

# REPORT TO RELIANT

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## RESULTS OF PENNSYLVANIA RESEARCH



June 18, 2008

## METHODOLOGY

Penn, Schoen & Berland Associates (PSB) conducted 511 phone interviews with the general population in 9 Senate and Assembly Districts in Pennsylvania on June 18, 2008. Overall, the margin of error is +/- 4.3%, and greater for individual districts and regions.

The sample included the following respondents:

- Senate District 6 Population –18 years of age and older [N=55; MOE=+/- 13.2%]
- Senate District 9 Population –18 years of age and older [N=56; MOE=+/- 13.1%]
- Senate District 18 Population –18 years of age and older [N=56; MOE=+/- 13.1%]
- Senate District 25 Population –18 years of age and older [N=57; MOE=+/- 13.0%]
- Senate District 38 Population –18 years of age and older [N=56; MOE=+/- 13.1%]
- Senate District 34 Population –18 years of age and older [N=59; MOE=+/- 12.8%]
- House District 122 Population –18 years of age and older [N=57; MOE=+/- 13.0%]
- House District 24 Population –18 years of age and older [N=57; MOE=+/- 13.0%]
- House District 94 Population –18 years of age and older [N=58; MOE=+/- 12.9%]

Also included in this analysis are the following subgroups:

- **Lehigh Valley** [N=113; MOE=+/- 9.2%]
  - Comprised of SD 18 and HD 122 populations
- **Philadelphia Suburbs** [N=111; MOE=+/- 9.3%]
  - Comprised of SD 6 and SD 9
- **North Central** [N=57; MOE=+/- 13.0%]
  - Comprised of SD 25
- **Pittsburgh and surrounding counties** [N=113; MOE=+/- 9.2%]
  - Comprised of SD 38 and HD 24
- **South Central** [N=117; MOE=+/- 9.1%]
  - Comprised of SD 34 and HD 94
- **PECO Customers** - Those who currently use PECO as their electricity service provider [N=103; MOE=+/- 9.63%]

## OVERVIEW

People in Pennsylvania are pessimistic both about the direction of the country and the situation in terms of electricity, as they see the increasing prices.

They mostly blame the rising fuel prices for this, but a large number of them (in particular North Central residents) think that political factors are responsible for this too, namely politicians, lack of competition and government regulations.

Given this, people's support for introducing competition into the electricity market is virtually universal – the lowest support for it is in House District 24 and even there 72% support it, compared to only 21% who oppose it.

Consequently, 2 in 3 people in Pennsylvania prefer the government to allow market price to be charged so that customers can choose themselves the best competitive plan. People also prefer a fluctuating rate to a fixed one.

Respondents expect competition to bring prices down (70% believe so). Therefore, when they are told that deregulation can in fact lead to higher prices, there is a 20% drop in support for competition in the electricity market. However, even after being exposed to negative messaging the majority still supports competition by a 30-point margin.

## GENERAL ATTITUDES AND LOCAL ENERGY SITUATION

The majority of people in Pennsylvania feel that things in their state are heading in the wrong direction. Lehigh Valley and South Central residents are particularly pessimistic with only one in five people thinking the state is going in the right direction.

Do you think things in your state are going in the right direction or are they off on the wrong track?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
Right direction	25	32	19	21	31	21	31
Wrong track	56	50	64	54	52	61	50
Don't know	18	19	17	25	17	18	18

Do you think things in your state are going in the right direction or are they off on the wrong track?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
Right direction	25	35	29	20	21	34	24	19	28	19
Wrong track	56	45	54	63	54	48	61	65	56	60
Don't know	18	20	18	18	25	18	15	16	16	21

People in Pennsylvania also think that things are off on the wrong track when it comes to the issue of electricity in the state.

North Central residents are least concerned while South Central residents think the electricity situation is going in the wrong direction by more than a 2-to-1 margin.

When it comes to the issue of electricity in your state, do you think things are going in the right direction or are they off on the wrong track?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
Right direction	31	33	30	40	34	24	33
Wrong track	49	47	56	49	39	56	47
Don't know	19	20	14	11	27	21	20

When it comes to the issue of electricity in your state, do you think things are going in the right direction or are they off on the wrong track?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
Right direction	31	33	34	20	40	21	20	40	46	28
Wrong track	49	49	45	63	49	39	56	49	39	55
Don't know	19	18	21	18	11	39	24	11	16	17

Most think the electricity prices are going up.

