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For Immediate Release

Poll Shows Majority of Pennsylvanians Oppose Special Deals on Electric Rates

HARRISBURG (June 21, 2007) – Two-thirds of Pennsylvanians continue to believe electric competition is a good way to control rising energy prices, and they express concern about measures that could inhibit a competitive electricity market, according to a recent public opinion poll.

The poll, completed last month by Susquehanna Polling & Research, shows that 67 percent of respondents believe that competition among electric companies in Pennsylvania is a good way to control rising energy costs, while 24 percent do not.

The poll, commissioned by the Retail Energy Suppliers Association, surveyed 700 registered voters, which yields a sampling error of ± 3.7 percent. RESA represents the competitive electricity suppliers created following passage of Pennsylvania's Electric Choice Act of 1996.

The numbers are essentially unchanged from a poll last October, suggesting that recent news coverage regarding the expiration of electric rate caps and the prospect of increasing prices has not eroded the public's confidence in the idea of electric competition.

Additionally, 79 percent of respondents oppose the prospect of giving large industrial consumers special rates that are not available to smaller customers, and which could cause smaller customers to pay higher prices. A full 80 percent said they believe such requests by large customers are simply an attempt to get a better deal for themselves, rather than an effort to preserve jobs.

Richard Hudson Jr., RESA Pennsylvania chairman, said the questions on special rates were prompted by assertions that long-term contracts would enable large consumers to preserve jobs by saving money on energy costs. Long-term contract provisions are included in Governor Rendell's energy proposals.

"There are a number of misconceptions regarding the long-term contract issue," Hudson said. "First, long-term contracts are already available from competitive energy suppliers, so customers can have price certainty if they wish. Second, allowing regulated utilities to also offer long-term contracts creates unintended consequences that could stifle competition."

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Because they are still regulated, traditional utilities are shielded from the market incentives to price long-term contracts fairly and accurately, he explained. As regulated entities, they would be able to under-price electricity to one customer group and have other customers make up the difference.

“Even if it’s not intentional, the result is very anti-competitive,” Hudson said. “Allowing regulated utilities to offer long-term contracts would be a 180-degree turn on the path to electric competition.”

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.

Member companies include: ConEdison Solutions, Direct Energy Services, Hess Corporation, Liberty Energy Inc., Reliant Energy Retail Services, LLC, Sempra Energy Solutions, Strategic Energy, SUEZ Energy Resources NA, Inc., and US Energy Savings Corporation. For more information about RESA, please visit www.resausa.org/pa.

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