

Energy Markets in Turmoil The Consumer Perspective

**Sonny Popowsky
Consumer Advocate of Pennsylvania**

**Illinois State University
Institute for Regulatory Policy Studies
Springfield, IL**

May 17, 2001

PA Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
(717) 783-5048 Telephone
(800) 684-6560 (PA Consumers
toll-free)
paoca@ptd.net
www.oca.state.pa.us

Pre-Merger National League Standings 2000 Season

EAST

W L PCT GB

Braves	95	67	.586	-
Mets	94	68	.580	1.0
Marlins	79	82	.491	15.5
Expos	67	95	.414	28.0
Phillies	65	97	.401	30.0

CENTRAL

W L PCT GB

Cardinals	95	67	.586	-
Reds	85	77	.525	10.0
Brewers	73	89	.451	22.0
Astros	72	90	.444	23.0
Pirates	69	93	.426	26.0
Cubs	65	97	.401	30.0

Post-Merger National League Standings May 10, 2001

EAST					CENTRAL				
	<u>W</u>	<u>L</u>	<u>PCT</u>	<u>GB</u>		<u>W</u>	<u>L</u>	<u>PCT</u>	<u>GB</u>
Phillies	20	13	.606	-	Cubs	21	12	.636	-
Braves	16	18	.471	4.5	Astros	17	15	.531	3.5
Marlins	14	18	.438	5.5	Cardinals	17	15	.531	3.5
Mets	14	19	.424	6.0	Brewers	17	16	.515	4.0
Expos	13	21	.382	7.5	Reds	16	17	.485	5.0
					Pirates	12	20	.375	8.5

“Among states where deregulation has occurred, Pennsylvania has emerged so far as the place where the promises of competition and lower prices are being met most successfully.”

New York Times, “A Dwindling Faith In Deregulation”, September 15, 2000

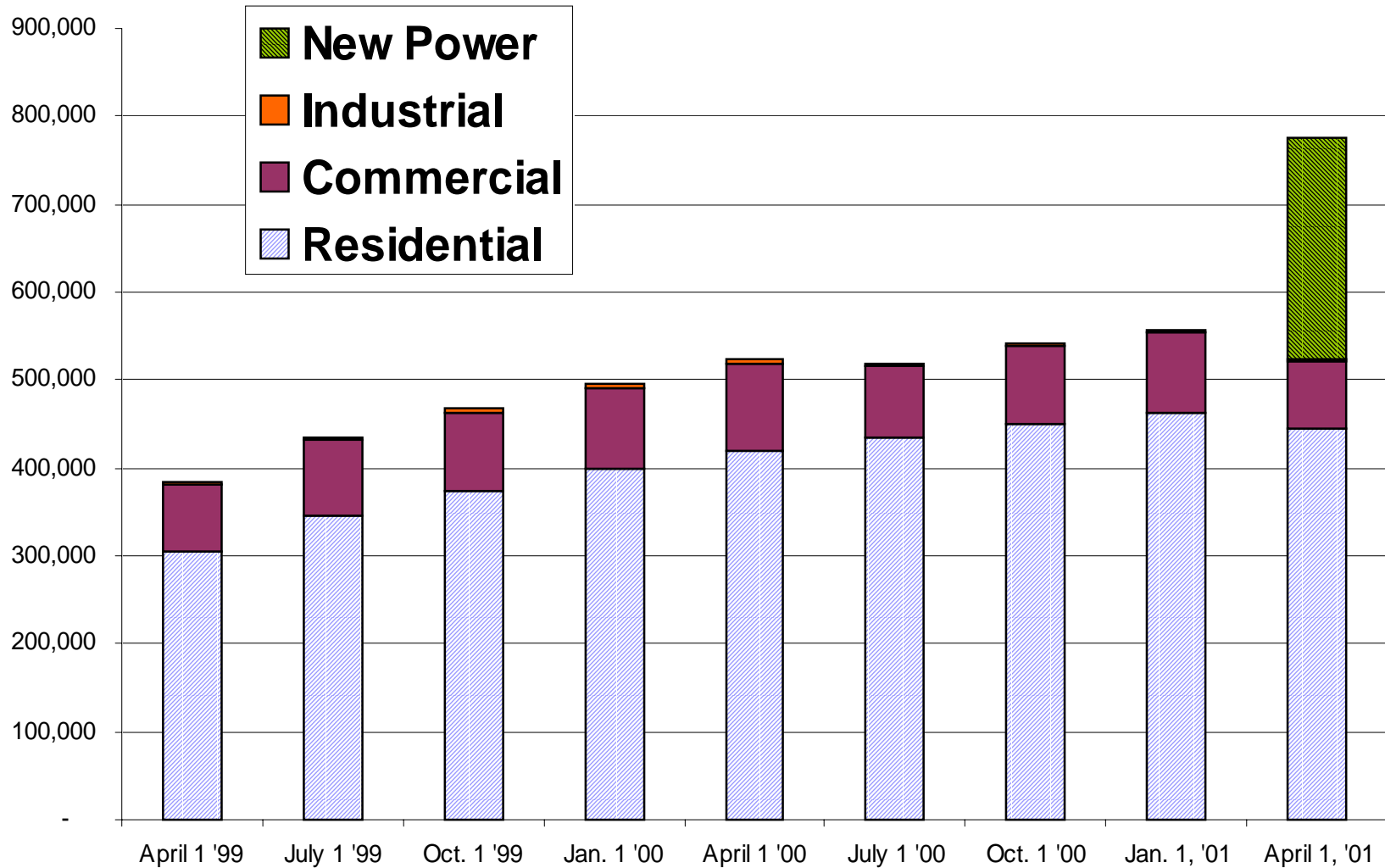
The Most Important Provisions In The Pennsylvania Electric Restructuring Law

- **The Rate Cap Provision**
- **The Rate Cap Provision**
- **The Rate Cap Provision**