Do you think electricity prices are....?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
Going up	79	86	82	65	81	74	82
Going down	1	0	0	0	1	3	0
Staying the same	15	11	12	28	12	19	16
Don't know	5	3	6	7	5	4	3

Do you think electricity prices are....?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
Going up	79	87	86	86	65	77	66	79	86	81
Going down	1	0	0	0	0	0	5	0	2	2
Staying the same	15	11	11	4	28	13	25	19	12	12
Don't know	5	2	4	11	7	11	3	2	0	5

Fuel prices are seen as the main factor behind the growing prices, but a third of respondents also said politicians and 27% said lack of competition and 25% said government regulation.

North Central residents in particular mention lack of competition and government regulation as the source of rising prices.

Which of the following factors do you think are most responsible for the trend in electricity prices?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
Fuel prices	47	53	42	64	42	40	56
Politicians	31	26	36	40	24	33	25
Lack of competition	27	27	22	<b>36</b>	31	22	29
Government regulation	25	22	24	<b>53</b>	15	27	21
Growing demand	24	28	29	34	16	21	28
Lack of new plants	20	25	17	32	11	21	25
Lack of choice	16	16	15	28	14	14	16
Taxation	16	19	14	30	12	13	19
Lack of supply	14	16	15	19	11	10	17
Other	9	12	6	8	8	11	12
Don't know	5	4	5	4	6	6	3

	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
Fuel prices	47	63	43	56	64	40	33	30	44	47
Politicians	31	26	26	42	40	26	33	30	23	33
Lack of competition	27	33	20	32	36	34	19	13	28	25
Government regulation	25	28	17	28	53	12	19	20	18	35
Growing demand	24	30	26	40	34	8	18	20	23	24
Lack of new plants	20	28	22	26	32	10	18	9	12	25
Lack of choice	16	24	7	26	28	16	11	5	12	18
Taxation	16	20	17	26	30	12	9	4	12	18
Lack of supply	14	19	13	20	19	6	11	11	16	9
Other	9	11	13	4	8	10	9	7	7	13
Don't know	5	0	7	4	4	4	5	5	7	7

Most Pennsylvania residents think electricity in their state is regulated.

Is electricity in your state regulated or deregulated?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
Regulated	52	50	54	46	51	56	47
Deregulated	16	15	19	16	17	13	15
Don't know	32	35	27	39	32	32	39

Is electricity in your state regulated or deregulated?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
Regulated	52	51	48	43	46	50	58	65	53	53
Deregulated	16	9	21	25	16	18	10	14	16	16
Don't know	32	40	30	32	39	32	32	21	32	31

There is a universal support for competition in the electricity market across all regions. In fact, a clear plurality of respondents in all regions and Senate and House districts “strongly support” competition in the electricity market.

Regarding competition in the electricity market, do you...?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
<b>TOTAL SUPPORT</b>	<b>79</b>	<b>86</b>	<b>73</b>	<b>86</b>	<b>73</b>	<b>79</b>	<b>86</b>
Strongly support competition in the electricity market	50	55	45	63	43	50	57
Somewhat support	29	31	28	23	30	29	29
<b>TOTAL OPPOSE</b>	<b>13</b>	<b>11</b>	<b>16</b>	<b>10</b>	<b>18</b>	<b>11</b>	<b>11</b>
Somewhat oppose	7	5	10	5	11	5	4
Strongly oppose competition in the electricity market	6	6	6	5	7	6	7
Don't know	8	4	11	4	9	10	3

Regarding competition in the electricity market, do you...?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
<b>TOTAL SUPPORT</b>	<b>79</b>	<b>91</b>	<b>80</b>	<b>73</b>	<b>86</b>	<b>75</b>	<b>76</b>	<b>74</b>	<b>72</b>	<b>81</b>
Strongly support competition in the electricity market	50	62	48	46	63	43	54	44	44	45
Somewhat support	29	29	32	27	23	32	22	30	28	36
<b>TOTAL OPPOSE</b>	<b>13</b>	<b>9</b>	<b>12</b>	<b>19</b>	<b>10</b>	<b>14</b>	<b>12</b>	<b>12</b>	<b>21</b>	<b>10</b>
Somewhat oppose	7	2	7	14	5	7	5	5	14	5
Strongly oppose competition in the electricity market	6	7	5	5	5	7	7	7	7	5
Don't know	8	0	7	7	4	11	12	14	7	9

Respondents clearly associate competition with prices going down.

