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# Penelec rates jump; consumers urged to shop

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Penelec customers might get a jolt when they check their latest bill.

Residents are seeing an increase in the cost of electricity from 6.98 cents per kilowatt hour to 8.73 cents per kilowatt hour, or 25 percent more. The new rate took effect June 1.

The average residential customer who uses 750 kilowatt hours of electricity in a month would pay a total bill of \$106.10, an increase from \$94.79, said Scott Surgeoner, spokesman for Ohio-based FirstEnergy Corp., parent company of Penelec.

That price includes the cost of electricity and the charge to deliver it to homes.

The increase could lead consumers who haven't already made the switch to start scrambling to find an alternative energy supplier with lower rates. Price comparisons are available at the Pennsylvania Public Utility Commission's website, [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com), or the Pennsylvania Office of Consumer Advocate website, [www.oca.state.pa.us](http://www.oca.state.pa.us).

The new Penelec rate will be in effect until Sept. 1, when it will go up or down, Surgeoner said.

Penelec doesn't make money on the cost of electricity; its profits primarily come from delivering the electricity on its power lines to customers.

The cost of electricity is what the utility pays on the open market, and it passes that price on to consumers who choose not to shop for an alternate supplier, Surgeoner said.

Electricity generators provide bids to Penelec in an auction, and once the utility has bought enough power, it then blends all the prices together to arrive at an average, he said.

The auction is run by an independent third party, and the auction prices are certified by the Pennsylvania Public Utility Commission, Surgeoner said.

Surgeoner said the price of electricity fluctuates, and typically goes up in the summer due to higher demand from air conditioners and other uses.

Another factor could be a slightly improving economy over the past several months, Surgeoner said. Industrial users that had cut back on operations could be starting to increase the number of shifts, he said.

Jennifer Kocher, press secretary for the PUC, said the PUC approves Penelec's process by which they obtained the rate. "As long as they followed the plan that they laid out, it reflects the market prices, and it meets the requirements for short- and long-term buying, then we have to approve the price because it's a pass through of costs," she said.

The PUC urges consumers to shop for their electricity, Kocher said. "In the Penelec territory, there's a real opportunity for shopping and a real opportunity for savings," she said.

Kocher said that customers could save \$10 per month, on average, by shopping for a new supplier among the 20 in the Penelec territory. Some prices are higher and others are lower. One example: Ambit Energy is charging \$6.69 cents per kilowatt hour for consumers who lock in the rate for 12 months.

As of Wednesday, more than 2 million customers, or 36 percent, had switched electricity suppliers, including 198,885, or 33.8 percent, of Penelec customers, according to PAPowerSwitch.

One of the options for customers is to buy from FirstEnergy Solutions, an unregulated arm of FirstEnergy that does operate power plants. Penelec itself hasn't owned any generating plants since the 1990s.

Tanya McCloskey, acting consumer advocate for the state, said it's important for consumers to compare prices now that they know the new price from Penelec.

Customers using the consumer advocate office's website should look for the residential shopping guide and click on Penelec for an "apples to apples comparison," she said.

Those without Internet service or who want to talk to someone in person can call (800) 684-6560. Customers can ask about the shopping process or request that a shopping guide be mailed to their homes, McCloskey said.

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