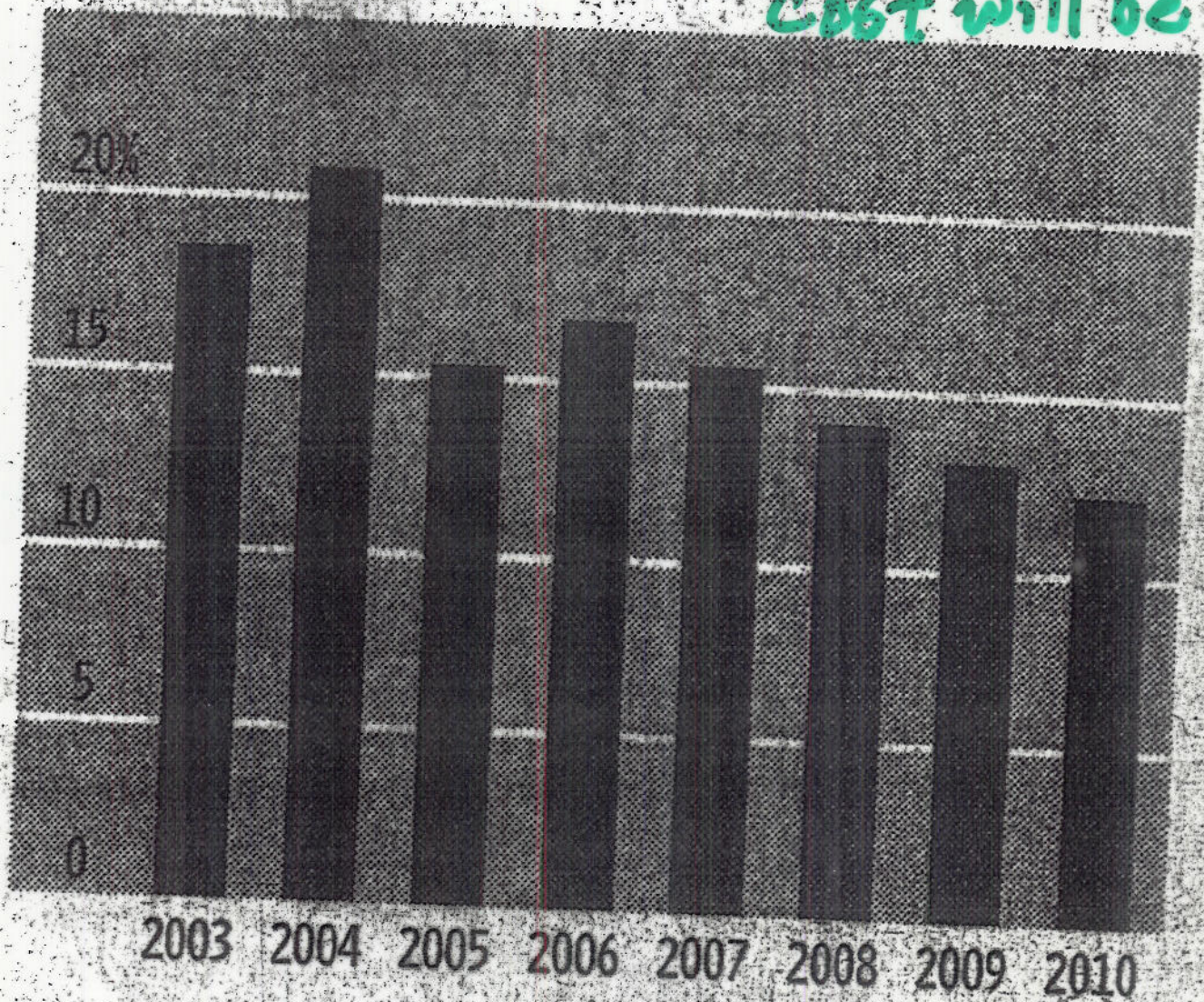


## Tighter Supply

Surplus generating capacity (as a percentage of total capacity) is headed below the 15% level generally considered necessary to cope with plant outages and peak loads

⇒ Supply ↓  
Cost will be?



