
Easy to manage	Limiting benefits for demand management

### Flex

Advantages	Dis-advantages
Greater transparency	Risk of higher third party charges
Ability for more purchase decisions	Complex billing
No Risk Premium	Costs are not secured
Possibility to sell back positions	High commodity risk
Suitable for dynamic response products	Resource heavy

We can help you select and procure the best contract for your requirements.

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