

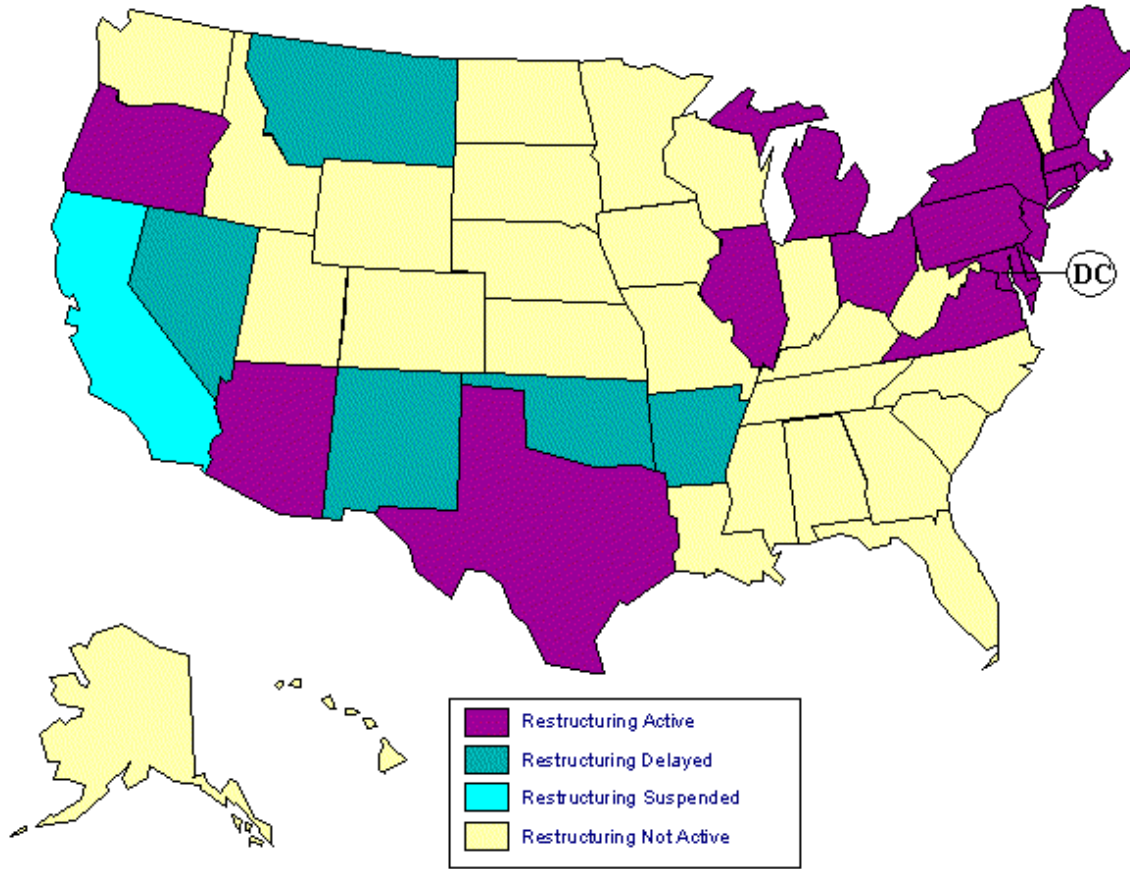
Status of State Electric Industry Restructuring Activity -- as of February 2003 --

(February 2003 was the last update. No further updates are currently planned)

[Retail Access Timeline](#)
[Customer Participation in Retail Access](#)

(Click on a State below to see
Current Restructuring Status)

Status of State
Restructuring Activity
[Table](#)



Alabama	Alaska	Arizona	Arkansas	California	Colorado
Connecticut	Delaware	District of Columbia	Florida	Georgia	Hawaii
Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky
Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota
Mississippi	Missouri	Montana	Nebraska	Nevada	New Hampshire
New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio
Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota
Tennessee	Texas	Utah	Vermont	Virginia	Washington
West Virginia	Wisconsin	Wyoming			

This site provides an overview of the status of electric industry restructuring in each state. Twenty-four states and the District of Columbia have either enacted enabling legislation or issued a regulatory order to implement retail access. The local distribution company continues to provide transmission and distribution (delivery of energy) services. Retail access allows customers to choose their own supplier of generation energy services, but each state's retail access schedule varies according to the legislative mandates or regulatory orders. The information in the "Status of State Electric Industry Restructuring Activity Map" was gathered from state public utility commissions, state legislatures, and utility company web pages.

