



COMPETE

Electricity Competition **IS** the Public Interest

For Immediate Release

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Former Assistant Senate Leader Touts Electricity Competition as the Right Choice Over Re-Regulation

"High Prices Are Not the Product of Competitive Electricity Markets"

Washington, D.C., March 1, 2006 Former U.S. Senator and **COMPETE** Chairman Don Nickles today presented a pro-consumer vision of the future of competitive electricity markets, one built on innovation, efficiency, transparency and customer choice.

"Competition has been the bedrock of our nation's economic prosperity and stability for centuries and remains the backbone of the modern American economy," Senator Nickles said. "Electricity competition powers technology, innovation and market efficiencies. It continues to benefit the environment and fuel economic growth. And it continues to save customers billions of dollars, compared to rates that would have been paid under traditional regulation," Senator Nickles added. Senator Nickles referenced studies such as the Cambridge Energy Research Associates report that found U.S. residential electric consumers paid about \$34 billion less for electricity they consumed from 1998-2004 than they would have paid if traditional regulation had continued.

Senator Nickles' remarks were made in a keynote address to the KEMA 17th Executive Forum on Energy Markets at the Fairmont, Washington, D.C.

Acknowledging that expiring retail electricity rate freezes in some states will result in rate increases for consumers, Senator Nickles warned against framing the issue as a 'failure' of competition: "This line of thinking ignores the fact that high prices are not the product of competitive electricity markets," Senator Nickles said. "In fact, some states have realized that more competition, not less, is a large part of the answer to weathering current energy price increases."

To those who would advocate a return to re-regulation, Senator Nickles noted that "going back to cost-of-service regulation in these markets and limiting the availability of customer choice of suppliers will not provide consumer benefits in the long run and is not in the public interest."

"Competition is an ever-evolving enterprise," he said. "Competition advocates must educate stakeholders to better understand the nature of markets and the intrinsic value of competition, without resorting to short-term fixes that will hurt, rather than help, consumers."

The complete text of Senator Nickles' speech can be found at www.competecoalition.com

COMPETE is a coalition of 128 electricity stakeholders representing all aspects of electricity generation, transmission, distribution, and consumption who support the continued evolution of competitive electricity markets for the benefit of consumers.

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