

ECONOMIC GROWTH THROUGH COMPETITIVE ENERGY MARKETS
COALITION

COPY

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July 18, 2006

The Honorable James J. McNulty
Secretary, Pennsylvania Public Utility Commission
Harrisburg, PA 17105-3265

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RE: Docket No. M-00061957

Dear Secretary McNulty:

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I am writing on behalf of the Economic Growth through Competitive Energy Markets Coalition (CEM). CEM is a coalition of business consumers of electricity working for an enhanced competitive electricity market in Pennsylvania. CEM's more than 4000 members – companies falling into utilities' "light industrial" and "commercial" classes and located primarily in the Commonwealth's Western and Central sections – are those currently responsible for the majority of Pennsylvania's job growth, existing business expansion, and new business development.

CEM is aware of the current Commission proceeding investigating potential policies to mitigate electricity price increases that are likely to occur as Pennsylvania's electric utilities emerge from their current rate caps. As I am sure you are aware, electric prices are a significant cost component for the Pennsylvania's small-to-mid size businesses. CEM views consideration of mitigation policies not only as prudent, but also as appropriate given today's energy markets.

However, as the Commission considers electric cost mitigation, CEM strongly urges the Commission to maintain policies that allow consumers to choose from the best and broadest array of choices in retail electricity products and services. Retail choice will bring about and sustain the most competitive prices for consumers. Indeed, CEM believes it is crucial for the Commission to keep in mind the spirit and letter of the Electricity Competition Act – to manage deregulation as aggressively as possible and in the public interest; and to promulgate rules that allow more competitive electricity suppliers and more competitive electric power choice for consumers, rather than fewer -- as it proceeds with its electricity cost mitigation consideration.

Some parties commenting on this mitigation initiative have suggested changes to the rules and / or laws that govern competitive service such that it will make it very difficult for competitive suppliers to enter or remain in the market. CEM believes with few-or-no competitors, the ability of small business consumers to choose the electric products and services providing the best electric energy value will be eliminated. Any decision made by the Commission to mitigate price increases should not jeopardize the progress already made toward enhancing and expanding competitive markets in Pennsylvania, principally in the Duquesne Light service area. Indeed, it is CEM's hope that future Commission decisions expand and enhance the number of electricity suppliers seeking our business all across the Commonwealth; and that the resultant broader competitive market promotes greater economies of scale, more efficient operations, and more efficient prices for consumers.

A number of CEM members have realized savings on electricity by participating in the competitive market. CEM calls on the Commission to not hinder those experiencing cost benefits and to continue developing policies that allow all CEM members the ability to fully participate in competitive electric energy market in the Commonwealth of Pennsylvania.

Sincerely,



Keith G. Dorman

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