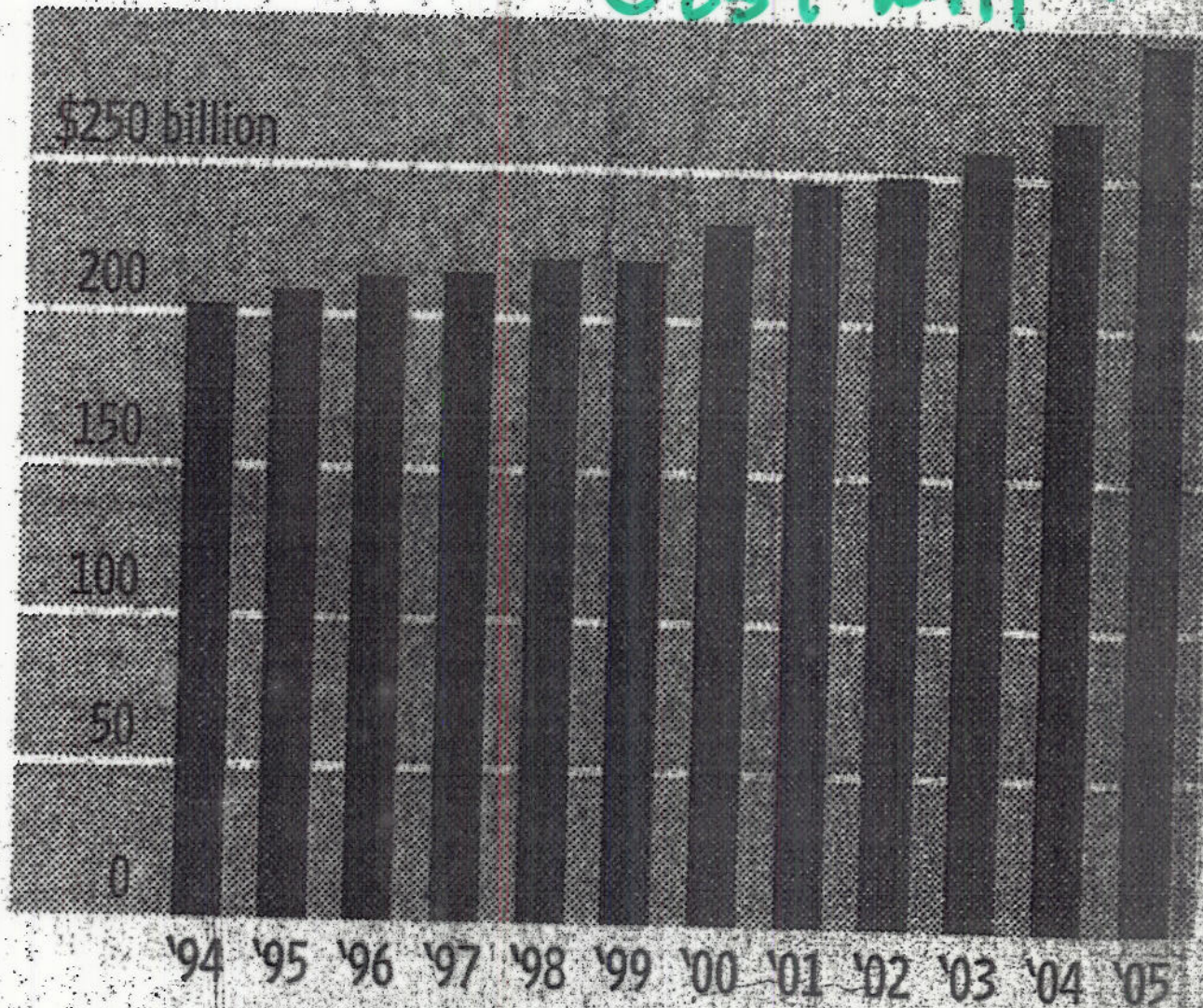
Source: Energy Information Administration, U.S. Department of Energy



## Higher Bills

Electricity sales to all users jumped to \$296 billion last year from \$203 billion in 1994, creating incentives to find ways to cut costs

Demand ↓  
Cost will?