Retail Competition Actually got
off to a Reasonable Start in
Pennsylvania

1.8 million consumers
volunteered for the
230,000 slots in the
competitive pilot

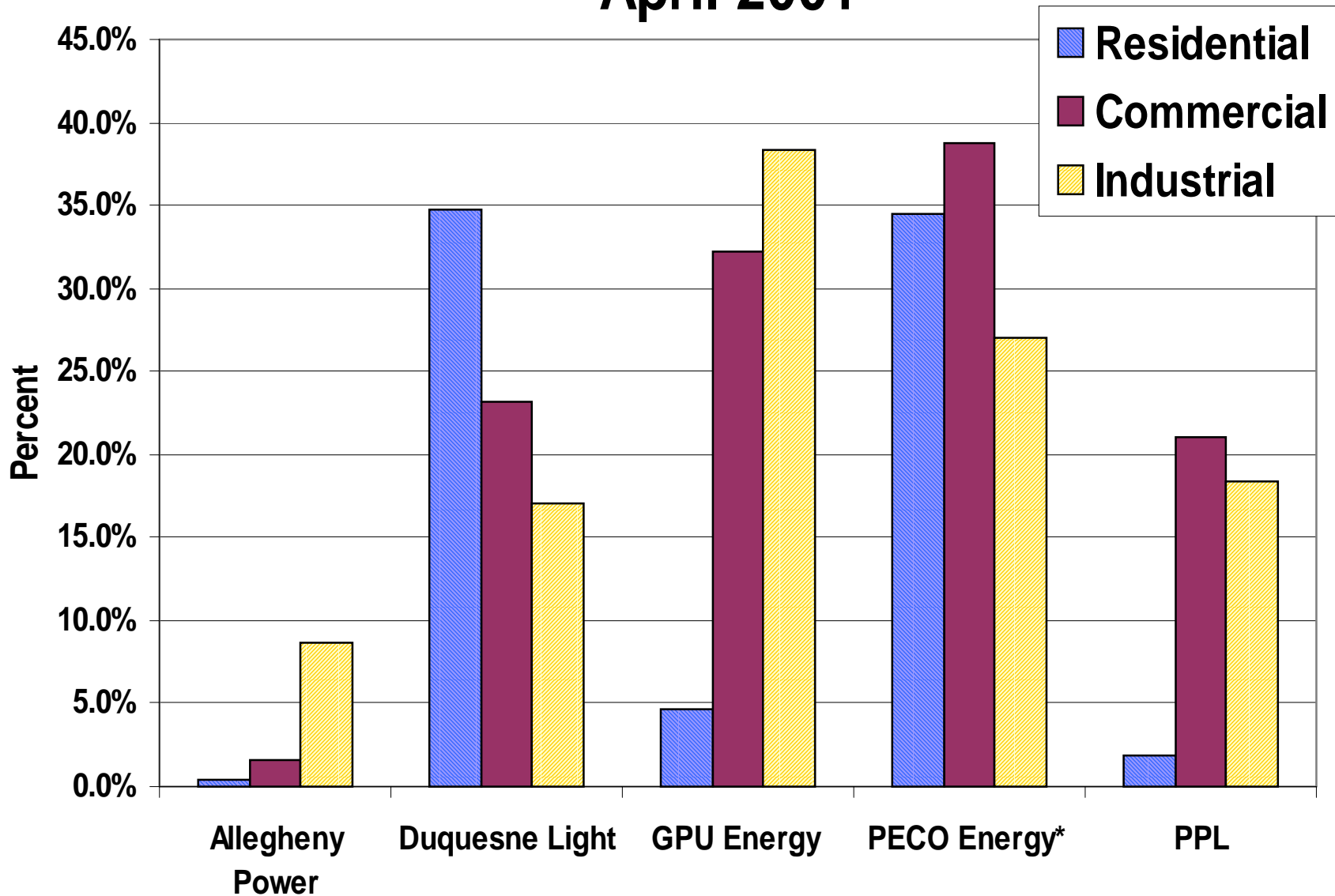
Pennsylvania - Number of Consumers Shopping April 1999 - April 2001



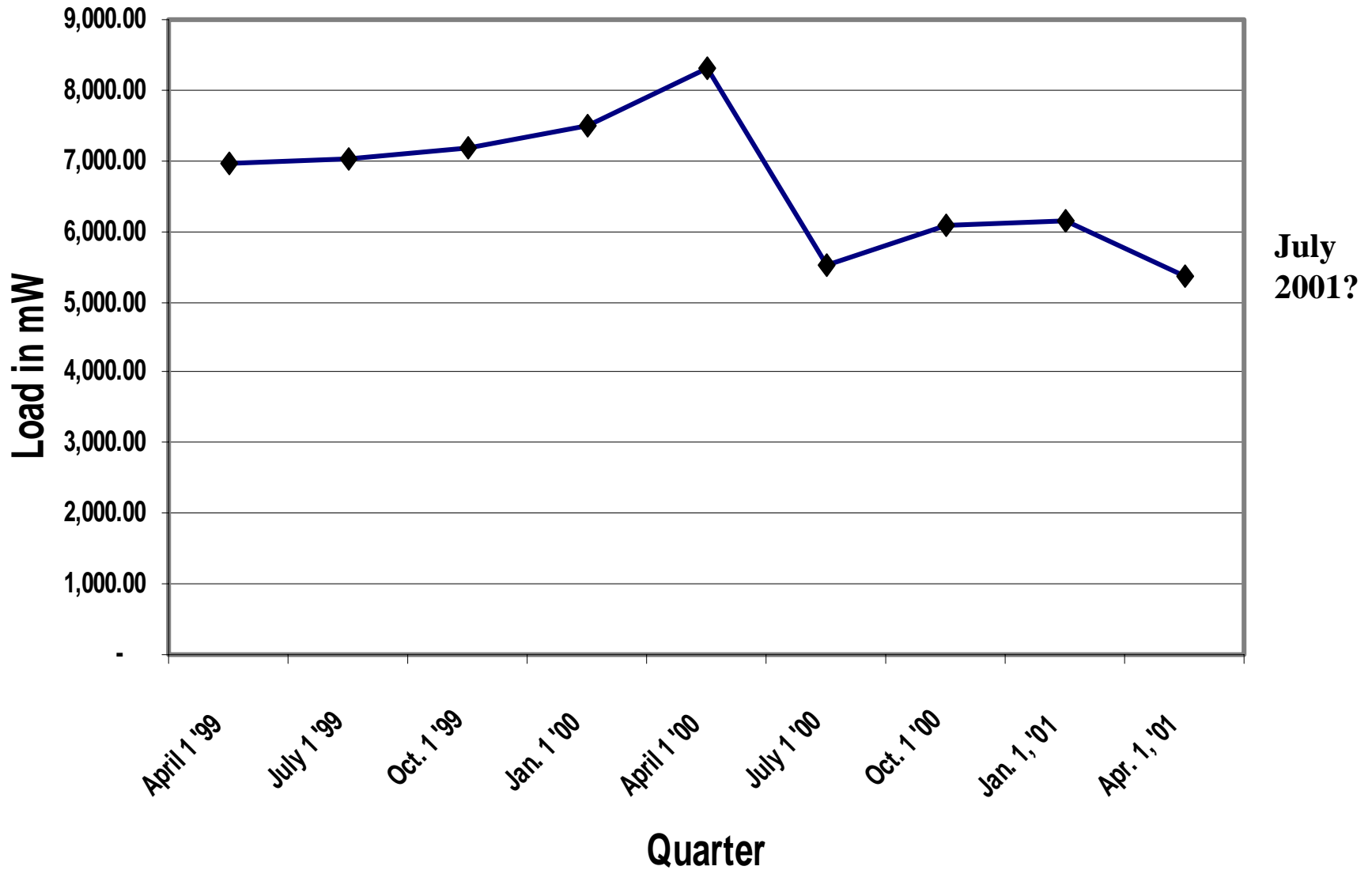
Includes 253,253 customers of New Power under Competitive Default Service