The state activity map is coded by color to indicate each state's restructuring progress. Purple colored states are active in the restructuring process, and these states have either enacted enabling legislation or issued a regulatory order to implement retail access. Retail access is either currently available to all or some customers or will soon be available. Those states are Arizona, Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, and Virginia. In Oregon, no customers are currently participating in the State's retail access program, but the law allows nonresidential customers access. Yellow colored states are not actively pursuing restructuring. Those states are Alabama, Alaska, Colorado, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming. In West Virginia, the Legislature and Governor have not approved the Public Service Commission's restructuring plan, authorized by HB 4277. The Legislature has not passed a resolution resolving the tax issues of the PSC's plan, and no activity has occurred since early in 2001. A green colored state signifies a delay in the restructuring process or the implementation of retail access. Those states are Arkansas, Montana, Nevada, New Mexico, and Oklahoma. California is the only blue colored state because direct retail access has been suspended.

Each state has a link to several tables dedicated to summarizing regulatory orders, legislation, investigative studies, retail access, stranded costs, public benefits programs, pilot programs, and any additional information. The information is updated on a monthly basis, and gathered from a variety of sources including the state legislatures, public utility commissions, state energy commissions, Office of the Governor, and news agencies.

Source: Energy Information Administration.

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Status of State Electric Industry Restructuring Activity

Timeline as of February 2003

State	Legislative Enactment/Regulatory Order*	Access for Residential Customers	Access for Commercial and Industrial Customers	Full Retail Access for All Customers	Comments
Arizona ¹	House Bill 2663 (5/29/98) and Regulatory Settlement Orders	December 1998	December 1998	January 1, 2001	
Arkansas	Senate Bill 236 (2/20/01)	October 1, 2003	October 1, 2003	October 1, 2005	Rescheduled from original start date of October 2002
California ²	Assembly Bill 1890 (9/23/96)	March 31, 1998	March 31, 1998	March 31, 1998	Initially, retail access was due to start on January 1, 1998, but was delayed until March 31, 1998. On September 20, 2001, the provisions of AB 1890 concerning retail access were suspended.
Connecticut ³	House Bill 5005 (4/29/98)	January 1, 2000	January 1, 2000	July 1, 2000	
Delaware ⁴	House Bill 10 (3/31/99)	October 1, 2000	October 1, 1999	April 1, 2001	
District of Columbia	PSC Order 11796 (9/18/00)	January 1, 2001	January 1, 2001	January 1, 2001	
Illinois	House Bill 362 (12/16/97) and Senate Bill 24 (6/30/99)	May 1, 2002	October 1, 1999	May 1, 2002	HB 362 provides for retail access, but SB 24 extends the effective implementation date.
Maine	Legislative Directive 1804 (5/29/97)	March 1, 2000	March 1, 2000	March 1, 2000	
Maryland	Senate Bill 300 (4/8/99)	July 1, 2000	July 1, 2000	July 1, 2002	
Massachusetts	House Bill 5117 (11/25/97)	March 1, 1998	March 1, 1998	March 1, 1998	
Michigan ⁵	Senate Bills 937 and 1253 (6/3/00) and Regulatory Settlement Orders	January 1, 2002	January 1, 2002	January 1, 2002	

