

# JFC leaders call for check of energy suppliers

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DOVER – Some people being offered significant savings on electricity prices through so-called “third party suppliers” may be getting a raw deal, and leaders of the Joint Finance Committee are calling on the state’s Public Service Commission and public advocate to look into the issue.

Since 2007, when the state passed a law allowing limited competition for consumer electric service, so-called “third party suppliers” have been buying electricity on the open market and reselling it to Delaware consumers. In some cases, those suppliers can provide savings.

Recently, however, legislators and regulators have been getting consumer complains saying that some suppliers have failed to let customers know their contracts have expired, which can expose them to higher charges.

Because of the complaints, Sen. Harris B. McDowell III, D-Wilmington North, said the program may need a second look.

“When the Electric Restructuring Act was passed, we wanted retail customers to be offered a means of getting lower rates through competition,” said McDowell, co-chairman of the budget-writing Joint Finance Committee. “We achieved that goal, so that retail shopping for electric service became a reality. But like any change, from time to time, we need to revisit and tweak the rules, to ensure that Delaware consumers are being protected as electricity offerings evolve.

“Most of the alternate suppliers have conducted business in a proper and responsible manner and have been able to give their customers some significant savings,” he added, “but there have been a few bad apples.”

Rep. Melanie George Smith, D-Bear, the JFC’s other co-chair, said many of the complaints have come from people who don’t necessarily understand what they are getting into when they agree to buy from one of the suppliers.

“I am concerned that electricity customers who sign contracts are often elderly or are ill-informed about the length and terms of those contracts,” said Smith. “To that end, Sen. McDowell and I are asking the Delaware Public Service Commission and our legislative staff to review the laws and PSC rules to see if they need to be adjusted and to recommend any changes that need to be made.”

In a letter to the Delaware Public Service Commission, McDowell and Smith are asking that a meeting be held as soon as possible, so that there will be time enough for the General Assembly to make any changes to the existing law governing such transactions before their session ends on June 30.

David Bonar, the state’s public advocate, said he agrees with the lawmakers’ call for a look at how third party energy suppliers are operating. In the meantime, he said, consumers need to

carefully review their energy supply contracts – especially the contract’s expiration date – and to contact his office or their state legislators, if they have questions.

“I am grateful to see that members of our legislature recognize this issue needs to be revisited. Like any law or rule, the application process needs periodic review and correction,” said Bonar, who represents consumers in utility issues before the PSC. “Contract law can be very complex and hard to understand, and clearly not everyone reads the fine print. Our electric customers should not have to be lawyers to fully understand their obligations.”