Peak Load Share for Competitive Suppliers

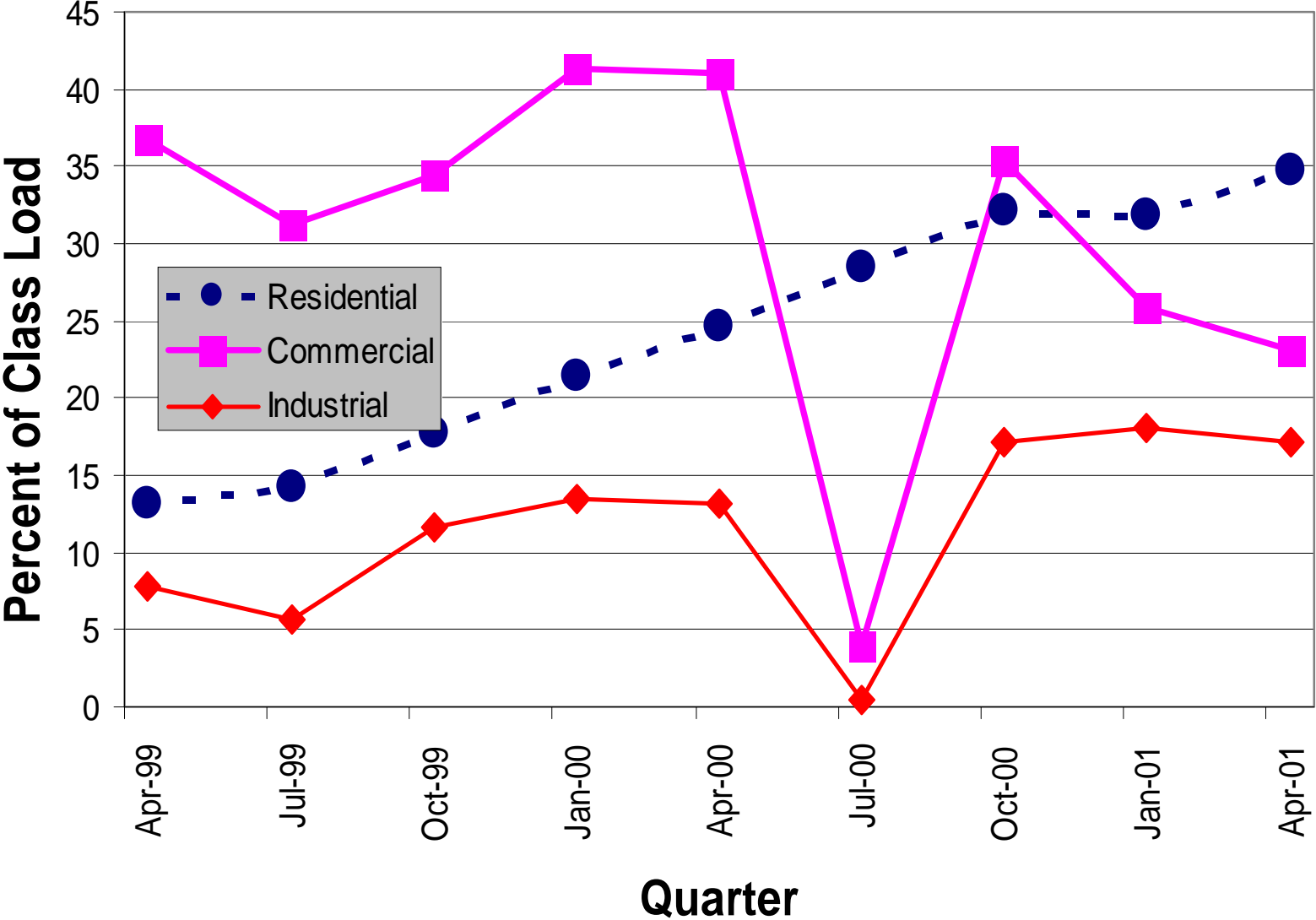
April 2001



Statewide Competitive Load (mW)



Duquesne - Competitive Load by Class (%)



PECO Energy		Rate R	Regular Residential Service	
<u>Average Price to Compare</u>			Monthly Generation & Transmission Bill	
<u>in Cents per kWh</u>		5.65 ¢		
Summer: June - September			500 kWh	1000 kWh
First 500 kWh		5.55 ¢	\$27.75	\$58.80
over 500 kWh		6.21 ¢		
Winter: October - May All kWh		5.55 ¢	\$27.75	\$55.50

Licensed Competitive Suppliers:

Price per kWh 500 kWh 1000 kWh Price per kWh 500 kWh 1000 kWh

Agway Energy Services

Offer for non-heating oil customers	5.25 ¢	\$26.25	\$52.50
Offer for Agway heating customers	4.95 ¢	\$24.75	\$49.50

Allegheny Energy Supply

4.95 ¢	\$24.75	\$49.50
--------	---------	---------

American Cooperative

5.60 ¢	\$28.00	\$56.00
--------	---------	---------

electricAMERICA

100% hydro	4.80 ¢	\$24.00	\$48.00
------------	--------	---------	---------



Energy Cooperative Association of Pennsylvania

 100% renewable	6.37 ¢	\$32.27	\$64.12
Plus \$5 annual fee (waivable for senior citizens, low income & persons with disabilities)			

Exelon Energy

5.58 ¢	\$27.90	\$55.80
--------	---------	---------

Green Mountain Energy Company

1% renewable Plus \$3.95 per month	5.52 ¢	\$31.55	\$59.15
 50% renewable Plus \$3.95 per month	6.46 ¢	\$36.25	\$68.55
 100% renewable Plus \$3.95 per month	7.09 ¢	\$39.40	\$74.85

Mack Services

Standard	5.49 ¢	\$27.45	\$54.90
 100% renewable	6.37 ¢	\$31.85	\$63.70

New Power Company

6 month Value Power Plan	4.16 ¢	\$20.80	\$41.60
12 month Standard Savings Plan	4.99 ¢	\$24.95	\$49.90

OnlineChoice.com

Standard Electronic billing only	4.52 ¢	\$22.60	\$45.20
50% renewable Plus \$3.95 per month	6.46 ¢	\$36.25	\$68.55

Power Choice

5.45 ¢	\$27.25	\$54.50
--------	---------	---------

Power Direct

Standard	5.10 ¢	\$25.50	\$51.00
Clear Choice Environmental Option	5.90 ¢	\$29.50	\$59.00

Utility.com

Electronic billing only	4.52 ¢	\$22.60	\$45.20
-------------------------	--------	---------	---------



--Green-e Certified

October 1, 2000

PECO Energy Rate R Regular Residential Service

<u>Average Price to Compare in cents per kWh</u>	5.67 ¢	Monthly Generation & Transmission Bill	
		<u>500 kWh</u>	<u>1000 kWh</u>
Summer: June - September		\$27.85	\$59.05
First 500 kWh	5.57 ¢		
over 500 kWh	6.24 ¢		
Winter: October - May All kWh	5.57 ¢	\$27.85	\$55.70

April
2001

Competitive Discount Service provided by New Power

New Power CDS Average			
Price to Compare per kWh	5.536 ¢		
Summer: June - September		\$27.19	\$57.62
First 500 kWh	5.438 ¢		
over 500 kWh	6.085 ¢		
Winter: October - May All kWh	5.438 ¢	\$27.19	\$54.38

*Price to compare for PECO's Competitive Discount Service provided by New Power effective with April 2001 billing.
This service is available only to preselected PECO/New Power CDS customers.

