

ELCON PRESS RELEASE

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Today's Restructured Electricity Markets Fail Consumers

ELCON (the Electricity Consumers Resource Council) today released data showing that for the past nine years, the customer service scores in "regulated states" are considerable higher than those in "deregulated states." These data are in supplemental comments filed at FERC relating to the February 27, 2007 conference on competition in wholesale power markets.

Considerable backlash is developing against the organized markets. FERC held its conference to address the problems and ELCON's President John Anderson testified at that conference. ELCON has pointed out for the past several years that today's FERC-jurisdictional electricity markets, while significantly "restructured," are far from competitive and are not bringing net benefits to end-use consumers. ELCON's supplemental comments reiterated the concerns raised in numerous previous forums, but also provided data to substantiate the assertions that large consumers are more satisfied in the traditionally regulated areas than in the FERC-jurisdictional organized markets.

The data included in ELCON's filing today were provided by TQS Research, Inc. of Atlanta, GA. These data compare customer satisfaction and other criteria in both the "organized markets" and in traditionally-regulated areas. Anderson emphasized that: "Over the past nine years, all of the measured criteria improved in the regulated states, but there was very little improvement in the deregulated areas. Of particular importance, the results for 'price satisfaction' are the same in both regulated and deregulated states. This tends to contradict the argument that large industrial dissatisfaction with restructuring is solely the result of large price increases."

Anderson emphasized that it is particularly disconcerting that consumers gave very low scores in deregulated states for assistance in adopting new electro-technologies and other energy efficiency measures. Anderson said: "This is disturbing both because the restructured industries were expected to have both technological innovation and a customer focus. The data show that just the opposite has been achieved."

TQS Research has interviewed the largest energy users in the US concerning their perceptions of their electric suppliers. The interviews include manufacturing customers over 1MW, hospitals over 3 MW and major universities over 10 MW. The data from approximately 6,000 interviews per year allow TQS to provide the Electric Utility Industry with a benchmark indicating their performance relative to approximately 60 other electric utilities.

A copy of the supplemental filing is available at: www.elcon.org.

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective. More information about ELCON is available at ELCON's website, www.elcon.org.