When electric providers compete against one another, which is closer to your view?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
Prices go down	70	77	63	72	68	71	75
Prices go up	22	19	28	16	23	21	20
Don't know	8	5	9	12	9	8	5

When electric providers compete against one another, which is closer to your view?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
Prices go down	70	84	70	59	72	77	73	67	60	69
Prices go up	22	11	27	34	16	14	20	23	32	22
Don't know	8	5	4	7	12	9	7	11	9	9

**PA LEGISLATURE**

Across all regions, people prefer a fluctuating rate to a fixed one.

Which is closer to your view on the best option for electricity pricing?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
You would rather have a rate which moves with the market if it will ~ mean having several competitive providers to choose from.	58	70	52	53	53	61	73
You prefer a stable, but not necessarily lower, fixed rate from your ~ local electric distribution company, with no competition.	34	17	38	46	39	34	17
Don't know	8	13	10	2	8	5	10

Which is closer to your view on the best option for electricity pricing?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
You would rather have a rate which moves with the market if it will mean having several competitive providers to choose from.	58	84	57	50	53	50	66	54	56	55
You prefer a stable, but not necessarily lower, fixed rate from your local electric distribution company, with no competition.	34	15	20	38	46	43	25	39	35	43
Don't know	8	2	23	13	2	7	8	7	9	2

Similarly, consumers would prefer the Pennsylvania Legislature would allow the market to dictate the prices.

Which is closer to your view on the Pennsylvania Legislature deciding how electricity prices are set?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
The government should allow the market price to be charged so customers ~ can choose for themselves the best competitive price plan.	65	65	61	68	68	64	65
The government should determine how power is bought and priced to the ~ consumer to attempt to prevent major changes in price.	26	23	28	25	24	30	25
Don't know	9	12	11	7	8	6	10

Which is closer to your view on the Pennsylvania Legislature deciding how electricity prices are set?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
The government should allow the market price to be charged so customers can choose for themselves the best competitive price plan.	65	71	59	57	68	64	69	65	72	59
The government should determine how power is bought and priced to the consumer to attempt to prevent major changes in price.	26	24	23	30	25	23	24	26	25	36
Don't know	9	5	18	13	7	13	7	9	4	5

## DEREGULATION EDUCATION

Respondents were read a short message about the meaning of electricity deregulation:

**Electricity deregulation is when a state government changes the laws to allow electricity providers to compete against one another to win consumers. Instead of one electricity provider, consumers get to choose among several different electricity providers who compete with one another for the customer's business. In a deregulated market, the electricity is still delivered by the same existing set of wires and poles.**

After being told more about what deregulation means, respondents still overwhelmingly support competition in the electricity market.

At the same time their level intensity of support for this somewhat decreases, indicating that the concept, or rather the term, of “deregulation” is not helpful in keeping people’s support for more competition in the electricity market.

Given this, do you... competition in the electricity market?	Overall	Phil/Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
<b>TOTAL SUPPORT</b>	<b>72</b>	<b>78</b>	<b>69</b>	<b>70</b>	<b>69</b>	<b>74</b>	<b>80</b>
Strongly support competition in the electricity market	39	48	42	44	27	37	47
Somewhat support	33	30	27	26	42	37	33
<b>TOTAL OPPOSE</b>	<b>19</b>	<b>15</b>	<b>17</b>	<b>19</b>	<b>22</b>	<b>19</b>	<b>15</b>
Somewhat oppose	12	7	12	12	15	12	7
Strongly oppose competition in the electricity market	7	8	5	7	7	7	8
Don't know	10	7	15	11	9	8	6

Given this, do you... competition in the electricity market?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
<b>TOTAL SUPPORT</b>	<b>72</b>	<b>85</b>	<b>70</b>	<b>68</b>	<b>70</b>	<b>75</b>	<b>71</b>	<b>68</b>	<b>64</b>	<b>75</b>
Strongly support	39	58	38	43	44	30	32	40	25	41
Somewhat support	33	27	32	25	26	45	39	28	39	34
<b>TOTAL OPPOSE</b>	<b>19</b>	<b>14</b>	<b>16</b>	<b>17</b>	<b>19</b>	<b>18</b>	<b>19</b>	<b>18</b>	<b>27</b>	<b>19</b>
Somewhat oppose	12	9	5	13	12	13	14	11	18	10
Strongly oppose	7	5	11	4	7	5	5	7	9	9
Don't know	10	0	14	16	11	7	10	14	11	5

## ANTI-DERREGULATION MESSAGE

People were then read the following message:

**Opponents have said that de-regulated, or competitive, electric pricing leads to higher electric prices for consumers. This means bigger energy bills and less reliability, making it especially difficult for seniors and low income customers. Overall, regulated states often have LOWER prices than unregulated states. Also, some say there are many present day examples of de-regulation not working, like in the airline industry, where prices have gone up, service has gone down, and companies have struggled to be profitable.**

While negative messaging lowers the level of support for introducing competition in the electricity market, overall support still remains 20-30 percentage points higher than opposition.