Licensed Competitive Suppliers:

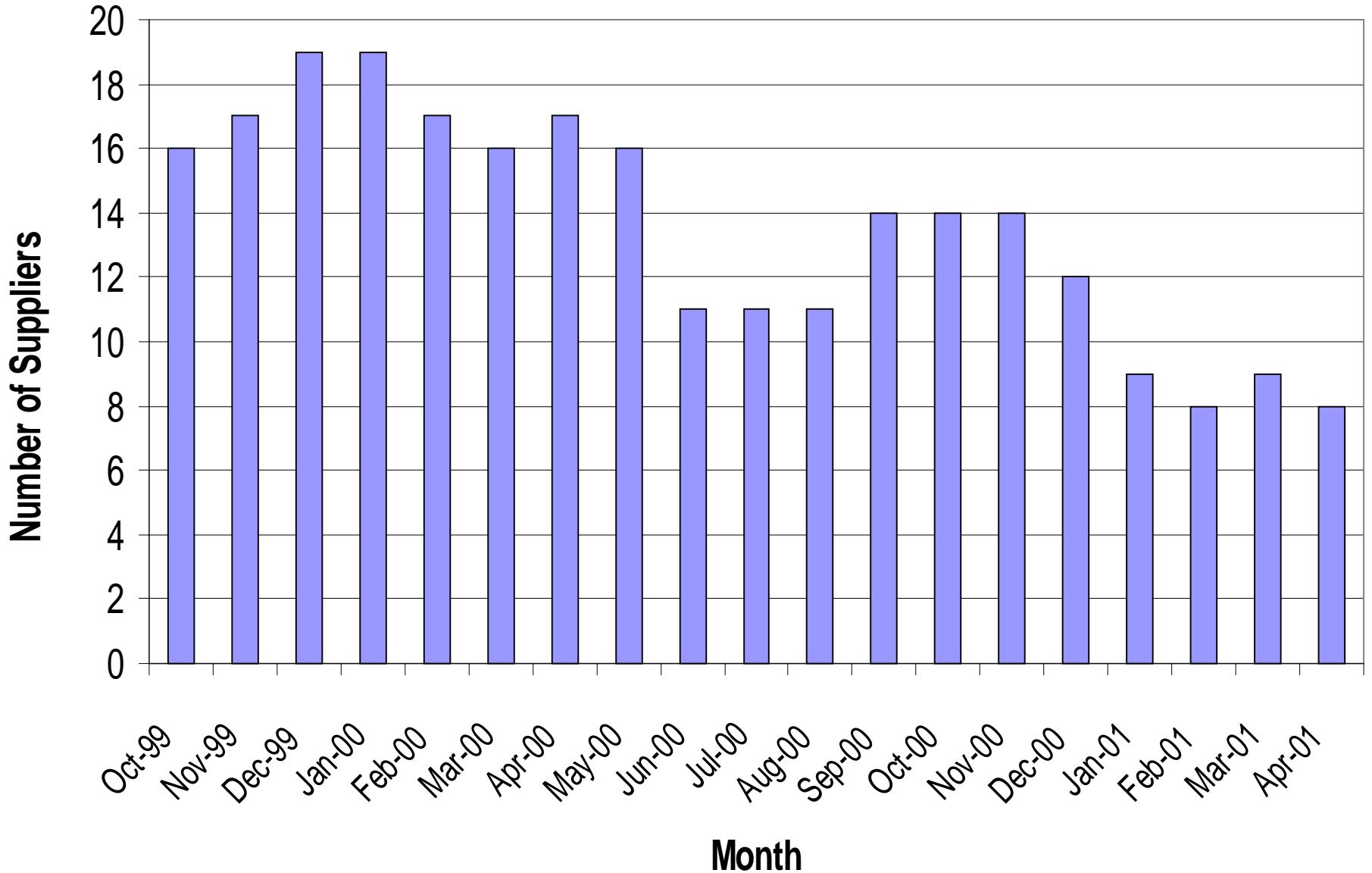
	Price per kWh	500kWh	1000 kWh
Agway Energy Services			
Offer for non-heating customers	7.50 ¢	\$37.50	\$75.00
Offer for Agway heating customers	7.00 ¢	\$35.00	\$70.00
Allegheny Energy Supply	7.35 ¢	\$36.75	\$73.50
electricAMERICA 50% hydro	5.65 ¢	\$28.25	\$56.50
Energy Cooperative Association of Pennsylvania			
EcoChoice 100% renewable	6.37 ¢	\$32.27	\$64.12
Standard	5.25 ¢	\$26.67	\$52.92

	Price per kWh	500kWh	1000 kWh
Green Mountain Energy Company			
1% renewable	5.52 ¢	\$31.55	\$59.15
50% renewable	6.46 ¢	\$36.25	\$68.55
100% renewable	7.09 ¢	\$39.40	\$74.85
Plus \$3.95 per month			
Mack Services			
100% renewable	7.53 ¢	\$37.65	\$75.30
New Power Company			
Two year plan	7.50 ¢	\$37.50	\$75.00

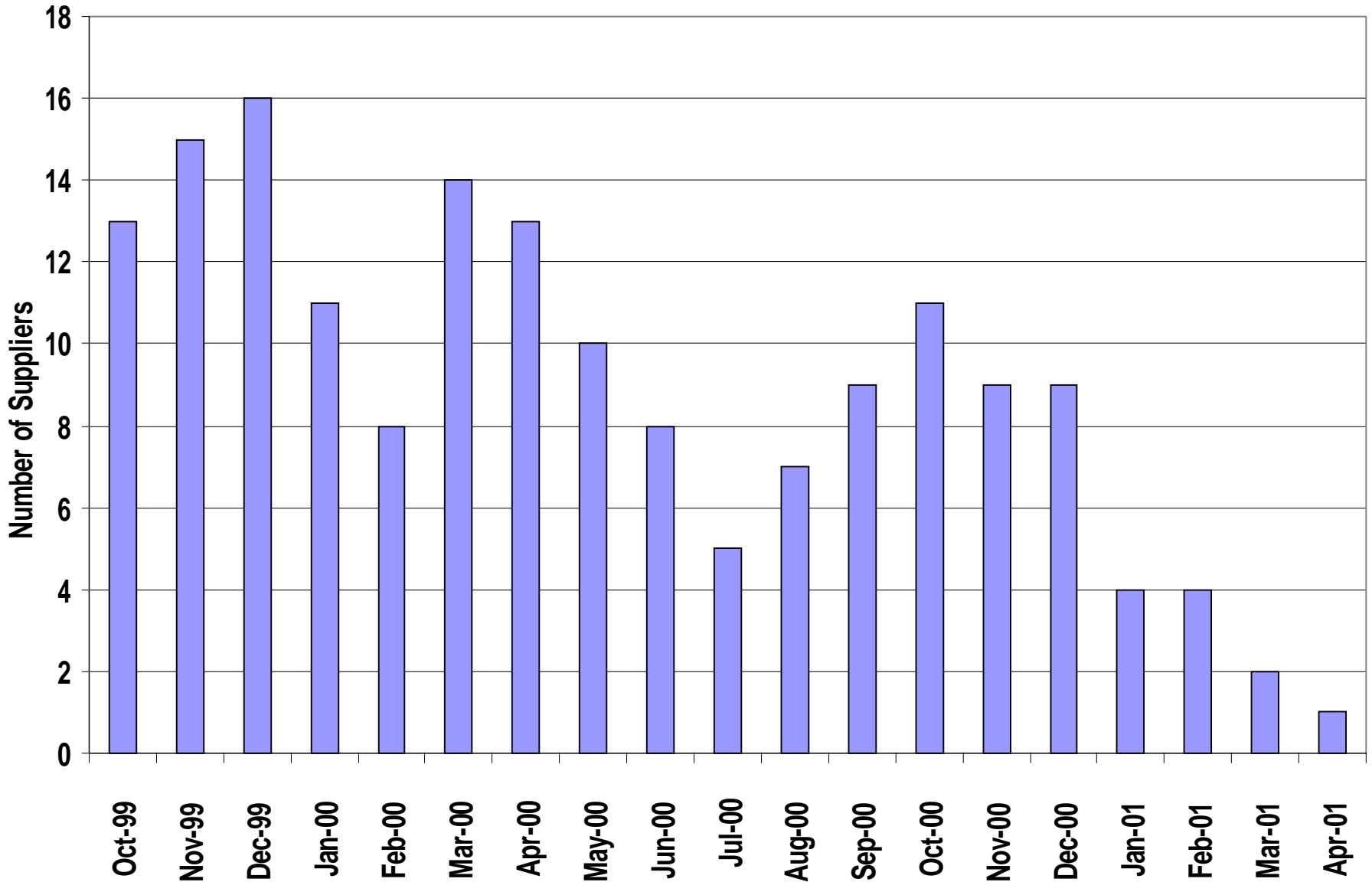
Plus \$5 annual fee (waived for seniors, low-income & persons with disabilities)

