

**DATE:** November 17, 2010

**TO:** The Honorable Joseph Preston, Jr., Chairman  
The Honorable Robert W. Godshall, Republican Chairman  
The Honorable Members, Pennsylvania House of Representatives  
Consumer Affairs Committee

**FROM:** Mary Ann Nau, Assistant City Manager for the City of Warren

**SUBJECT:** House Bill 2619

Thank you for the opportunity to submit written comments to the Consumer Affairs Committee on legislation to allow all Pennsylvania communities the chance to offer attractive and timely savings to their residents and small businesses through opt-out municipal aggregation. I would request that this statement be included in the record of this important hearing.

I have been the Assistant City Manager for the City of Warren for over two years now. I was hired as the Special Projects Coordinator for the City in October 2008. Prior to that, I served as Municipal Manager for the City of Titusville, Borough of Braddock and the Municipality of Monroeville.

I earned my under graduate degree from Slippery Rock University and my Masters degree from Penn State University. In 1998, I received a professional municipal management executive certification in the field of municipal management through the Association of Pennsylvania Municipal Managers. I am a graduate of the Pennsylvania Rural Leadership Program, where I was awarded a citation through the Pennsylvania House of Representatives for my commitment and involvement in public service. Currently I serve as a trustee for Penn Prime, a municipal insurance trust made up of 130 participating members that focuses on providing affordable coverage to municipal governments through pooling and whose services include loss control interventions designed to help communities reduce liability through active risk management practices. I also provide Peer to Peer Consultant services for the Department of Community and Economic Development.

I am submitting written comments for the record today on behalf of the City of Warren as well as the City of Meadville and the Borough of Edinboro who, as home rule or optional charter

communities, are all excited to offer the residents of our communities discounted electric generation service through municipal aggregation. We strongly believe that *all* residents and small businesses throughout the Commonwealth would *only* benefit through municipal aggregation programs, which is why we support the passage of municipal aggregation legislation – so that all communities in Pennsylvania can have the opportunity to enjoy lower electric rates. Let me briefly explain why we are such adamant proponents.

For the past two years, we have been hearing the warnings about the end to rate caps across the various electric companies and the associated rate increases as electric generation prices rise to better reflect market prices. Now that those caps are coming off on December 31 for Penelec, the City of Warren sees the opt-out municipal aggregation program as one of the better solutions that enables residential and small business customers to partially offset these rate increases. Earlier this year, the City was able to shop for more competitive rates through a program offered by the Pennsylvania League of Cities to provide more affordable rates in 2011 for City operations. It was during that time that our residents were asking...what about us residents?

While it is true residents can take advantage of individual offers from suppliers, our experience has taught us that most residents will not typically shop on their own as they may lack the expertise and particularly the time to negotiate power supply rates and services like many large business customers do. They generally look to the entity, in this case the municipal government, to provide the expertise and select a supplier that will be the most responsive and most responsible to the needs and desires of the people of the City. Therefore, through an opt-out aggregation program, residents and small businesses have the benefit of energy experts and trusted local officials to negotiate for electric generation on their behalf.

But I am convinced that the greatest benefit to community members is this: By being part of a municipal aggregation group, customers won't have to do anything to save money on their electric bills. At the same time, they would still have the ability to shop with an electric generation supplier of their choice or remain with the local electric utility in 2011 if they so desire.

As I said earlier, the City of Warren is looking forward to providing our residents and small businesses with the much-needed savings that will result from our opt-out municipal aggregation program. This same opportunity should be afforded to every community within the Commonwealth – especially now as rate caps are expiring, prices are rising and consumers are looking to their community leaders for relief – particularly during these very difficult economic times.

The City of Warren, the City of Meadville, and the Borough of Edinboro have a proven solution that will take effect immediately and without an added burden to the residents or the City government – that's opt out municipal aggregation.

I urge you to move forward with opt-out municipal aggregation in Pennsylvania. With rate caps having already expired for many utilities including PPL, Duquesne and Penn Power, and with rate caps set to expire for Penelec, Met-Ed, West Penn Power and PECO at the end of this year, this legislation is timely and will help customers save on their electric bills in the years ahead.

Thank you again for the opportunity to submit written comments for the record. If you have any questions about any of my statements, please feel free to ask me at your earliest convenience.