

IDT ENERGY NEWS

www.IDTEnergy.com

Formal Response to Media Inquiries

- Q1 2014

IDT Energy's Response to Polar Vortex

Coldest Winter on Record

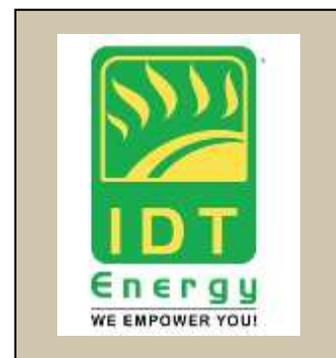
“As far as what has taken place in the first quarter; unfortunately, high demand for electricity due to extreme cold weather and subsequent restrictions placed on supply that were out of our control, caused wholesale electricity costs to increase considerably during this year's unprecedented peak heating season. These market conditions impacted all suppliers who procure electricity in the region. IDT Energy welcomes an investigation into the reasons behind the eight-fold increases in wholesale electricity costs. We urge policy makers to critically examine and actively explore ways to ensure that the region's peak electric demand can be met while maintaining wholesale price stability. Clearly, the current power generation market structure has not been able to supply peak demand at reasonable prices.”

- IDT Energy Spokesperson

IDTE Gives Back \$2.5 Million

“We do care for each and every customer we serve, and have heard from our customers loud and clear. While some suppliers have chosen to remain passive, we have listened to our customers and have taken action in the immediate term – with special good-will rebates and refunds thus far totaling over \$2.5 million dollars; and in the longer term – with new offerings of a choice of programs, including variable and fixed rate options. We ask consumers to give us the opportunity to prove our commitment to the markets we serve.”

- IDT Energy Spokesperson



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IDT Energy's Response to Polar Vortex

Continued...

Impacted by Restricted Supply

High demand for electricity due to extreme cold weather coupled with the subsequent restrictions placed on supply that were out of our control, caused wholesale electricity costs to increase considerably. These market conditions were not only felt by IDT Energy, but by all suppliers who procure electricity for your [the Pennsylvania] region.

Although many suppliers chose to pass along rates as high as \$.40 - \$.50 cents per kilowatt hour, IDT Energy chose not to take this path. In addition, IDT Energy has been working diligently, responding to thousands of inquiries, to further ease the burden of the last billing cycles.

- IDT Energy Spokesperson

Utility Cost Recovery

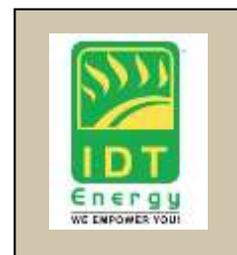
In the coming weeks, costs will come down further and our customers will see rates compare more favorably with the local utilities and fixed rate providers, who will instead seek to recover their higher incurred costs in the weeks and months ahead. We would like all consumers to be aware that the utilities in particular may seek to recover their costs in the form of hidden increases - costs that are not reflected in the utility's commodity rate, but in other categories on the bill.

- IDT Energy Spokesperson

We Have Heard Our Customers Loud and Clear.

Based on all of the input offered, we are working on new programs that will be sure to better suit your needs.

As these new programs are introduced, we would welcome any opportunity in the future to win you back in an effort to prove our commitment to serve you better.





Customer Feedback

Selected Feedback from Impacted Customers

NOT SEEN IN THE MEDIA

Original Post - February, 2014: —————→
THANKS. THANKS TO YOU I CAN NOT BUY 2 TIRES THAT I NEED DESPARATELY and was waiting on my MEASLY IRS Refund to pay for the tires. Now, THANKS to U Greedy MOFO's... I will continue to slip and slide so that your PRICE GOUGING Bill will be paid. IF you don't get what you deserve here on earth, you will be judged more harshly in the afterlife.

IDTE Purchased Tires for this Customer in Feb, 2014:
"VERY PLEASED AND HAPPY that IDT ENERGY kept their word. Thanks [IDT Energy Customer Care Agents] for your help. I was not expecting any satisfaction when I posted here... And I was pleasantly surprised to find the reimbursements in the mail. god bless!"

April, 2014:

Thank you to [IDT Energy Customer Care Agent] for dealing with my account expertly, and I'm sure she provided the same great service to ever customer she talked to. She deserves an award, as do most of your customer service representatives and managers.

April, 2014: "My name is [Customer] and I spoke to you March 27th. You gave me a time frame of 4-6 weeks to receive the check. I'm sending you this to let you know I received it today (4/4). Thank you for all your help."

April, 2014: Hello my name is [Customer]. I am a current customer with West Penn Power using you as my energy provider. I had spoken with one of your customer service reps a few weeks ago regarding my excessively high electric bill. They were able to help me significantly but I have a few more questions.

