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electricity to your home, maintains electric power lines, provides customer service and responds to emergencies. By shopping for the best price and choosing an alternative supplier, you are contributing to the generation of competition in the marketplace.

The amount you may save by choosing an alternative supplier will depend on:

- how much you pay now for electricity
- how much electricity you use
- how market prices change in the future
- what products and services are included in the new price
- the price offered by suppliers in your area.



A detailed guide to electric shopping can be found on the website of the Pennsylvania Office of Consumer Advocate: [www.oca.state.pa.us](http://www.oca.state.pa.us).



The Public Utility Commission also has information about electric choice available at: [www.puc.state.pa.us/utilitychoice](http://www.puc.state.pa.us/utilitychoice).



*Compliments of*  
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# GUIDE TO MANAGING YOUR ELECTRIC BILL



**PREVENT FINANCIAL  
SHOCK AFTER ELECTRIC  
RATE CAPS EXPIRE**

## What are rate caps and when will they end?



A law passed in 1996 deregulated the supply of electricity in Pennsylvania with the goal of creating competition and driving down prices. For the first time, consumers were

given the power to shop around for their electric supplier.

Prices were capped at the pre-deregulation levels (1996 prices) for electric distribution companies. Those caps originally were set to expire years ago but were extended for many of the electric companies in litigated proceedings before the Public Utility Commission.

All rate caps will expire by Jan. 1, 2011. Rate caps have already expired for Citizens Electric Co., Duquesne Light Co., Pennsylvania Power Co., Pike County Light & Power Co., PPL Electric Utilities Inc., UGI Utilities Inc. and Wellsboro Electric Co. Rate caps for Metropolitan-Edison Co., Pennsylvania Electric Co., PECO Energy Co. and West Penn Power Co. will expire Dec. 31, 2010.

## Will we pay more for electricity?

Most likely. While electric rates have been capped at 1996 prices, the market prices for electricity have increased over the years. The amount of increase will depend on the market price when your electric company buys it.

## What has the legislature done so far to address the expiration of rate caps?

**Act 129 of 2008. This law requires:**

- Energy-efficiency and conservation requirements for major electric utilities to help customers reduce their bills through energy conservation, as well as to reduce demand, and therefore prices, in the market.
- Electric distribution companies must offer smart meters and pricing plans to consumers. A smart meter directly provides consumers with information on their hourly consumption, enables time-of-use and real-time price programs and supports the automatic control of electricity consumption and cost by the consumer, the consumer's utility, or a third party. Companies will provide smart meters upon request to consumers who agree to pay for the cost of the smart meter.
- The law also requires utilities to adopt strategies to ensure they secure electricity for their non-shopping customers at the least cost to customers over time. To minimize price shocks, utilities must adopt a portfolio approach in which they purchase on a long-term, short-term and spot-market basis.

## Why don't we extend the rate caps?

This would only delay the inevitable and make the future price adjustments even greater.

However, increased competition should ultimately lead to reduced energy prices for everyone. For example, when rate caps expired for Duquesne Light Co. in the Pittsburgh region, there was an initial increase in prices after the expiration of caps, but after more suppliers entered the market, prices dropped below the previously capped levels.

## What can I do if my electric costs increase?

**You can obtain cheaper electricity for your residential or commercial needs in at least three ways:**

### **PRODUCE YOUR OWN ELECTRICITY**

Invest in green energy technology. For a limited period, you can get assistance from the Energy Independence Fund Programs — the Pennsylvania Sunshine Program, the Keystone HELP Residential Energy Efficiency Program and High Performance Building Program. You can find additional information about these programs at: [www.depweb.state.pa.us](http://www.depweb.state.pa.us).

In addition, federal tax subsidies can offset 50 to 60 percent of your costs.

### **TAKE ADVANTAGE OF YOUR ELECTRIC COMPANY'S PROGRAMS TO REDUCE COSTS**

Many electric companies have created programs to help customers save on energy, including rebates for energy-efficient appliances and energy audits, incentives to install solar energy systems or geothermal heat pumps and other incentives for energy-efficient improvements. Your company also may offer budget billing or other customer assistance programs that can help you manage your electric costs.

Contact your electric company or visit its website to see what it has to offer.

### **CHOOSE AN ALTERNATIVE SUPPLIER**

Alternative suppliers are entering into service territories to offer electric generation rates that could be lower than your current electric company. If you choose an alternative supplier, you will continue to receive your monthly electric bill from your original electric company, which will contain all charges. Additionally, your original electric company will continue to serve as the company that distributes

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