Montana	Senate Bill 390 (5/2/97)	July 1, 2004	July 1, 2004	July 1, 2004	Under SB 390, retail access was to be fully implemented by July 1, 2002. It has since been rescheduled until July 1, 2004.
Nevada	Assembly Bills 366 (7/16/97), 369 (4/18/01), and 661 (7/17/01)	Not Permitted Under Law	Between April 2002 and June 2002	Mid-2002 for Commercial and Industrial Customers Only	AB 369 suspended the provisions of AB 366 indefinitely for residential customers, and AB 661 allowed large commercial and industrial consumer access in mid-2002.
New Hampshire ⁶	House Bill 1392 (5/21/96), PUC Orders (2/28/97), Senate Bill 472 (5/17/00), PUC Orders (9/8/00)	July 1, 1998 to May 1, 2001	July 1, 1998 to May 1, 2001	May 1, 2001	There were legal impediments which delayed the process.
New Jersey	Assembly Bill 10/Senate Bill 5 (2/9/99) and BPU Order (7/7/99)	November 14, 1999	November 14, 1999	November 14, 1999	Procedural issues delayed implementation from the original start date of August 1, 1999.
New Mexico	Senate Bill 428 (4/8/99) and Senate Bill 266 (3/8/01)	January 1, 2007	July 1, 2008	July 1, 2008	SB 266 delayed the provisions of SB 428 until January 1, 2007 and July 1, 2008.
New York	PSC Order (5/20/96)	May 1, 1998 to July 1, 2001	May 1, 1998 to July 1, 2001	July 1, 2001	Implementation varies for each investor-owned utility.
Ohio	Senate Bill 3 (7/6/99)	January 1, 2001	January 1, 2001	January 1, 2001	
Oklahoma	Senate Bill 500 (4/25/97) and Senate Bill 440 (5/22/01)	Implementation Delayed Indefinitely	Implementation Delayed Indefinitely	Implementation Delayed Indefinitely	SB 440 delays the provisions of SB 500 indefinitely. Under SB 500, retail access would have begun on July 1, 2002.
Oregon	Senate Bill 1149 (7/23/99) and PUC Order (8/29/00) and House Bill 3633 (6/21/01)	Not Permitted Under Law	March 1, 2002	March 1, 2002 for Commercial and Industrial Customers Only	HB 3633 delayed the provisions of SB 1149 and the PUC order implementing retail access from October 1, 2001 until March 1, 2002. Subject to some reservations.
Pennsylvania	House Bill 1509 (12/3/96)	January 1, 1999	January 1, 1999	January 1, 2000	

Rhode Island	House Bill 8124 (8/7/96)	July 1, 1997	July 1, 1997	January 1, 1998	
Texas	Senate Bill 7 (5/27/99)	July 31, 2001	July 31, 2001	January 1, 2002	The pilot program was delayed from its original start date of June 1, 2001 to allow the Electric Reliability Council of Texas time to complete its operational procedures.
Virginia	Senate Bill 1269 (7/1/99)	January 1, 2002 - January 1, 2004	January 1, 2002 - January 1, 2004	January 1, 2004	
West Virginia ⁷	House Bill 4277 (3/14/98) and PSC Plan (12/20/99)	The West Virginia Legislature has not passed necessary legislation to implement retail access	The West Virginia Legislature has not passed necessary legislation to implement retail access	The West Virginia Legislature has not passed necessary legislation to implement retail access	HB 4277 authorized the PSC to submit a plan for the legislature's approval. However, the PSC plan has not been enacted pending resolution of tax issues affecting the electric utility industry.

Date in parentheses reflects either the date of the legislative enactment or the date on which the regulatory order was issued. Refer to respective Commission websites for full details.

¹ ARIZONA: Salt River Project opened 20 percent of its service territory to retail competition in December 1998, and full retail competition by June 2000. Arizona Public Service Company opened 20 percent of its retail load to competition on October 1999. Tucson Electric Power opened 20 percent of its retail load to competition on January 1, 2000.

² CALIFORNIA: On September 20, 2001, the California Public Utilities Commission suspended retail access.

³ CONNECTICUT: 35 percent of customers will be able to choose an alternate supplier by January 1, 2000 and 100 percent by July 1, 2000.

⁴ DELAWARE: The PSC ordered that the start dates for Conectiv Power residential customers was October 1, 2000, for large customers October 1, 1999, and for medium customers January 15, 2000. Delaware Electric Cooperative's residential and small business customers were eligible on April 1, 2001.

⁵ MICHIGAN: All customers of Detroit Edison and Consumers Energy, as well as cooperative customers with a peak load of 1 MW or more, will have retail access to alternative suppliers by January 1, 2002. According to Public Act 141, cooperatives are not required to offer retail access before January 1, 2005 or unbundle its rates before July 1, 2004.

⁶ NEW HAMPSHIRE: On July 1, 1998, Granite State Electric opened its retail load to competition. PSNH did not implement customer choice until May 1, 2001.

⁷ WEST VIRGINIA: Retail access under the PSC plan would have been implemented by January 2001, but the required tax reform legislation has not been enacted.

