



Electricity competition has improved Pennsylvania’s price position compared to national average prices by a cumulative \$30.5 billion for the period 1998-2016

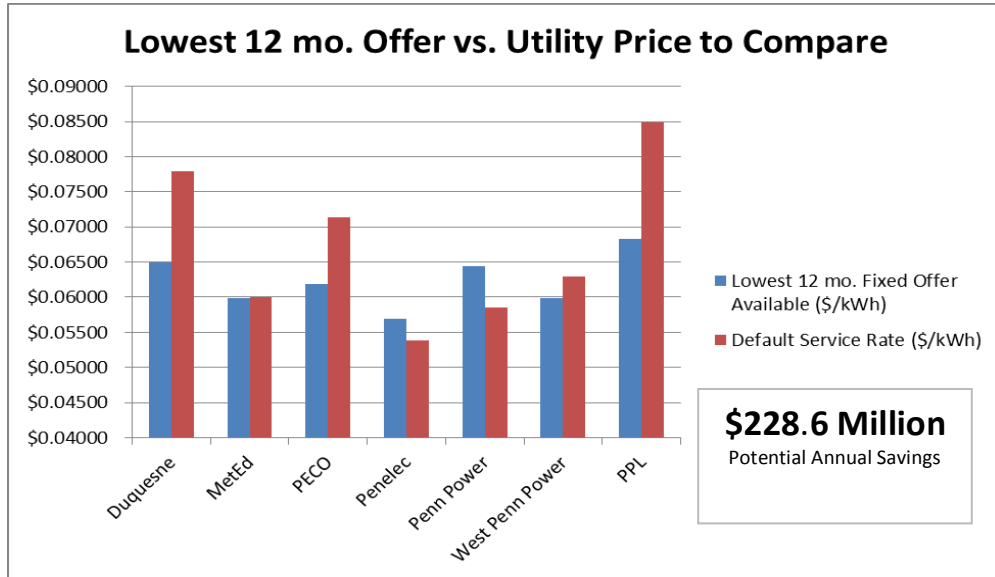
The chart below illustrates the dramatic improvement in Pennsylvania’s electricity price position relative to national average prices following the transition from traditional monopoly regulation to competition and customer choice. An analysis of U.S. Energy Information Administration data by Dr. Philip R. O’Connor, the former chief utility regulator in Illinois, calculates cumulative relative price improvement on the order of \$30.5 billion for Pennsylvania. While it cannot be claimed that the price improvement is exclusively attributable to the introduction of competition and customers, the change in regulation was the central policy change in the last 20 years.

- The analysis looked at electricity rates in Pennsylvania under traditional regulation from 1990 through 1997, during which Pennsylvania consumers were paying electricity prices on average 16.3% higher than the average electricity price in the 49 jurisdictions of the contiguous United States.
- The analysis then assumes that Pennsylvania electricity prices remained 16.3% higher than the national average during the past 20 years rather than achieving rough parity with national average prices after the implementation of competition in electricity.
- The aggregate dollar difference between what consumers would have paid under the assumed condition of a continued average 16.3% premium above the national average and what consumers actually paid under competitive restructuring was \$30.5 billion from 1998-2016.
- Of the cumulative \$30.5 billion in economic value, \$22.1 billion occurred in the jobs-producing commercial and industrial customer sectors, while residential customers enjoyed \$8.4 billion in cumulative economic value. This sharing of benefits is in line with the portion of load and different consumption patterns of residential and business customers.

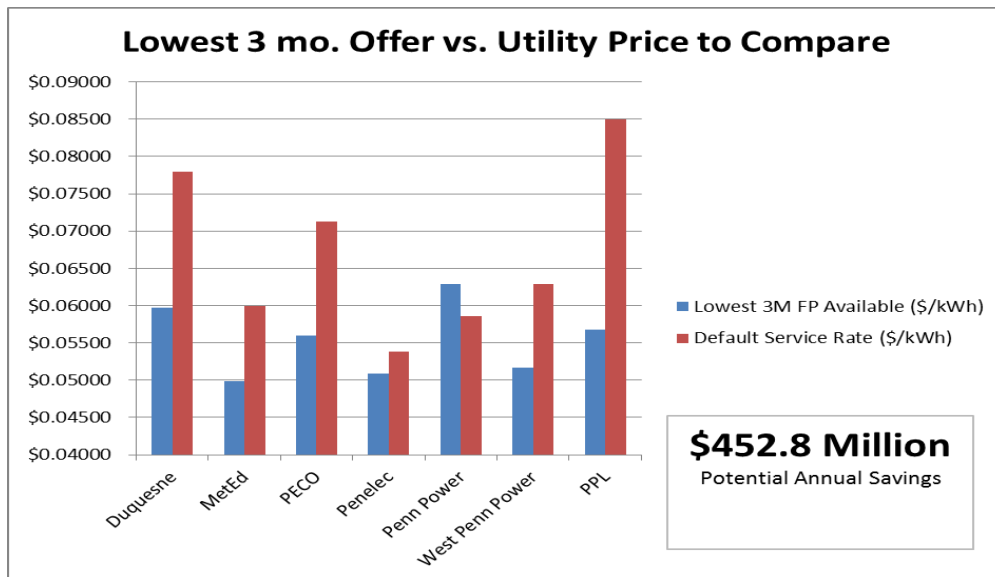


Better awareness of the myriad offers available to residential consumers in Pennsylvania’s competitive retail electricity market offers the potential for hundreds of millions more in economic savings

Looking at offers available on the Pennsylvania Public Utility Commission’s electricity shopping comparison website as of the end of July 2017*, there was the potential for \$228.6 million in savings had residential customers chosen the lowest-cost 12-month supply option available at that time:



Looking at offers available on the Pennsylvania Public Utility Commission’s electricity shopping comparison website as of the end of July 2017*, there was the potential for \$452.8 million in savings had residential customers chosen the lowest-cost three-month supply option available at that time:



* Note that these offers, available at www.papowerswitch.com, likely have changed in the time since this analysis was conducted and the amount of significant potential savings available to consumers has likely changed since then. Nevertheless, by actively shopping in the state’s competitive retail electricity choice market, and by being smart shoppers aware of changing market conditions and offers, residential consumers have the potential to realize hundreds of millions of dollars in savings.