Given this, do you... competition in the electricity market?	Overall	Phil/ Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
<b>TOTAL SUPPORT</b>	<b>59</b>	<b>65</b>	<b>65</b>	<b>56</b>	<b>53</b>	<b>55</b>	<b>65</b>
Strongly support competition in the electricity market	28	37	34	30	21	21	36
Somewhat support	31	28	31	26	32	34	29
<b>TOTAL OPPOSE</b>	<b>29</b>	<b>25</b>	<b>25</b>	<b>28</b>	<b>32</b>	<b>36</b>	<b>26</b>
Somewhat oppose	16	16	12	14	17	21	16
Strongly oppose competition in the electricity market	13	9	13	14	15	15	10
Don't know	12	10	10	16	15	9	10

Given this, do you... competition in the electricity market?	Overall	SD 6	SD 9	SD 18	SD 25	SD 38	SD 34	HD 122	HD 24	HD 94
<b>TOTAL SUPPORT</b>	<b>59</b>	<b>67</b>	<b>63</b>	<b>66</b>	<b>56</b>	<b>61</b>	<b>63</b>	<b>63</b>	<b>46</b>	<b>49</b>
Strongly support	28	38	36	30	30	27	22	37	16	21
Somewhat support	31	29	27	36	26	34	41	26	30	28
<b>TOTAL OPPOSE</b>	<b>29</b>	<b>27</b>	<b>24</b>	<b>26</b>	<b>28</b>	<b>29</b>	<b>24</b>	<b>26</b>	<b>36</b>	<b>47</b>
Somewhat oppose	16	22	11	13	14	16	14	12	18	28
Strongly oppose	13	5	13	13	14	13	10	14	18	19
Don't know	12	5	14	9	16	11	14	11	19	5

Regarding competition in the electricity market, do you...? <i>Showing Support/Oppose</i>	Overall	Phil/ Suburb	Lehigh Valley	North Central	Pittsburgh	South Central	PECO Customer
Initial	79/13	86/11	73/16	86/10	73/18	79/11	86/11
Post Education	72/19	78/15	69/17	70/19	69/22	74/19	80/15
<b>Shift</b>	<b>-7/6</b>	<b>-8/4</b>	<b>-4/1</b>	<b>-4/9</b>	<b>-4/4</b>	<b>-5/8</b>	<b>-6/4</b>
Post Attack	59/29	65/25	65/25	56/28	53/32	55/36	65/26
<b>Shift</b>	<b>-20/16</b>	<b>-21/14</b>	<b>-8/9</b>	<b>-30/18</b>	<b>-20/14</b>	<b>-24/11</b>	<b>-21/15</b>

Regarding competition in the electricity market, do you...? <i>Showing Support/Oppose</i>	Overall	SD6	SD9	SD18	SD25	SD8	SD34	HD 122	HD 24	HD94
Initial	79/13	91/9	80/12	73/19	86/10	75/14	76/12	74/12	72/21	81/10
Post Education	72/19	85/14	70/16	68/17	70/19	75/18	71/19	68/18	64/27	75/19
<b>Shift</b>	<b>-7/6</b>	<b>-6/5</b>	<b>-10/4</b>	<b>-5/-2</b>	<b>-16/9</b>	<b>0/4</b>	<b>-5/7</b>	<b>-6/6</b>	<b>-8/6</b>	<b>-6/9</b>
Post Attack	59/29	67/27	63/24	66/26	56/28	61/29	63/24	63/26	46/36	49/47
<b>Shift</b>	<b>-20/16</b>	<b>-24/18</b>	<b>-17/12</b>	<b>-7/7</b>	<b>-30/18</b>	<b>-14/15</b>	<b>-13/12</b>	<b>-11/14</b>	<b>-26/15</b>	<b>-32/37</b>