Source: Energy Information Administration.

Supplemental Direct Access Implementation Activities Report
Statewide Summary
March 15, 2002

Table 2 - Direct Access Load and Customers as of: February 28, 2002

Activities	Residential	Commercial <20 kW	Commercial 20 - 500 kW	Industrial > 500 kW	Agricultural	Unknown	Total
1) Total Direct Access Customers	48,690	10,250	10,603	1,139	325	440	71,447
2) Total UDC Customers	9,225,281	1,034,315	205,937	5,429	110,672	0	10,581,634
3) Percent Direct Access Customers	0.5%	1.0%	5.1%	21.0%	0.3%	0.0%	0.7%
4) Total Direct Access Load (KWH)	420,641,517	253,728,584	8,836,749,679	17,787,449,792	162,886,051	42,318,948	27,503,774,571
5) Total Affiliate Direct Access Load (KWH)	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential
6) Total UDC Load (KWH)	58,255,068,907	15,211,646,770	50,863,527,948	41,558,971,192	7,230,416,082	0	173,119,630,899
7) Percent Direct Access Load (KWH)	0.7%	1.7%	17.4%	42.8%	2.3%	0.0%	15.9%

*Direct access contracts executed before September 20, 2001 are still in effect. These customers also have the option of renewing these contracts or changing providers. Please see the California Public Utilities Commission's March 21, 2002 order at http://www.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/14209.htm.

Source: California Public Utilities Commission http://www.cpuc.ca.gov/static/industry/electric/electric+markets/direct+access/dasrs_present.htm

STATUS OF ELECTRIC RETAIL CHOICE IN THE DISTRICT OF COLUMBIA

Number and Share of Customers Served by Type of Supplier

Period Covered	Residential					Non-Residential					Total				
	Competitive Electricity Suppliers	Pepco (Standard Offer Service SOS)	Total	Competitive Electricity Suppliers' Share	Pepco's Share	Competitive Electricity Suppliers	Pepco (SOS)	Total	Competitive Electricity Suppliers' Share	Pepco's Share	Competitive Electricity Suppliers	Pepco (SOS)	Total	Competitive Electricity Suppliers' Share	Pepco's Share
NUMBER OF CUSTOMERS AND MARKET SHARES															
Sep-01	1,404	191,807	193,211	0.7%	99.3%	4,295	22,261	26,556	16.2%	83.8%	5,699	214,068	219,767	2.6%	97.4%
Oct-01	1,411	192,301	193,712	0.7%	99.3%	4,470	22,045	26,515	16.9%	83.1%	5,881	214,346	220,227	2.7%	97.3%
Nov-01	2,241	192,072	194,313	1.2%	98.8%	4,536	22,030	26,566	17.1%	82.9%	6,777	214,102	220,879	3.1%	96.9%
Dec-01	3,727	191,071	194,798	1.9%	98.1%	4,641	21,999	26,640	17.4%	82.6%	8,368	213,070	221,438	3.8%	96.2%
Jan-02	4,134	191,115	195,249	2.1%	97.9%	4,805	21,909	26,714	18.0%	82.0%	8,939	213,024	221,963	4.0%	96.0%
Feb-02	4,297	191,602	195,899	2.2%	97.8%	4,892	21,889	26,781	18.3%	81.7%	9,189	213,491	222,680	4.1%	95.9%
Mar-02	7,261	188,735	195,996	3.7%	96.3%	5,084	21,721	26,805	19.0%	81.0%	12,345	210,456	222,801	5.5%	94.5%
Apr-02	9,411	186,775	196,186	4.8%	95.2%	5,226	21,602	26,828	19.5%	80.5%	14,637	208,377	223,014	6.6%	93.4%
May-02	10,354	186,023	196,377	5.3%	94.7%	5,233	21,617	26,850	19.5%	80.5%	15,587	207,640	223,227	7.0%	93.0%
Jun-02	11,287	184,663	195,950	5.8%	94.2%	5,227	21,642	26,869	19.5%	80.5%	16,514	206,305	222,819	7.4%	92.6%
Jul-02	16,284	179,731	196,015	8.3%	91.7%	5,127	21,735	26,862	19.1%	80.9%	21,411	201,466	222,877	9.6%	90.4%
Aug-02	17,308	178,241	195,549	8.9%	91.1%	5,048	21,796	26,844	18.8%	81.2%	22,356	200,037	222,393	10.1%	89.9%
Sep-02	19,931	175,739	195,670	10.2%	89.8%	5,184	21,620	26,804	19.3%	80.7%	25,115	197,359	222,474	11.3%	88.7%
Oct-02	22,079	175,004	197,083	11.2%	88.8%	5,293	21,452	26,745	19.8%	80.2%	27,372	196,456	223,828	12.2%	87.8%
Nov-02	23,086	174,420	197,506	11.7%	88.3%	5,277	21,455	26,722	19.7%	80.3%	28,363	195,865	224,228	12.6%	87.4%
Dec-02	23,604	174,522	198,126	11.9%	88.1%	5,257	21,482	26,739	19.7%	80.3%	28,861	196,004	224,865	12.8%	87.2%
Jan-03	23,226	175,512	198,738	11.7%	88.3%	5,238	21,484	26,722	19.6%	80.4%	28,464	196,996	225,460	12.6%	87.4%
Feb-03	23,265	176,161	199,426	11.7%	88.3%	5,224	21,531	26,755	19.5%	80.5%	28,489	197,692	226,181	12.6%	87.4%

