



The History Lesson

Deregulation of the remaining electric utilities in Pennsylvania has now survived a full year's operation and this would be an opportune time to review past trends and take a look into the future.

During the early stages of deregulation in the mid 80's there were very few alternate energy suppliers for Natural Gas. As the market began to evolve many new suppliers surfaced in an attempt to exploit the large pool of new consumers. They realized that profit margins were unsustainable and they were neither accustomed to nor capable of providing customer support services. Some withdrew from the market but most could not survive and went out of business. Remember Enron? The end result was only a few active suppliers survived.

Now that all Electricity Distribution Companies (EDC's) have had their rate caps expire, we are watching history repeat itself. Duquesne Light was the first utility to participate, opening their distribution system for suppliers to sell energy to its commercial and industrial customers. The second phase was a PUC mandated one year pilot program for residential customers during 1999 which proved to be a financial success for the customers. However, suppliers did not fare so well. After the first year, there were none willing to serve residential customers and only a few to provide service to larger commercial customers. By 2008 there were fewer than 40 licensed EGS's and most were not active. With rate caps expiring, that number has grown to over 200 in the past four years with most growth occurring in the last two years.

What Does This Mean?

While the rapid growth through the "Choice" initiative in PA has created a wealth of options there are very few that will actually save customers money. The end result is a mailbox stuffed full with the promise of savings, cash rebates, and even credit card points. We at Energy Savers, Inc. review these offers closely and 99% of them are designed to look good but in the end are not cost effective. In fact, many end up costing more than the utility charges.

Don't Get "Slammed"

We have also noticed a resurgence of a process commonly known as "Slamming" that occurs when telemarketers or door to door sales people enroll customers without permission. These unscrupulous sales people lead customers to believe that they have inside information about current contracts and rates and will claim they have the "lowest rate" or that "your contract has expired and there is no penalty to switch". They may not identify themselves to mislead customers into believing that they are Utility employees. The worst case is unnecessary and costly cancellation fees and possible litigation. The best case is confusion topped with a major headache to correct.

Recently the PUC reviewed a case of approximately ten residential customers who were "slammed". In reality the number was most likely tenfold. Very simply, customers do not report problems to the PUC

or do not know they were switched without their permission. Many never realize that it has occurred at all.

What Should I Do?

HANG UP on anyone unknown to you or anyone that claims to know something about your energy contracts or contact us if you have questions. **NEVER** disclose anything about yourself, your rates, or your current contracts. Thanks to submissions from loyal customers, we have included several examples of voice messages that these telemarketers use to lure people into calling them back. These can be downloaded from our Energy Toolbox at <http://www.energysaversinc.com/toolbox>

If history repeats itself, a majority of the new marketers will eventually fade away. Since 1982 one thing has remained constant - Energy Savers, Inc. has been helping customers keep their operating costs low by delivering reliable, low-cost energy, designed to meet each customer's specific needs.

Let us put our 30 years of experience with residential, commercial, and industrial end users to work for you.