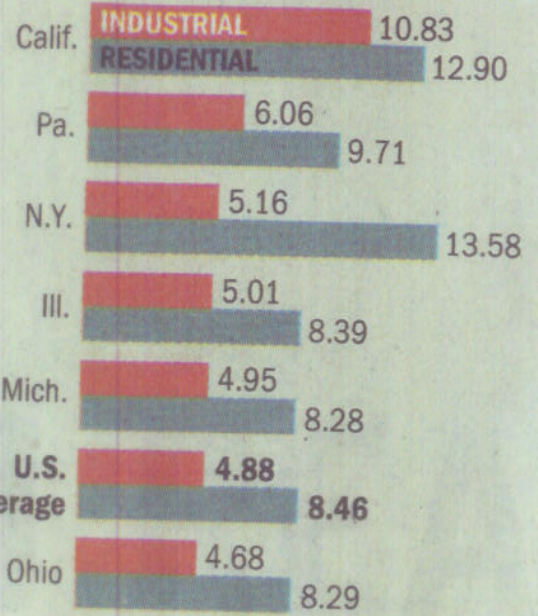
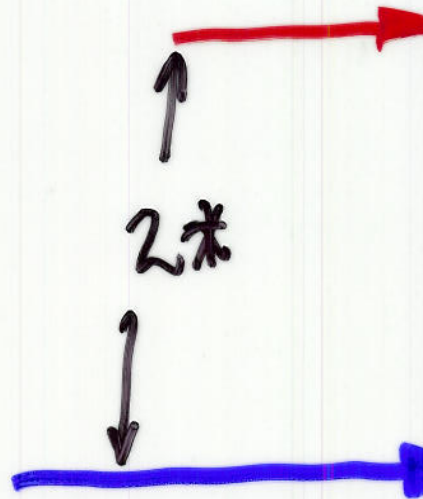


ergy



## Tangled Lines

Electric power industry's average 2002 revenue, in cents per kilowatt-hour



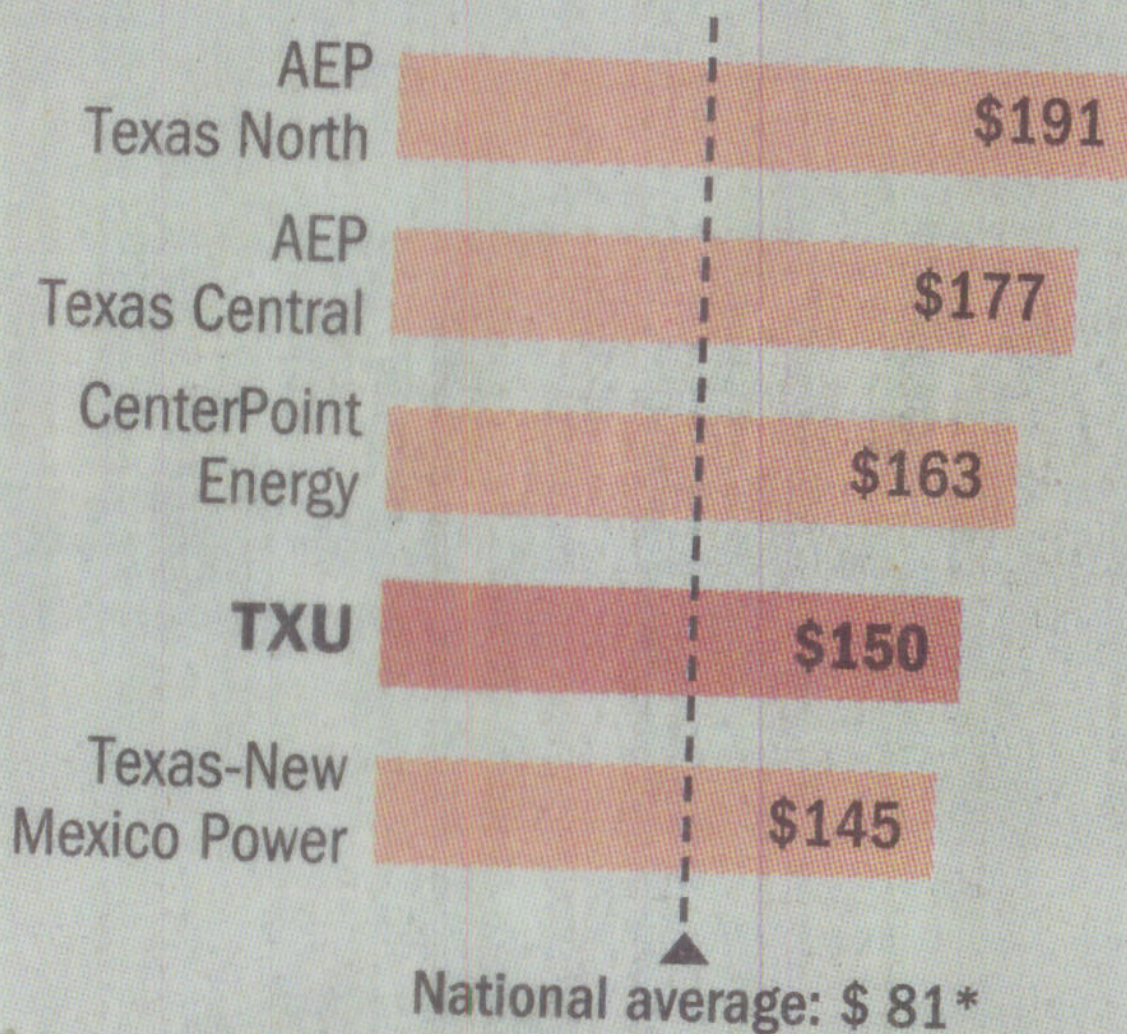
Source: Energy Information Administration