Source: District of Columbia's Public Service Commission,
http://www.dcpsc.org/ci/cch/elec/sum_stats_no_cons.PDF

Number of Customers Participating in Illinois' Electric Retail Access Program Since December 31, 2002

Distribution Utility Name	Number of Eligible Commercial Customers Participating	Total Number of Eligible Commercial Customers	% Switched	Number of Eligible Industrial Customers Participating	Total Number of Eligible Industrial Customers	% Switched	Total Number of Eligible Customers Participating	Total Number of Eligible Customers	% Switched
AmerenCIPS	1,540	47,030	3.3%	116	416	27.9%	1,656	47,446	3.5%
AmerenUE	0	7,283	0.0%	0	261	0.0%	0	7,544	0.0%
Central Illinois Light Company	0	23,209	0.0%	0	175	0.0%	0	23,384	0.0%
Commonwealth Edison Company	n.a	n.a	n.a	n.a.	n.a.	n.a.	25,151	532,870	4.7%
Illinois Power Company	1,150	64,231	1.8%	66	19	374.4%	1,216	64,250	1.9%
Interstate Power Company	0	2,477	0.0%	0	55	0.0%	0	2,532	0.0%
MidAmerican Energy Company	216	10,428	2.1%	2	62	3.2%	218	10,490	2.1%
Mt. Carmel Public Utility Company	0	853	0.0%	0	107	0.0%	0	960	0.0%
South Beloit Water, Electric and Gas Company	0	886	0.0%	0	46	0.0%	0	932	0.0%

*Reports do not include residential customers. Commonwealth Edison categorized customers differently so only total is shown.

Source: Illinois Commerce Commission's DASR/Customer Switching Reports : <http://www.icc.state.il.us/icc/ec/docs.asp#dasr>

Maine's Electricity Load Served by Competitive Providers as of January 1, 2003

Percentage of Customers Being Served by Competitive Providers

Customer Category	Central Maine	Bangor-Hydro	Maine Public
	Power Company	Electric Company	Service Company
Residential/Small			
Commercial	<1%	<1%	31%
Medium	28%	30%	63%
Large	73%	31%	100%
Total	33%	17%	57%

Total state load served by competitive providers: 32%

Number of Customers Served by Competitive Providers

Customer Category	Central Maine	Bangor-Hydro	Maine Public
	Power Company	Electric Company	Service Company
Residential/Small			
Commercial	113	148	5713
Medium	2038	332	167
Large	176	11	15
Total	2327	491	5895

Source: Maine Public Utilities Commission,
<http://www.state.me.us/mpuc/electric%20restructuring/migrationrates.htm>

Electric Choice Enrollment Monthly Report
All Utilities Where Choice is Available in Maryland
Month Ending February 28, 2003