April, 2014: "I received my rebate check today. I have to admit, I was skeptical that I was going to receive it. I had contacted IDT through a Facebook message and I used their "contact us" link on their main website as PP&L had suggested I do. I heard back within a few days and the rep told me he was authorizing a rebate for \$675."

April, 2014: "I, for one, am very pleased with how IDT handled the situation. I spoke with [IDT Energy Customer Care Agent] on the phone and she was so pleasant to speak with about our bill, and she explained clearly what the process would be, how much our rebate would be, and the approximate date we would receive it. We got our check today, right on time with what she told me."

By Michael Sanserino / Pittsburgh Post-Gazette

April 3, 2014: As variable rate electricity bills soared through the frozen roof this bitter winter, companies that sold those rate plans came under scrutiny. In response, some of them are now offering refunds and rebates, and installing rate caps to help their customers — and to keep them from bolting for another electricity supplier.

IDT Energy, a subsidiary of Genie Energy Ltd. of Newark, N.J., has paid more than \$2.5 million in rebates to its 427,000 customers as a goodwill gesture for the unprecedented high bills. **The company did not gouge customers, said IDT Energy spokesman Bill Ulrey. Instead, the high rates reflected the prices it had to pay to supply electricity in the middle of a particularly cold winter.**

“We voluntarily decided to cushion the impact of this winter’s spike in energy costs by offering goodwill rebates to customers who called or emailed us,” Mr. Ulrey said in an email.

The company anticipates refunding more customers as it works through its backlog of complaints.

About one-quarter of IDT Energy’s customers are Pennsylvanians, and most of the rebates went to customers from Pennsylvania. More than 10,000 customers contacted the company to complain about high bills this winter.

Pennsylvania’s Public Utility Commission received more than 1,500 billing complaints about competitive electricity suppliers in January and February, about 200 more complaints than it received in all of 2013. The complaints stemmed from abnormally high electricity bills — some three times larger than normal — as a result of a polar vortex that drove up prices on the electricity spot market.

Variable rates, unlike fixed rates offered by default electric utilities such as Duquesne Light and West Penn Power, rise and fall with the daily energy market. Often, this results in savings for customers, as companies with fixed rates tend to recoup high costs in the winter with higher rates in the off-season. But this winter, customers with variable rate plans got frostbite.

At the time, PUC vice chairman John Coleman expressed concern that the well-publicized problems could hurt the competitive marketplace. “We pride ourselves in having a strong, robust marketplace,” Mr. Coleman said last month. “These situations, real or perceived, really don’t bode well for us.”

And the marketplace has indeed suffered as many customers are leaving to return to their default utility providers. In the beginning of March, 39.3 percent of Pennsylvania electricity customers had chosen an electricity supplier. In less than a month, that number has dropped to 38.8 percent, the largest such decline since Pennsylvania’s electricity marketplace was deregulated in 2010. About 10,000 customers have abandoned the competitive marketplace in favor of their default utility.

The number of consumers who have dumped variable rate plans may be much higher, as many likely have switched competitive suppliers and adopted a fixed-rate plan. The PUC keeps track only of the number of customers who have switched to a competitive supplier, not the balance between fixed and variable rates.

Companies such as IDT Energy are taking steps to stem the tide.

PUC spokeswoman Jennifer Kocher said the commission has heard from a number of customers that they have received refunds from their suppliers. “Varies from supplier, the consumer and the bill,” she said.

IDT Energy also has pledged to review its policies in light of the high complaint volume. “We have heard our customers loud and clear, and learned from our experience this winter,” Mr. Ulrey said. “Based on the input they offered, we are working on new programs that will enable us to better protect customers from sudden increases in wholesale costs.”...

Read more: <http://www.post-gazette.com/business/2014/04/03/Energy-companies-with-variable-rates-look-to-refunds-to-keep-customers/stories/201404020162#ixzz2yPQtYSc3>

By Andrew Maykuth, Inquirer Staff Writer

April 4, 2014: Two competitive electrical suppliers account for more than half of the 5,732 complaints over soaring power bills that Pennsylvania regulators have received in the last two months, according to data released Wednesday.

IDT Energy Inc. and Pennsylvania Gas & Electric Co. (PG&E), which offer variable-rate electricity deals to residential customers, were the targets of 52 percent of the complaints filed this year, according to the Public Utility Commission. A total of 66 suppliers were listed.

The PUC released the accounting after its chairman, Robert F. Powelson, on Tuesday told a legislative committee in Harrisburg that seven suppliers accounted for the bulk of the complaints the agency had received this year.

