



Walt Mossberg



Kara Swisher



John Paczkowski



Katherine Boehret

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

See a sample reprint in PDF format.

Order a reprint of this article now

THE WALL STREET JOURNAL

WSJ.com

COMMODITIES | AUGUST 31, 2009

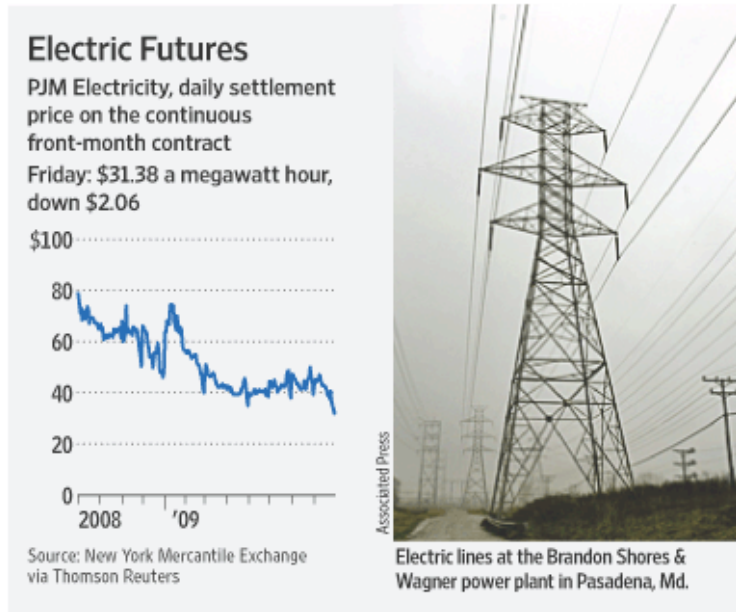
Retail Electricity Suppliers Battle Utilities for Customers

By MARK PETERS

Consumers looking to take advantage of a sharp drop in U.S. power prices increasingly are turning to new suppliers.

The economic downturn, combined with a boom in natural-gas output, has driven wholesale electricity prices sharply lower in the past year, inspiring an increasing number of recession-strapped households to shop around for cheaper rates.

"All of a sudden, we're in a situation where we have competition working," said Ohio Consumers' Counsel Janine Migden-Ostrander, who represents residential ratepayers on regulatory matters.



To be sure, the outright number of households switching to retail electricity provider remains small. In Connecticut, Maryland and Ohio, the overwhelming majority of people still get power through long-established local utilities. Shopping for suppliers is much more common among big commercial and industrial businesses.

For now, electricity rates offered through many utilities are higher than wholesale market conditions would seem to

dictate. Wholesale prices plunged 40% in the first half of the year in the market that comprises 13 states located in the mid-Atlantic, Midwest and Southeast regions. On Friday, the benchmark electricity contract for this region fell \$2.06 to settle at \$31.38 a megawatt-hour. Rates offered through the utilities are steadier since they reflect average prices over several years.

Connecticut power users have been especially active, with a 45% jump in customers signing up with a retail supplier rather than remain with an incumbent utility. Interest has picked up in Maryland, New York and Ohio, too. In Maryland, Washington Gas Energy Services Inc., a subsidiary of WGL Holdings Inc., is offering a rate of 10.8 cents a kilowatt-hour for power and transmission, which accounts for a majority of a customer's bill. That is around 9% less than the offer through [Baltimore Gas & Electric Co.](#), or an annual savings of \$100 for a typical customer.

In Maryland and other states, the default service provided to consumers that don't actively shop for a supplier blends market prices over a year or more through a series of contracts. The approach can reduce price volatility, but consumers benefit slowly from price declines as old, higher-price contracts end and new, lower-price contracts start.

[FirstEnergy Corp.](#)'s retail business and [FPL Group Inc.](#)'s Gexa Energy competed in Ohio this summer for consumers in the areas where FirstEnergy's utility business delivers electricity. Overall, FirstEnergy estimates it has added 300,000 to 400,000 retail customers in Ohio in the past year, said spokeswoman Gretchan Sekulich.

Write to Mark Peters at mark.peters@dowjones.com

Printed in The Wall Street Journal, page C8

Copyright 2009 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com