Suppliers Serving Residential Customers in PECO

(October 1999 through April 2001)



Number of Suppliers Cheaper than PECO



Actual Usage and Savings for PPL Residential Customer, All-electric Home Switched to Utility.com

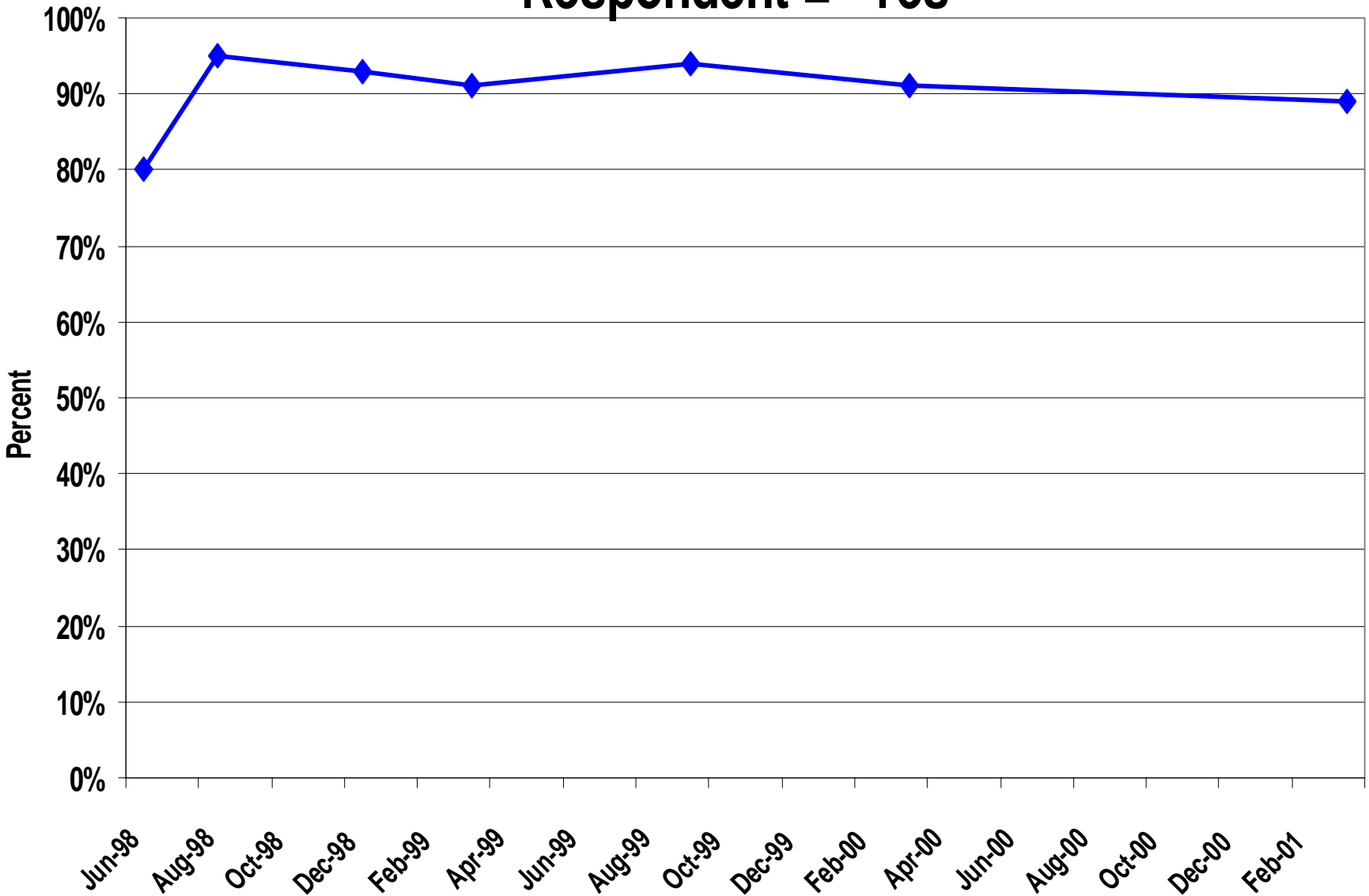
Months in year 2000	Usage in kWh per month	PPL Generation & Transmission	Utility.com Generation & Transmission	Savings
February	2543	\$112.57	\$94.19	\$18.38
March	2392	106.12	88.59	17.53
April	1440	65.47	53.37	12.10
May	1343	61.33	49.74	11.59
June	1163	53.64	43.08	10.56
July	1286	58.89	47.63	11.26
August	1252	57.44	46.41	11.03
Totals		\$515.46	\$423.01	\$92.45

Competitive Residential Electric Price Components - Cents per kwh

Electricity & Capacity	2.50 + .30= 2.8	3.25 + .30= 3.55	4.25 + 1.75 = 6.00
Losses (10%)	.255	.325	.325
Wheeling	.150	.150	.150
Billing, etc.	.500	.500	.500
EDI & IT	.200	.200	.200
Security Pmt.	.005	.006	.007
Admin.	.350	.350	.350
Profit	.200	.200	.200
Billed Amt.	4.60	5.281	7.732