Powelson told the Senate Consumer Protection and Professional Licensure Committee that the PUC could ultimately revoke the licenses of abusive suppliers. He blamed the tumult in competitive power markets largely on "a few bad actors that might not be in this marketplace when it's all said and done."

PUC spokeswoman Jennifer Kocher cautioned that the list does not reflect any PUC finding that a violation occurred. Nor does it distinguish if the complaint was for high bills, customer-service problems, or improper marketing practices.

It is also impossible to reliably gauge the percentage of each company's customers who complained, because a supplier's market share is not made public.

Ten suppliers account for 83 percent of the complaints filed with the PUC. The top nine are strictly energy marketing companies - they don't own power plants, but buy electricity on wholesale markets and resell it to retail customers.

IDT and PG&E denied through spokesmen that they were price-gouging. Both said **they were buffeted by soaring wholesale electricity markets in January and February and passed their costs on to variable-rate customers. They said they have issued rebates totaling more than \$5 million to customers who complained.**

IDT urged policymakers to examine ways to stabilize wholesale prices. "Clearly, the current power generation market structure has not been able to supply peak demand at reasonable prices and should be overhauled," the company said in a statement...

Read more: http://articles.philly.com/2014-04-04/business/48838915_1_puc-pennsylvania-public-utility-commission-suppliers



Skyrocketing electric bills shock consumers

By Karl Polacek

March 19, 2014: “Outrageous,” said Jeff Groh, who lives with his family on Upper Sandy Hollow Road in Vanderbilt. That was his reaction to the electric bill he received in February.

He said he switched to the electricity supplier IDT Energy about 18 months ago after growing tired of the telemarketer calls that often interrupted dinner. He had been promised savings on his electric bill for his all-electric home, so he switched from West Penn Power to IDT. Things were not bad until this winter. His January bill was about \$360 for 4,200 kilowatt hours. Then he got his February bill for \$939.48 for about 4,000 kwh. He called IDT to ask why his bill was so high, **and the company told him it had to buy electricity on the spot market for a much higher rate because of the high demand.**

Groh, a bricklayer, said he often is laid off during the winter months. The weather being unusually bad this winter, he has had to depend on unemployment. The huge February bill ate up most of his monthly income. That is not all he is angry about. “Part of our agreement (with IDT) when I switched was that we were to be put on a budget plan,” Groh said. “That never happened.”

He got another shock when he called IDT to tell them he was canceling his contract with the company and switching back to West Penn Power. **“They told me I was not under contract with them,” he said.**

IDT, when contacted, said attempts have been made to help customers who were hit with the high bills. “We are working to respond to the tens of thousands of emails and phone calls we have taken from our customers regarding their bills for service during the peak of this past winter,” said an IDT spokesperson, who asked to remain unnamed. “To cushion the impact of high energy costs, we are offering goodwill rebates that bring customer bills closer to the per kilowatt hour rate they paid before the peak cold weather. We have already put more than \$2 million dollars back in the hands of our customers.”

The spokesperson said while Groh had canceled his account with IDT, the company is still providing a “substantial” rebate, which the Grohs should receive in two or three weeks.

The spokesperson said the uncommon high demand caused by the severe cold weather caused the prices paid by companies like IDT to spike. He added the rates are beginning to normalize and the spikes were experienced by all suppliers.

Groh's complaints are not uncommon. “I've received a number of complaints,” said state Rep. Deberah Kula, D-52, the district where Groh lives. “And not all of them have been from my district.” She said a legislative fix is not likely to happen quickly. A proposed piece of legislation must go through committee hearings, and then must be acted on by the Pennsylvania House and Senate...

Read more: <http://triblive.com/news/fayette/5790375-74/idt-bills-groh#ixzz2yPax6oUd>

The Grohs Received Refunds Totaling \$586



Electric customers with high bills can't reach power company

By Paul Van Osdol

March 12, 2014: By now you've probably heard the stories about skyrocketing electric bills. But WTAE has learned some frustrated consumers trying to get help are unable to reach their own electric company. The Public Utility Commission and the attorney general have been urging consumers hit with high bills to contact their electric supplier and work out a payment plan. But a dozen people told Action News Investigates they cannot get through to one company in particular - New Jersey-based IDT Energy.

Every morning Florence Felix of South Strabane was on the phone, trying to reach IDT Energy. She stayed on the line, sometimes more than an hour. Reporter Paul Van Osdol asked her what happens. "Nothing, they just say to hold, to call back or go on the email," Felix said.

Felix does not have email. But she did have big concerns about her \$300 electric bill. That's three times higher than normal.

