



STATE OF CONNECTICUT



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FOR IMMEDIATE RELEASE

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CONSUMER ADVISORY: CONSUMER COUNSEL, AG WARN ELECTRIC SUPPLIER CUSTOMERS TO CHECK THEIR RATES; THOUSANDS OF CONNECTICUT RESIDENTS CURRENTLY ON RATES ABOVE 17 CENTS PER kWh, SOME MORE THAN DOUBLE CURRENT STANDARD OFFER PRICE

(January 16, 2014 – New Britain) Consumer Counsel Elin Swanson Katz and Attorney General George Jepsen, alarmed by a sharp spike in electric rates for some consumers, urged customers of electric suppliers to check the rate on their electric bills, or to contact their electric suppliers for information on their rate.

The Office of Consumer Counsel (OCC) has confirmed with Connecticut Light and Power (CL&P) that the following electric suppliers currently have at least some customers on rates higher than 17 cents per kilowatt hour (kWh): Discount Power, Choice Energy, Palmco Power, Starion Energy, Public Power, NextEra Energy, HOP Energy, Xoom Energy, Blue Pilot Energy, and Perigee Energy. Other customers have been charged rates as high as 24.9 cents per kWh on their latest bills, according to CL&P.

“For some of these companies, thousands of customers are receiving these high rates. For many customers this is more than double the rate available through the standard offer rate from CL&P or United Illuminating (UI), which each offer rates around 9 cents per kWh. This kind of rate shock can really hit customers in their wallets, as this can be up to approximately \$100 more per month than the standard offer rate for the average residential customer,” Consumer Counsel Katz said.

“A number of companies offer variable rate products that are marketed with an attractive and competitive teaser rate that is quickly replaced by significantly higher charges without notice,”

Attorney General Jepsen said. “We have also received complaints from customers who enrolled in fixed rate supply arrangements who were automatically transferred to exorbitantly high variable rate products at the conclusion of the fixed rate term. Consumers who choose to utilize an alternative supplier should examine their bills closely each month and continuously evaluate whether there’s a better option out there for them.”

Consumer Counsel Katz has previously raised concerns about variable electric rates, and the potential for variable rates to spike quickly and without warning.

“When shopping for electric generation services, in addition to comparing the price offered, know whether you are considering a fixed rate or a variable rate product,” Attorney General Jepsen said. “If a supplier offers a fixed-rate product, understand whether there are any early termination fees and what will happen at the conclusion of your fixed-rate term. If you are considering a variable-rate product, you should ask how they price their product, how often the rates are subject to change, whether there is a cap to the prices you could be charged, what they are currently charging other customers and how you can check the rates you would be charged in the future. Be especially cautious if you cannot get clear and satisfactory answers to these questions.”

Customers who are on a variable rate from a retail supplier need to track their electricity bills very carefully to be certain that the variable prices are truly in line with market conditions. Customers must pay particular attention for the next several years if they are on a variable rate in the winter, as it is likely that winter price spikes will continue. Customers can always switch back to standard service or to another electric supplier if they are unhappy with their rate, but there may be termination fees for some electric suppliers of up to \$100.00.

Consumer Counsel Katz stated, “Frankly, excessive variable rates and termination fees cost many consumers lots of money each year, and I am very concerned about them. What’s the benefit to the consumer of paying more for the very same electricity they can get from their electric company or another supplier for less money?”

These issues and others are being considered in a docket before the Public Utilities Regulatory Authority (PURA) concerning operations and marketing in the electric retail market, Docket No. 13-07-18. Consumer Counsel Katz and Attorney General Jepsen said that they are hopeful that a full exploration of these issues will lead to better protections for consumers and more enforcement against unfair marketing practices in the industry.

Consumer Counsel Katz and Attorney General Jepsen urged consumers to file a complaint with PURA about any supplier that misrepresents its prices, terms or conditions of service.

Information about standard service prices for residential and small business customers is available at <http://www.ctenergyinfo.com/compare-energy-suppliers/2014-generation-rates/>. Customers interested in asking for information on their rates may wish to contact their suppliers.

According to the website, the electric suppliers currently charging some customers rates above 17 cents per kWh can be contacted as follows:

- Discount Power at 877-259-7693
- Starion Energy at 800-600-3040
- Choice Energy at 888-565-4490
- Palmco Power at 877-726-5862
- Public Power at 877-804-5484
- NextEra Energy 866-440-4392
- HOP Energy at 877-390-7155
- Xoom Energy at 888- 997-8979
- Blue Pilot Energy at 800-451-6956
- Perigee Energy at 866-878-3492

Customers who wish to shop for a new supplier or to return to the utilities' standard service rate should visit <http://www.ctenergyinfo.com/compare-energy-suppliers>, or speak with an energy professional at Connecticut's toll-free Energy Information Line at 1-877-WISE-USE.

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The Office of Consumer Counsel (OCC) is the State of Connecticut's advocate for all utility consumers. OCC seeks to ensure just and reasonable rates and reliable utility service for customers of Connecticut's electric, gas, telephone, and water utilities and reasonable protection for cable television customers. For more information, visit www.ct.gov/occ.