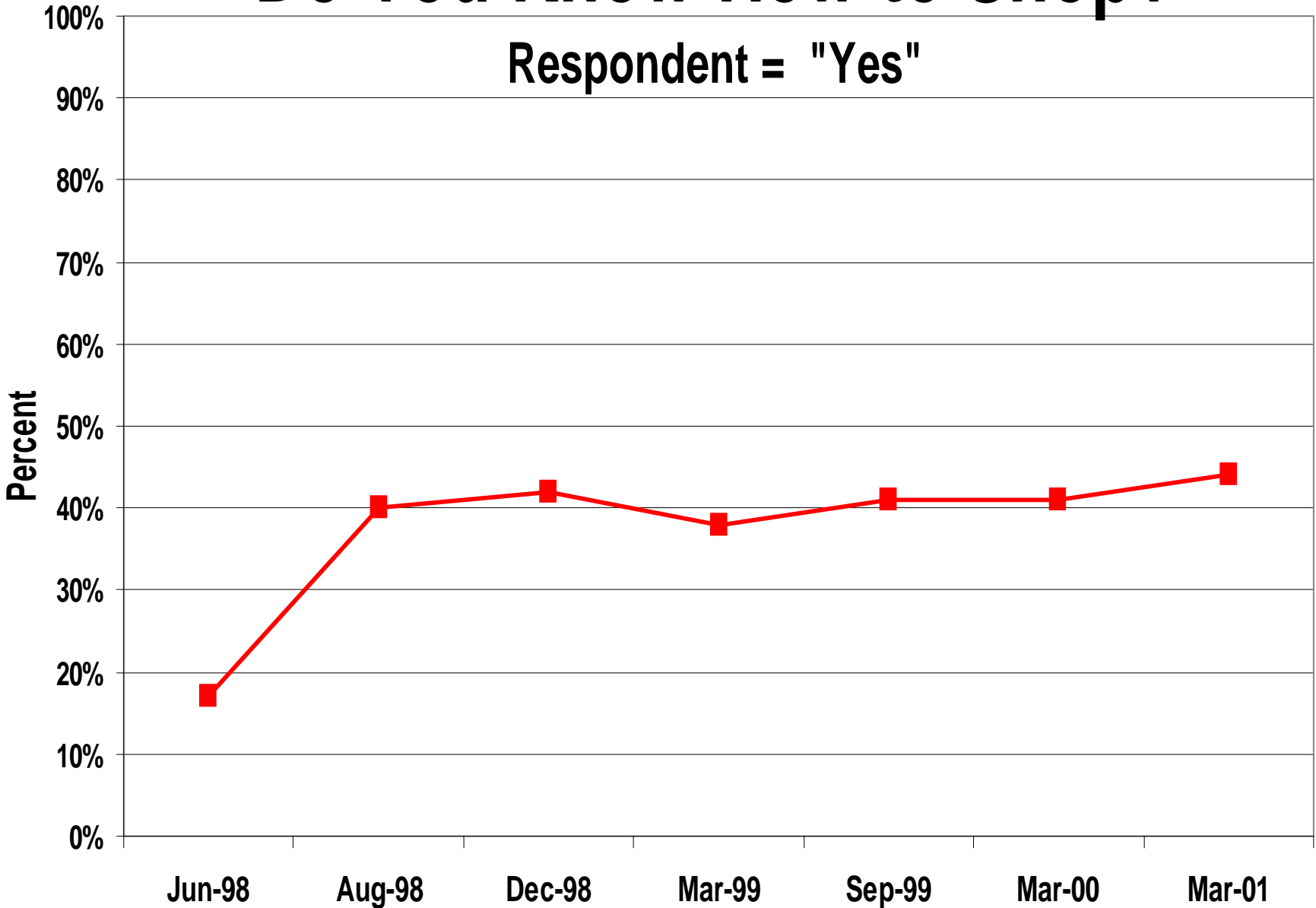
Are You Aware of Customer Choice

Respondent = "Yes"



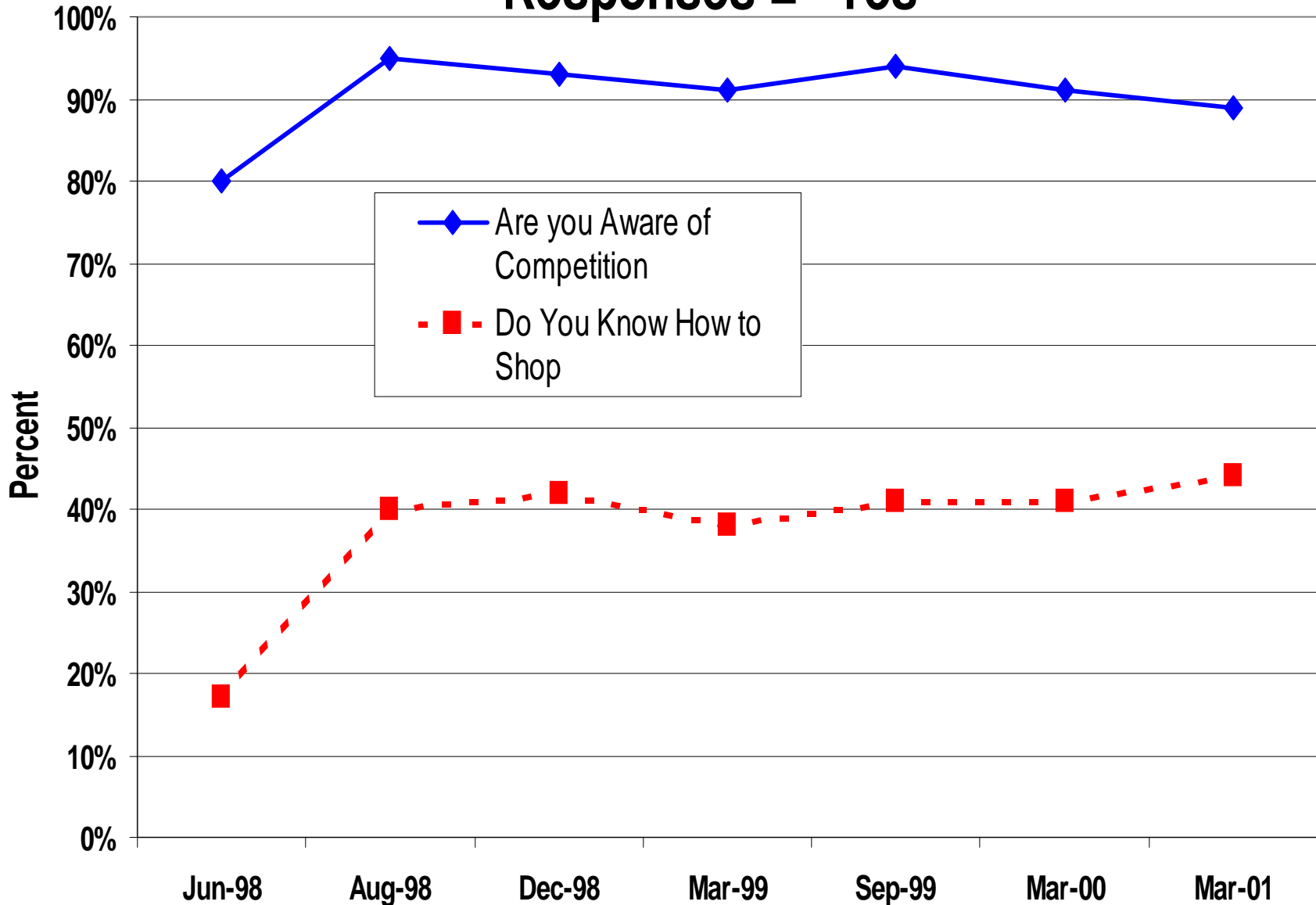
Do You Know How to Shop?

Respondent = "Yes"

