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PENNSYLVANIA AGAIN RANKED NO. 1 IN NATION
FOR ELECTRIC DEREGULATION

PA receives the Center for Advancement of Energy Markets' 'RED Carpet Award' for leading nation in electric competition

HARRISBURG (Feb. 7) -- Gov. Tom Ridge today hailed yet another national study that cites Pennsylvania as the nation's leader in electricity deregulation. The Center for the Advancement of Energy Markets (CAEM) today announced that Pennsylvania will receive the 2000 "RED Carpet Award" for furthering "an effective transition from the monopoly model to the choice model."

"In a year when California is spreading so much bad news about electric deregulation, it's nice to have a good news story like Pennsylvania," said Ken Malloy, President of CAEM.

"Pennsylvania shows that electric competition can work if done thoughtfully and carefully."

In his annual budget address to the General Assembly yesterday, Gov. Ridge alluded to the new study, officially

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released today: "Once again, we were named the No. 1 state for electric deregulation. Why? We have plenty of juice -- we're plugged in. Customers have greater choices. And consumers and businesses have saved \$3 billion. So if any companies in California are listening, come on over to Pennsylvania. We'll leave the lights on for you!"

The new study benchmarked each state against CAEM's RED (Retail Energy Deregulation) Index on 22 criteria. Each state's progress was given a score from zero to 100, with Pennsylvania receiving the top score of all states with a 66. This marks the second time Pennsylvania came out on top of CAEM's annual ranking.

"We have delivered approximately \$3 billion in savings, due to guaranteed rate cuts, savings from shopping, and avoided fuel costs," Pennsylvania Public Utility Commission Chairman John M. Quain said. "Before electric choice, Pennsylvania electric rates were 15 percent above the national average, and now our rates are 4.4 percent below the national average. And state government is saving taxpayers money, too, by shopping for power."

A new report last year projected electric competition will

create more than 36,000 new jobs in Pennsylvania by 2004.

Gov. Ridge led the 1996 push for electric competition and, in December 1996, signed the Electricity Generation Customer Choice and Competition Act. In fall 1997, Pennsylvania launched the country's largest electric-choice pilot program. Through the pilot, Pennsylvania had more customers buying their electricity competitively than any state in the nation. By January 2000, all Pennsylvanians were eligible to select a new electric generation supplier. As of January 2001, more than 560,000 Pennsylvania electric consumers have shopped for and selected a new electric-generation supplier.

As California deals with rolling blackouts and record-high electricity costs, many states -- and industry leaders -- are pointing to Pennsylvania as the model for how to restructure an electricity market. Unlike California, Pennsylvania has ample supply with new generation capacity expected to increase by 25 percent over the next five years; a fair generation policy that does not require its utilities to sell their generation plants as a part of restructuring; and Pennsylvania does not prevent utilities from entering into long-term power contracts with suppliers.

Chairman Quain said the results of the survey do not come as a surprise because many industry officials consider Pennsylvania a model.

"We established a new market environment in which the natural supply and demand forces flourish," Chairman Quain said.

For more information about the Pennsylvania Electric Choice Program, contact 1-888-PUC-FACT (782-3228) or visit the Program on the World Wide Web at www.electrichoice.com, which is accessible to persons who are visually impaired.

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