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For Immediate Release

Retail Energy Supply Association (RESA) Addresses Proposed Utility Rate Cap Extensions

HARRISBURG, PA (February 12, 2008) – The General Assembly and Pennsylvania's consumers are rightly focused on the end of utility rate caps and what that will mean for customers' electricity bills.

The Retail Energy Supply Association (RESA) believes that policy makers should help customers manage these increases, rather than simply extending rate caps, which will only compound the problem and inevitably lead to higher rates for Pennsylvania consumers.

The Pennsylvania Public Utility Commission has already taken a proactive and prudent approach to addressing this issue. Last year, the Commission issued three major orders to address the expiration of rate caps and the transition to a competitive market. These orders were the product of several years of regulatory proceedings where the Commission weighed the views of utilities, consumer advocates, retail suppliers and other stakeholders.

RESA urges the General Assembly to take a similar practical approach, rather than compounding the problem by extending rate caps.

As rate caps expire, competitive suppliers, like RESA members, will be able to enter the market to compete for customers. Basic economics have shown that competitive market forces are the only sustainable way to keep costs down and to increase innovation.

This has already proven true for many western Pennsylvania customers. In the Duquesne Light service territory where rate caps have already expired, more than 45% of consumers have switched to competitive suppliers. In addition, residential and small business customers are paying less today for utility generation service today than they were in 1996.

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: 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.

In addition, retail supplier Constellation Energy Resources, although not a member of RESA, shares these views and joins in these comments.

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