		Number of Accounts Served by Electric Suppliers		
Distribution Utility		Residential	Non-Residential	Total
Allegheny Power		0	2	2
Baltimore Gas and Electric		15	672	687
Conectiv Power Delivery		0	521	521
Potomac Electric Power		66,584	11,634	78,218
Total		66,599	12,829	79,428
		Total Number of Distribution Service Accounts		
Distribution Utility		Residential	Non-Residential	Total
Allegheny Power		198,365	26,728	225,093
Baltimore Gas and Electric		1,055,513	114,424	1,169,937
Conectiv Power Delivery		165,340	27,850	193,190
Potomac Electric Power		452,038	46,619	498,657
Total		1,871,256	215,621	2,086,877
		Percentage of Customers Enrolled with an Electric Supplier		
Distribution Utility		Residential	Non-Residential	Total
Allegheny Power		0.0%	0.0%	0.0%
Baltimore Gas and Electric		0.0%	0.6%	0.1%
Conectiv Power Delivery		0.0%	1.9%	0.3%
Potomac Electric Power		14.7%	25.0%	15.7%
Total		3.6%	5.9%	3.8%
		Total Demand in MW (Peak Load Obligation) Served by Electric Suppliers		
Distribution Utility		Residential	Non-Residential	Total
Allegheny Power		0.00	0.00	0.00
Baltimore Gas and Electric		0.04	1,030.15	1,030.19
Conectiv Power Delivery		0.00	53.10	53.10
Potomac Electric Power		263.00	789.00	1,052.00
Total		263.04	1,872.25	2,135.29
		Total Peak Load Obligation for all Distribution Accounts		
Distribution Utility		Residential	Non-Residential	Total
Allegheny Power		745.50	878.10	1,623.60
Baltimore Gas and Electric		3,439.73	3,472.81	6,912.54
Conectiv Power Delivery		446.00	388.00	834.00
Potomac Electric Power		1,669.00	1,754.00	3,423.00
Total		6,300.23	6,492.91	12,793.14

			Percentage of Peak Load Obligation Served by Electric Suppliers		
Distribution Utility			Residential	Non-Residential	Total
Allegheny Power			0.0%	0.0%	0.0%
Baltimore Gas and Electric			0.0%	29.7%	14.9%
Conectiv Power Delivery			0.0%	13.7%	6.4%
Potomac Electric Power			15.8%	45.0%	30.7%
Total			4.2%	28.8%	16.7%
			Number of Electric Suppliers Serving Enrolled Customers		
Distribution Utility			Residential	Non-Residential	Both
Allegheny Power			0	1	0
Baltimore Gas and Electric			0	6	1
Conectiv Power Delivery			0	3	0
Potomac Electric Power			0	0	2
<p>Note: The number of suppliers listed in the "Residential" column serve only residential customers; suppliers in the "Non-Residential" column serve only non-residential customers and the suppliers in the "Both" column service both residential and non-residential customers.</p>					

Source: Maryland Public Service Commission,

<http://www.psc.state.md.us/psc/electric/enrollmentrpt.htm>

Massachusetts' Electric Power Customer Migration Data January 2003

Customer Class	Incumbent Generation				Competitive Generation	
	Total Number of Standard Offer Service Customers	kWh Used by Standard Offer Customers for Month	Total Number of Default Service Customers	kWh Used by Default Service Customers for Month	Total Number of Competitive Generation Customers	kWh of Competitive Generation Used for Month
Residential - Non Low Income	1,361,450	1,145,842,493	625,832	406,864,758	56,197	39,615,549
Residential - Low Income	149,594	104,265,198	1,953	1,058,162	954	807,911
Residential - Time-Of-Use	374	2,653,525	70	211,267	7	33,036
Small Commercial & Industrial	147,111	238,046,199	80,129	111,083,312	21,809	42,133,732
Medium Commercial & Industrial	29,980	392,575,656	13,528	136,977,116	5,266	110,103,883
Large Commercial & Industrial	3,274	686,848,169	1,379	198,849,670	1,861	670,088,453
Farms	541	1,503,263	51	76,420	2	7,978
Street Lights	12,312	24,286,432	1,990	3,473,828	1,371	9,517,455
Total Sales to Ultimate Consumers	1,704,636	2,596,020,934	724,932	858,594,533	87,467	872,307,997

Source: Massachusetts Division of Energy Resources, Electric Power Customer Migration Data, http://www.state.ma.us/doer/pub_info/migrate.htm