Felix: "By the time we pay the car payment, everything else, it takes away from groceries."

Van Osdol: "So you're not going to be able to spend as much on groceries?"

Felix: "No. I try to cook something that will last for three days." And she was not just cutting back on groceries. "If you go to the doctor and you need a copay, sometimes you don't even have a copay," she said.

John Portman of Penn Township is another IDT customer who could not reach the company. "I've been making phone calls to them off and on for the last two or three days and I can never seem to get through," he said. His bill soared from \$62 in February to \$314 this month. "They should be able to respond to their customers in a timely fashion," Portman said. Van Osdol was able to reach an IDT official by phone.

Van Osdol: "They cannot get through on your customer service lines and as you can imagine that's very frustrating. Why is that happening?"

IDT Vice President Wayne Stoughton: "Absolutely, very frustrating and I sympathize. We're working diligently to cover all people and get to them. It's just that it's taking longer than we want and it's strictly due to volume."

He said the call volume is 10 times greater than normal. But he said customers hit with a rate spike will get a partial refund. "We're offering a goodwill credit as a form of goodwill to show our customers that we're not scamming them, we're not price gouging. We're simply passing along costs that were passed through to us," Stoughton said.

Read more: <http://www.wtae.com/news/electric-customers-with-high-bills-cant-reach-power-company/24942246#ixzz2yPgWn7BW>

**Florence Felix Received Refunds Totaling \$165
John Portman Received Refunds Totaling \$71**



IDT Overwhelmed With Calls, Encourages Emails To Get Relief

By John Delano

March 10, 2014: Jenny Foriska of Elizabeth is typical of many consumers on variable rate plans under Pennsylvania's choice plan. Her electricity supplier bill jumped from \$142 to over a \$1,000 last month.

"Very shocked. The amount of it was outrageous," she told KDKA money editor Jon Delano. Because of the cold weather, her usage doubled, but her rate, usually \$.07 a kilowatt hour, zoomed up to nearly \$.25.

So she called her supplier – IDT Energy — and was put on hold — and held — and held. You get one of these outrageous bills from your electricity supplier. That's bad enough. And then you try to call them. KDKA has heard from customers who say they've been put on hold for hours.

Foriska was one of them. After more than an hour, she had to hang up. "Kind of frustrated. I have two kids, trying to run after them and not getting disconnected," Foriska noted. "I apologize for that."

Wayne Stoughton of IDT apologizes, saying the IDT call center has been overwhelmed, 10 times normal levels. "Typically we get 300 or 400 calls a day, maybe 500 at most," Stoughton told KDKA's Jon Delano. "One day last week we had 5,100 calls into my call center. We can't get to everybody that quickly," he added.

Stoughton says IDT is offering what he calls a good will credit "to show them that we're not this horrible company that is price-gouging." And that credit can be substantial.

Stoughton, who has taken calls himself, says, "Here's what I'll do for you. You've got a thousand dollar bill that's normally 300 bucks. I'll give you \$600 back."

While IDT adds more people to their call center, it encourages customers to use their email address.

That's what Foriska did, and she's hopeful.

Delano: "Have you heard from anyone yet?"

Foriska: "No, no."

Read more: <http://www.wtae.com/news/electric-customers-with-high-bills-cant-reach-power-company/24942246#ixzz2yPgWn7BW>

Jenny Foriska Received Refunds Totaling \$562

IDT to refund \$2M for high electricity bills

By Stephanie Novak

March 7, 2014: IDT Energy will give back a total of about \$2 million to customers who have complained about sky-high energy bills, the company said Thursday.

The company said in a release it had received a tenfold increase in customer complaints due to increasingly cold temperatures this year. Because of the increase in customer complaints,

IDT will voluntarily offer service rebates, refunds and goodwill credits to customers during the first few months of the year, the company said.

Pennsylvania's Public Utility Commission has received 2,600 complaints from customers regarding extremely high electric bills since Feb. 28, said PUC Press Secretary Jennifer Kocher on Thursday. "The number of complaints that we have gotten since the end of February exceeds the total number of complaints for all of 2013," Kocher said.

Not all complaints relate directly to IDT, Kocher said.

IDT said that the increases were due to spikes in the cost of electricity, which jumped to \$400 per megawatt hour from \$50 per megawatt hour, according to a statement from the company.

"Like all retailers of electricity in Pennsylvania, IDT Energy has been hit hard by increases in the cost of the electricity we supply to our customers," said William Ulrey, a spokesperson for IDT.

The company said concerned customers should call (877) 887-6866, a customer service line, for assistance with bills.

