



UtiliSave

Release

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FOR IMMEDIATE RELEASE:

WILL CON EDISON CUSTOMERS REALLY EXPERIENCE LOWER PRICES FOR ELECTRICITY?

NEW ROCHELLE, NY– December 6, 2000 -- UtiliSave, LLC, the nation's leader in utility data management and cost recovery services believes customers should know what to expect from last week's Consolidated Edison and New York Public Service Commission announcement regarding rate reductions in the New York area.

Con Edison and the NYPSC announced changes that would lower rates for all customers in New York City and Westchester -- \$1.4 billion through 2005 -- and totaling \$2.9 billion since 1997. But will bills really be lower? The utility tariff specialists of UtiliSave present a review of the Con Edison changes:

Con Edison and the NYPSC should be commended for taking action to lower rates. However, the rates coming down are rates that apply to the *regulated* portion of a customer's bills -- the portion of the bill related to the *delivery* of electricity -- which applies to a customer whether they purchase electricity from Con Edison or from another competitive supplier.

Why have just delivery rates gone down? As the electric industry has restructured, supply and delivery charges have been separated. Since Con Edison no longer owns the majority of the generation supply in its service territory, it buys its electric supply from the wholesale marketplace just as other competitive suppliers do. So, Con Edison's rates are now *only* applicable to delivery charges.

Now what happens to customers' bills? Despite these lower rates from Con Edison, total bills may still rise. Con Edison passes on their wholesale electric supply costs to its customers. If you purchase from a competitive electric supplier, they will do the same, but may also provide pricing options in exchange for load and/or term commitments. No matter the pricing mechanism, the fact is that there is a shortage of electric capacity at a time when demand keeps rising. Some efforts are underway to increase supply and decrease demand, but it is unclear whether or not these efforts will result in real benefits in time for Summer 2001, when demand for electricity is greatest in New York City and prices increase.

What can customers do to prepare? First, UtiliSave suggests that large businesses and organizations confirm that electric-consuming equipment is working efficiently and consider installing new, more efficient equipment or reducing consumption during peak usage times. Consider the economics of purchasing and installing new equipment as prices for electricity change. Second, UtiliSave reminds customers to verify that electric bills are accurate and that the most favorable rates are being applied to your usage. These efforts, together with lower delivery charges for electricity, are your best defense to keep your total bills as low as possible.

About UtiliSave

UtiliSave, LLC provides integrated utility cost management, cost recovery, and e-commerce procurement solutions to high end-users of electric, gas, water/sewer, steam, oil and telecommunications.

For more details about UtiliSave, its expert staff, and array of services, visit <http://www.utilisave.com> or phone 1-800-272-8366.

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