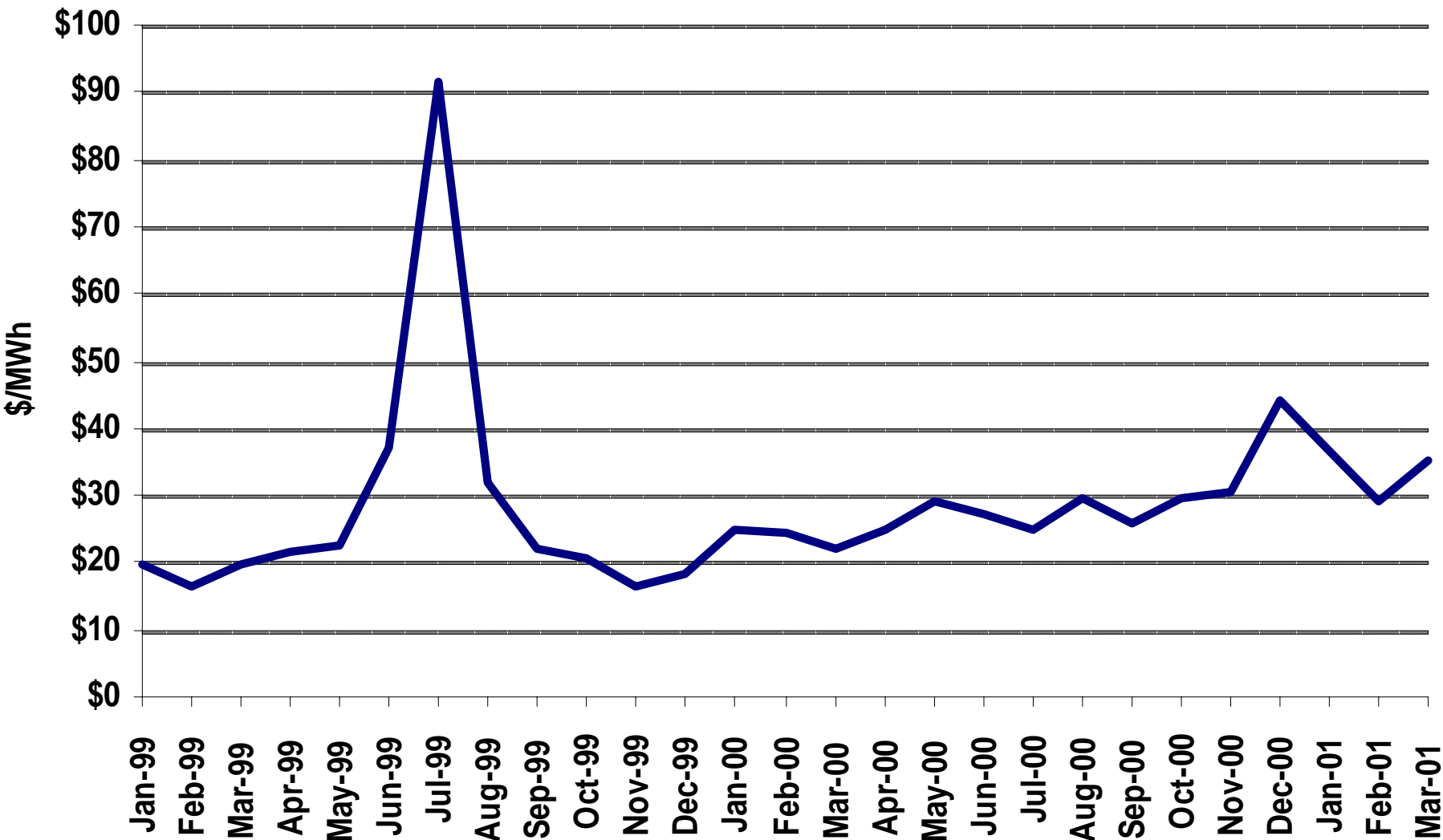


Shopping: Awareness v. Understanding

Responses = "Yes"

