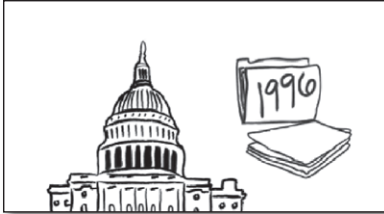
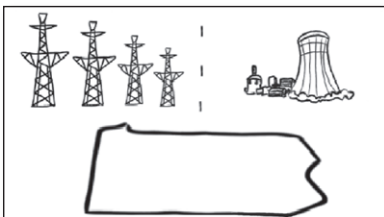


# A QUICK OVERVIEW OF ELECTRIC CHOICE IN PENNSYLVANIA.



Electric choice was established in 1996 when the Electricity Generation and Customer Choice and Competition Act was passed by the Pennsylvania legislature.



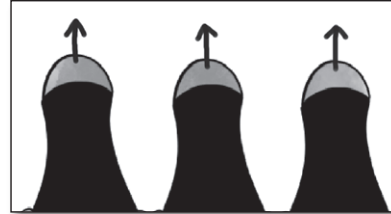
The act separated electricity generation (power plants) from electricity delivery (poles and wires), and allowed customers to choose among competing suppliers for their electricity generation.



In the early days of choice, customers had several electricity supplier options and shopped for the best deals.



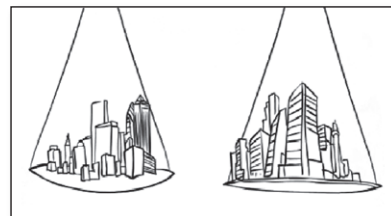
After the legislation, settlements with all the major electric distribution companies placed rate caps on generation prices, which were intended to protect consumers from volatile market swings during the transition to a free market.



Over time, the wholesale price of electricity exceeded the capped rate. Choice was practically eliminated when suppliers could no longer compete with the artificially capped rate.



The rate cap expires in the Philadelphia area on December 31, 2010.



Customers who don't choose a supplier by December 31, 2010 will pay a default price set by the local utility.



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