

An alternative to Peco rate

PECO from A1 cents per kWh — that is not advertised on the Energetix website.

"In an effort to avoid total customer confusion we do not post rates for each and every residential service class," said Sharon Burns, the marketing communications manager for Energetix, which is the retail marketing arm of Rochester Gas & Electric Co.

The discounts could signal a new intensified competition for Peco's 1.6 million customers. Since market rates were introduced a year ago, dozens of suppliers have offered a dizzying array of plans, and more than 400,000 customers have switched, according to the Pennsylvania Public Utility Commission (PUC).

Until now, residential heating customers have had no incentive to switch because nobody could compete with Peco's discounted RH rate.

But under orders from the PUC to jettison its discounted pricing, Peco this year began phasing out its two-tiered heating rate, a legacy of an era when utilities promoted all-electric households. The discount was reduced by half on Jan. 1, and it will be phased out completely by the end of 2012.

Many RH customers who installed heat pumps in recent years complained that the PUC was pulling the rug out from under them. Peco has suggested that customers wait and see if alternative suppliers enter the market.

That day appears to have arrived. The Energetix fixed-rate offer of 7.211 cents per kWh includes a \$35 penalty if the contract is canceled before the end of its 12-month term. But Energetix is also paying new customers a \$25 bonus. So customers are at risk for \$10.

The 7.211-cent price compares to Peco's current two-tiered winter price for heating customers of 10.01 cents for the first 600 kilowatt hours and 7.74 cents for consumption above that amount (the heating discount disappears from June through September, when RH customers pay prices closer to

Power Shopping

■ Pennsylvania's Public Utility Commission explains electrical choice and lists alternative suppliers at www.papowerswitch.com.

■ The Pennsylvania Office of Consumer Advocate will mail a Peco shopping guide for free: 1-800-684-6560.

■ Energetix can be reached at 1-800-544-0182 or at www.energetix.net.

er other electrical suppliers will match the Energetix offer. Only one supplier has posted an offer on the PUC's website for RH customers, and it is a variable rate that is not competitive with Peco's price.

Electric rates have been falling generally, and it is not unusual for suppliers to offer discounted introductory rates with the intent of acquiring a base of customers who stay with the supplier for many years.

Energetix is also offering a 12-month fixed-rate price of 8.498 cents for renewable power supply, allowing a Peco customer to get green power at less cost than the standard utility supply.

Energetix, whose parent company is the Spanish energy giant Iberdrola S.A., would not comment on its aims.

"It is corporate policy not to share strategy information since we are in a competitive environment; however, our corporate philosophy has always been to provide value and excellent customer service to our customers," said Burns.

Suppliers can withdraw offers if market conditions change, but Burns said Energetix would maintain the quoted rates for at least a week.

Customers who switch to fixed-rate alternative suppliers can also avoid Peco's two-tiered summer rates, which are designed to impose a high-