



For Immediate Release

Retail Energy Supply Association (RESA) Encouraged by Recent PUC Decision

Pittsburgh, PA (July 28, 2008) – The Pennsylvania Public Utility Commission today issued its decision on Allegheny Power’s generation supply procurement plan. The Commission’s decision determines how Allegheny will buy power and set generation rates from January 1, 2011 through May 31, 2013, after Allegheny’s generation rate cap expires.

Under the terms of the decision, Allegheny will use a competitive process to procure supply through a mix of 17 and 29-month contracts and spot market purchases. The exact procurement mix is different for residential, small business and large business customer groups.

The decision also requires Allegheny to appoint a Retail Choice Ombudsman to help facilitate retail competition. Allegheny will also provide customers with the option to phase-in rate increases that may occur when the rate cap expires.

“On balance, we are encouraged by this decision,” said Richard Hudson, the Pennsylvania Chairman for RESA. “But we remain concerned with the plan’s heavy reliance on longer term supply contracts which can make it difficult for new suppliers to enter the market.”

“In addition to providing much needed regulatory certainty, the decision reflects the Commission’s efforts to move forward on the transition to a competitive electric market in Pennsylvania,” added Hudson. “Ultimately, competition will prove to be the most effective rate mitigation strategy as rate caps expire and customers are empowered with more choices.”

This is confirmed by public opinion. According to a recent poll conducted by Penn, Schoen & Berland Associates on behalf of a RESA member company, 79 percent of Pennsylvanians support electric competition and 70 percent believe that competition will help keep prices down.

About RESA:

The Retail Energy Supply Association is a broad and diverse group of retail energy suppliers devoted to promoting competitive retail energy markets for all of Pennsylvania’s residential, commercial and industrial consumers. In Pennsylvania, RESA member companies serve thousands of customers – including residential homes, businesses, schools & universities, sports stadiums and several city, township and county entities – in the utility service territories that have fully transitioned to a competitive market. For more information, please visit www.resausa.org.

Member companies include: Commerce Energy, ConEdison Solutions, Direct Energy Services, Gexa Energy, Hess Corporation, Integrys Energy Services, Liberty Energy Inc., Reliant Energy Retail Services, LLC, Sempra Energy Solutions, Strategic Energy, SUEZ Energy Resources NA, Inc. and US Energy Savings Corporation.

Media Contact: Jennifer Merchant
215-851-8696 (office)
267-761-8140 (cell)

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