Why industrial costs < residential cost



# High Voltage

August 2006 electric bill for a household using 1,000 kilowatt-hours of power, for selected Texas companies:



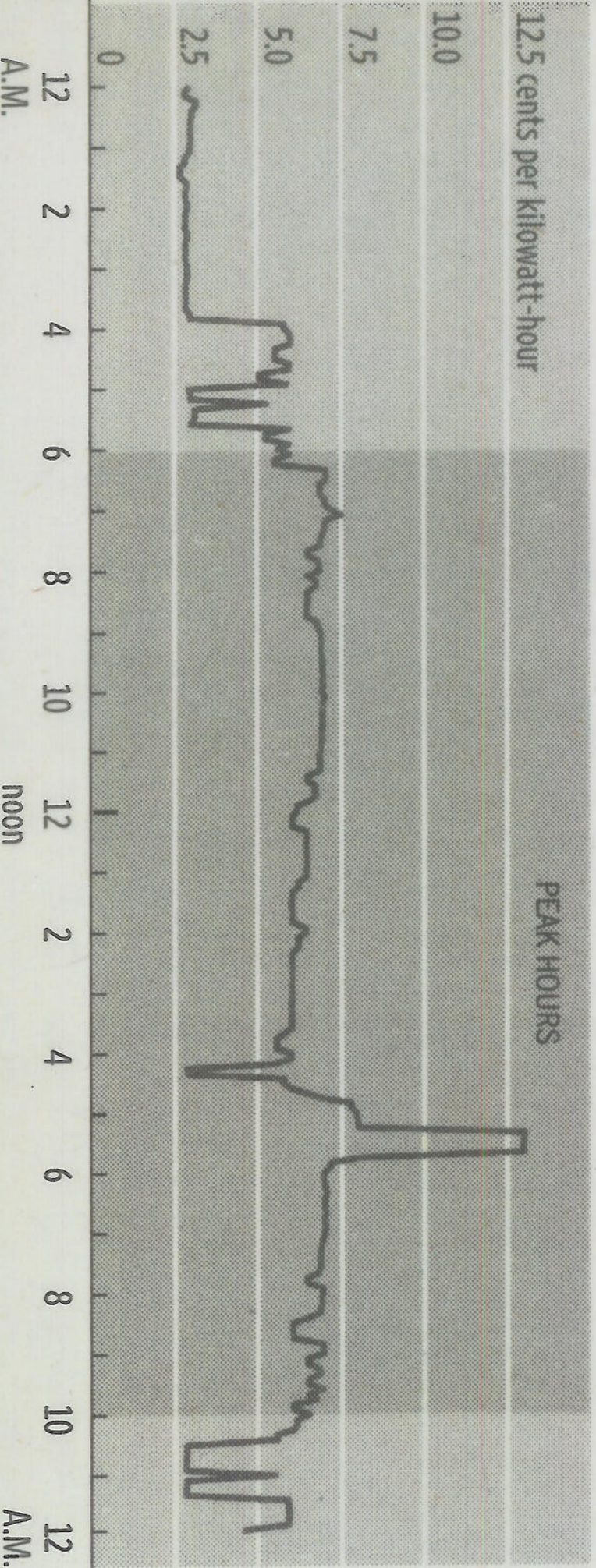
\*As of 2005

Source: Public Utility Commission of Texas



# Power Trip

How electricity was priced in five-minute intervals in the ISO New England market on Jan. 12.



Note: ISO New England runs markets to balance power supply and demand in its region. Utilities, power producers, large consumers, trading companies and alternative suppliers participate in those markets.

Source: ISO New England