NEW JERSEY ELECTRIC STATISTICS

December 15, 2002

Number of Customers/Accounts Being Served by Competitive Suppliers

Distribution Company	Residential	Non-Residential	Report Date
Conectiv	426	471	11/29/02
Jersey Central Power & Light	344	56	10/31/02
Public Service Electric & Gas	1,157	119	11/30/02
Rockland Electric Company	0	0	10/31/02
Statewide Total	1,927	646	2,573

Total Number of Customers by Distribution Company

Distribution Company	Residential	Non-Residential	Total
Conectiv	451,403	62,205	513,608
Jersey Central Power & Light	921,570	116,443	1,038,013
Public Service Electric & Gas	1,751,134	277,775	2,028,909
Rockland Electric Company	61,892	8,726	70,618
Statewide Total	3,185,999	465,149	3,651,148

Amount of Load in MW Being Served

Distribution Company	By EDC	By TPS	Report Date
Conectiv	2,358	133.4	11/29/02
Jersey Central Power & Light	5,841	187.2	10/31/02
Public Service Electric & Gas	9,857	37.6	11/30/02
Rockland Electric Company	452	0	10/31/02
Statewide Total	18,508	358.2	18,866

Source: New Jersey Board of Public Utilities,<http://www.bpu.state.nj.us/wwwroot/energy/electswitchdata.htm>

NYS Electric Retail Access Migration Report as of December 30, 2002

December 2002 Summary Report						
Utility	Total		Non-Residential		Residential	
	Migrated Customer Accounts	Migrated Load (MWh)	Migrated Customer Accounts	Migrated Load (MWh)	Migrated Customer Accounts	Migrated Load (MWh)
Central Hudson	91	57,210	53	57,171	38	39
Con Edison	160,605	990,499	22,726	925,872	137,879	64,627
LIPA	14,979	51,047	2,816	41,403	12,163	9,644
New York State Electric & Gas	28,300	179,516	8,106	159,070	20,194	20,446
Niagara Mohawk	84,327	470,274	16,831	414,357	67,496	55,917
Orange & Rockland Utilities	48,527	111,993	6,165	79,658	42,362	32,335
Rochester Gas & Electric	48,288	156,026	8,713	125,962	39,575	30,064
New York State *	385,117	2,016,565	65,410	1,803,493	319,707	213,072
December 2002 Statewide Comparison Report						
New York State*	Total		Non-Residential		Residential	
	Customer Accounts	Load (MWh)	Customer Accounts	Load (MWh)	Customer Accounts	Load (MWh)
Customer & Load Migration	385,117	2,016,565	65,410	1,803,493	319,707	213,072
Total Eligible	7,328,179	9,789,859	916,625	6,015,026	6,411,554	3,774,833
% Migration	5.30%	20.60%	7.10%	30.00%	5.00%	5.60%
% Change from November 2002	-0.80%	5.00%	0.50%	3.70%	-1.10%	16.50%
November 2002 Customer & Load Migration	388,308	1,921,280	65,079	1,738,370	323,229	182,910
% Change from December 2001	-2.70%	7.30%	-1.00%	5.00%	-3.00%	32.30%
December 2001 Customer & Load Migration	395,670	1,879,140	66,039	1,718,085	329,631	161,056
*Data does not include New York Power Authority Municipals, and small regulated utilities.						

LIPA	Customer & Load Migration	14,979	51,047	2,816	41,403	12,163	9,644
	Total Eligible	1,084,069	1,598,712	116,756	858,030	967,313	740,682
	% Migration	1.40%	3.20%	2.40%	4.80%	1.30%	1.30%
	% Change from November 2002	-27.20%	-25.50%	-12.90%	-24.40%	-29.80%	-29.80%
	November 2002 Customer & Load Migration	20,566	68,486	3,233	54,743	17,333	13,743
	% Change from December 2001	-82.20%	-88.50%	-83.30%	-90.00%	-82.00%	-65.20%
	December 2001 Customer & Load Migration	84,327	442,034	16,831	414,357	67,496	27,677
NMPC	Customer & Load Migration	84,327	470,274	16,831	414,357	67,496	55,917
	Total Eligible	1,510,654	2,322,900	153,056	1,404,287	1,357,598	918,613
	% Migration	5.60%	20.20%	11.00%	29.50%	5.00%	6.10%
	% Change from November 2002	0.80%	-4.50%	1.10%	-7.20%	0.80%	22.90%
	November 2002 Customer & Load Migration	83,623	492,193	16,656	446,686	66,967	45,507
	% Change from December 2001	70.00%	83.80%	78.90%	71.50%	68.00%	292.70%
	December 2001 Customer & Load Migration	49,594	255,850	9,409	241,613	40,185	14,238
NYSEG	Customer & Load Migration	28,300	179,516	8,106	159,070	20,194	20,446
	Total Eligible	866,399	1,064,723	111,836	536,840	754,563	527,883
	% Migration	3.30%	16.90%	7.20%	29.60%	2.70%	3.90%