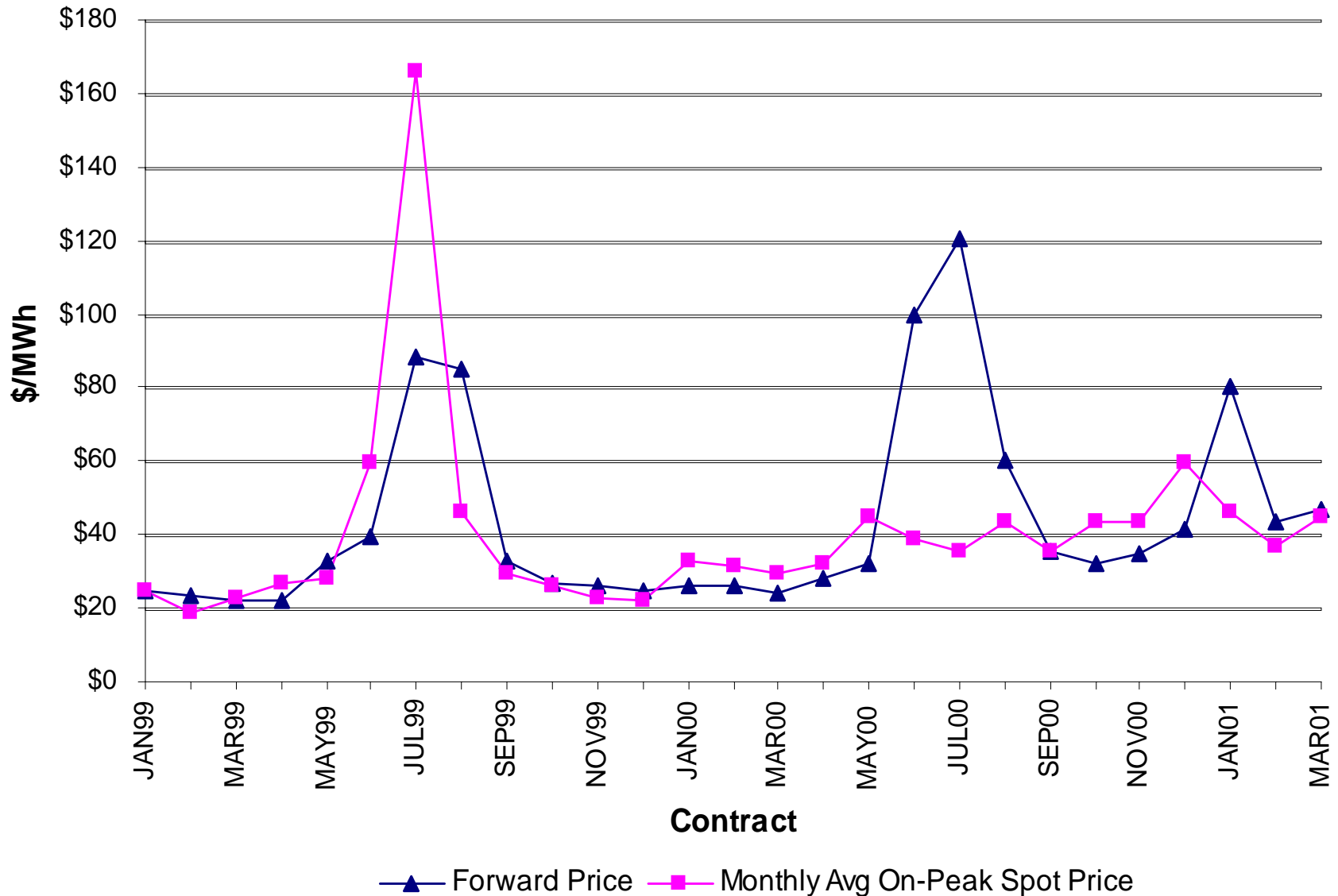


PJM Spot Market Monthly Average Energy Price Results

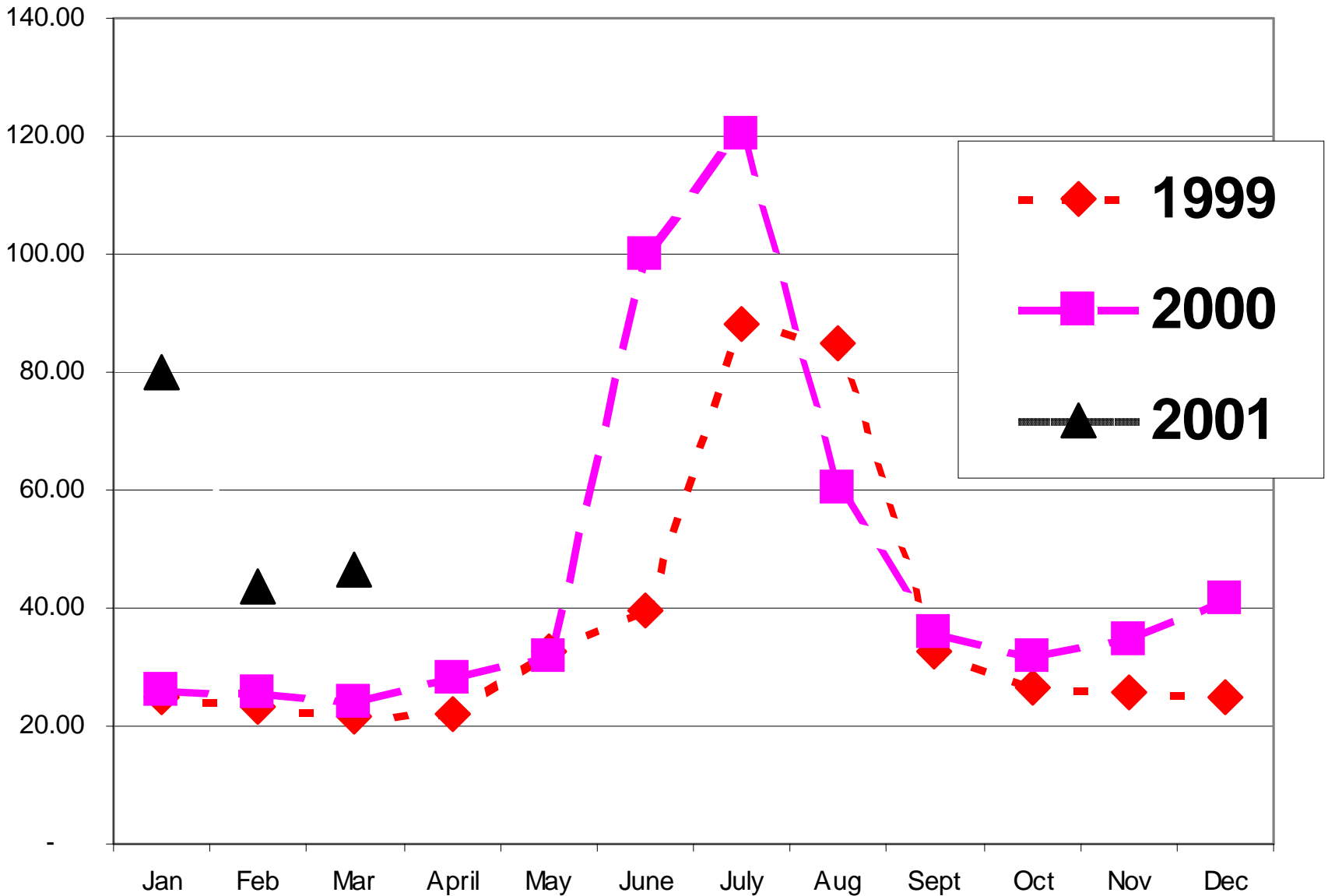


On-Peak Spot vs. Forward Prices

Comparison of Last Settlement Price before Contract Month to Actual Avg. Spot Price

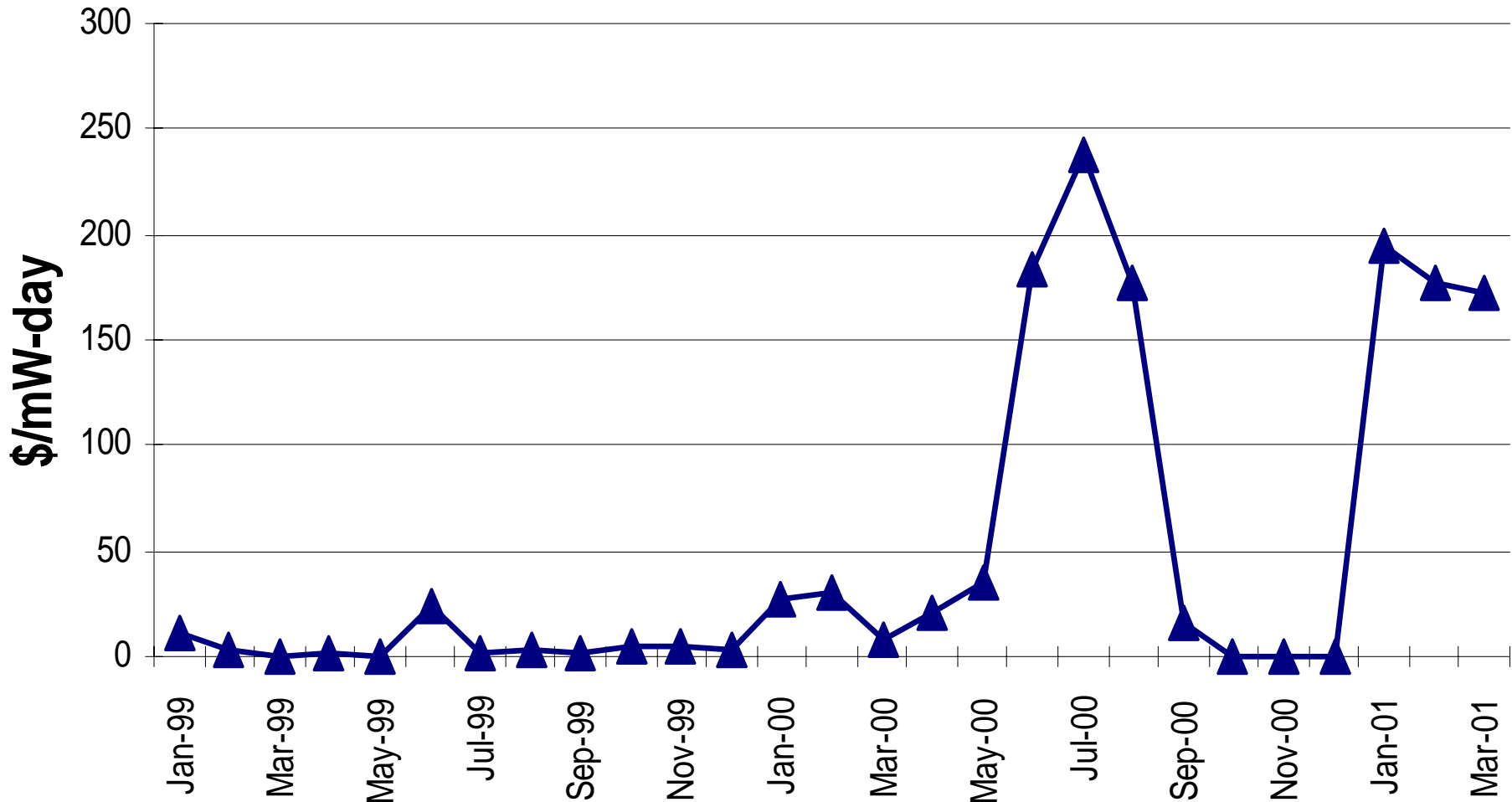


PJM Forward Market - 1999, 2000 & 2001



PJM Daily Capacity Credit Market

January 1999 - March 2001



PA Gas Switching Statistics as of 04/01/01

Company	Total Residential Customers	Residential using Alternative Suppliers
Columbia	355,256	94,466
Dominion-Peoples	325,146	110,399
Equitable	241,699	18,900
NFG	200,211	0
PECO	399,316	0
PG Energy	139,022	0
PPL	65,281	0
T W Phillips	54,723	0
UGI	249,762	0
Valley Cities-NUI	4,412	0
Total	2,034,828	225,765

Henry Hub Natural Gas Spot Prices