PUC said it encourages customers to try reaching out to their electricity provider to dispute a bill, but in the event that a customer is unable to get a hold of their carrier, PUC can take their information and reach out to the company in order to help get a timely response.

Read more: <http://www.bizjournals.com/pittsburgh/news/2014/03/06/idp-to-refund-2-million-for-high.html>



IDT Energy responds to customer complaints, grants some 'goodwill credits'

By Gordon Loesch

March 5, 2014: After Channel 11 began reporting on skyrocketing energy bills and their link to variable-rate electric suppliers, we sought out the companies responsible. Consumers directly affected said their supplier, IDT Energy, was to blame. The company has responded to those complaints and said they are now issuing some of those customers “goodwill credits.”

Here’s the full statement issued by the company:

“Every bill for service is unique. Customers have different bill cycles and different blended rates, but we will get to everyone who has reached out to us and will offer assistance to all customers in the form of goodwill credits. By the time the market settles and costs return to more normalized levels, our customer care agents, who are 100% staffed in house and located here in the U.S., will have issued thousands of individual goodwill credits. In fact, we expect to put about \$2 million dollars in service rebates, refunds and goodwill credits back in the hands of our customers in just the first few months of this year.

In addition to fulfillment of the good-will credits, since the billing and collections functions are managed by the local utility company, we are advising customers to contact the utility in order to set up payment plans and to register for budget billing, where appropriate.

In the coming weeks, costs should come down further and our customers can expect to see their rates compare more favorably with the local utilities and fixed rate providers, who will instead seek to recover their higher incurred costs in the weeks and months ahead. We would like all consumers to be aware that utilities in particular may seek to recover their costs in the form of hidden increases - costs that are not reflected in the utility's commodity rate, but in other categories on the bill.

Essentially, this is a payment offered by IDT Energy to our customers that lowers the customer's cost for the month in question towards the rate he or she paid the previous month, even though that may be well below the rate we paid for the electricity. We recognize that a lot of folks, especially those on fixed income, cannot afford the price spike and we are doing what we can to help.

We encourage IDT Energy customers to call our toll-free customer service number: 877-887-6866 if they have questions about their energy bill. If you have trouble getting through, please try again. You may also submit a request for call back via email at operations@idtenergy.com but we ask for patience as we are overloaded with inquiries and requests for follow-up at present.

Read more: <http://www.wpxi.com/news/news/local/idt-energy-responds-customer-complaints-grants-som/nd6NW/>



IDT Energy responds to customer complaints, grants some 'goodwill credits'

By Gordon Loesch

February 21, 2014: After receiving many complaints about unusually high electric bills this winter, Channel 11 News began to investigate. And even though some people with the high bills used less electricity month-to-month, they were slammed with a bill they weren't expecting.

WPXI's Gordon Loesch spoke to one a restaurant owner in McKeesport who said she's owned her business for 20 years and has never gotten an electric bill like the one she received last month.

"How can I afford to pay these rates? It's impossible," Vicki Rizzo said.

Rizzo said her bill went from \$402 in December to \$931 in January. As it turns out, the increased bill was a result of the cost per kilowatt. Rizzo's rates jumped from 6 cents per kilowatt to nearly 23 cents per kilowatt. The same thing happened Kenneth Holland. He's a former police chief who now owns the Liberty Dairy Store. Holland said his bill more than doubled, going from \$461 to \$968. "I went and checked. This is the real bill. It's just too hard to believe," said Holland.

Both Rizzo and Holland are using IDT Energy, one of dozens of electricity suppliers that arrived three years ago when the state opened the market to competition.

IDT Energy offers what's called a variable rate which can fluctuate depending on the market.

"It's a business decision on part of the company, so unfortunately the public utility commission does not have any jurisdiction over the prices the suppliers can charge," Public Utilities Commission spokeswoman Jennifer Kocher said.

Kocher said suppliers currently don't have to give any warning about price jumps either. The agency has received about 400 new complaints about the spike in prices from several companies.

Hours before this story was set to air on Channel 11 News the PUC released a statement saying they "opened a proceeding to examine the rules, policies and consumer education measures regarding variable rate electric generation products."

IDT released a statement saying, their "prices reflect the underlying cost of electricity, which skyrocketed in January because of the unusually cold and prolonged winter weather."

While there are benefits to variable plans, Holland and Rizzo have already canceled their service and are warning others about the risk of rates that can change so drastically.

IDT Energy is not the only company offering variable rates.

A company spokesman also said that rates are beginning to normalize and decrease, and that in the long run rates should compare with local utilities.

Vikki Rizzo Received Refunds Totaling \$585
Kenneth Holland Received Refunds Totaling \$421