	% Change from November 2002	0.60%	2.10%	1.00%	-0.20%	0.50%	25.10%
	November 2002 Customer & Load Migration	28,125	175,809	8,022	159,467	20,103	16,342
	% Change from December 2001	-3.80%	24.30%	6.30%	25.80%	-7.30%	13.90%
	December 2001 Customer & Load Migration	29,406	144,372	7,623	126,417	21,783	17,955
ORU	Customer & Load Migration	48,527	111,993	6,165	79,658	42,362	32,335
	Total Eligible	211,900	325,048	29,440	206,160	182,460	118,888
	% Migration	22.90%	34.50%	20.90%	38.60%	23.20%	27.20%
	% Change from November 2002	18.90%	25.20%	7.60%	15.90%	20.70%	56.30%
	November 2002 Customer & Load Migration	40,812	89,444	5,729	68,752	35,083	20,692
	% Change from December 2001	14.00%	42.90%	12.10%	46.00%	14.30%	35.60%
	December 2001 Customer & Load Migration	42,577	78,392	5,501	54,545	37,076	23,847
RGE	Customer & Load Migration	48,288	156,026	8,713	125,962	39,575	30,064
	Total Eligible	314,763	519,026	30,316	305,095	284,447	213,931
	% Migration	15.30%	30.10%	28.70%	41.30%	13.90%	14.10%
	% Change from November 2002	-0.10%	15.70%	0.40%	17.40%	-0.20%	9.20%

	November 2002 Customer & Load Migration	48,331	134,837	8,675	107,299	39,656	27,538
	% Change from December 2001	25.40%	27.90%	13.70%	23.60%	28.40%	49.80%
	December 2001 Customer & Load Migration	38,492	121,969	7,663	101,897	30,829	20,072

Source: New York Public Service Commission,
[http://www.dps.state.ny.us/Electric RA Migration.htm](http://www.dps.state.ny.us/Electric_RA_Migration.htm)

Public Utilities Commission of Ohio's Summary of Switch Rates from Electric Distribution Utilities (EDU) to Certified Retail Electric Suppliers (CRES) in Terms of Customers For the Month Ending December 31, 2002

Provider Name	EDU Service Area	Quarter Ending	Year	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Cleveland Electric Illuminating Company	CEI	31-Dec	2002	260,391	30,050	1,806	305,457
CRES Providers	CEI	31-Dec	2002	397,447	43,804	610	441,861
Total Customers	CEI	31-Dec	2002	657,838	73,854	2,416	747,318
EDU Share	CEI	31-Dec	2002	39.58%	40.69%	74.75%	40.87%
Electric Choice Customer Switch Rates	CEI	31-Dec	2002	60.42%	59.31%	25.25%	59.13%
The Cincinnati Gas & Electric Company	CGE	31-Dec	2002	560,352	64,934	2,585	632,100
CRES Providers	CGE	31-Dec	2002	14,009	2,338	73	16,420
Total Customers	CGE	31-Dec	2002	574,361	67,272	2,658	648,520
EDU Share	CGE	31-Dec	2002	97.56%	96.52%	97.25%	97.47%
Electric Choice Customer Switch Rates	CGE	31-Dec	2002	2.44%	3.48%	2.75%	2.53%
Columbus Southern Power Company	CSP	31-Dec	2002	608,543	79,144	3,173	691,158
CRES Providers	CSP	31-Dec	2002	0	1,132	0	1,132
Total Customers	CSP	31-Dec	2002	608,543	80,276	3,173	692,290
EDU Share	CSP	31-Dec	2002	100.00%	98.59%	100.00%	99.84%
Electric Choice Customer Switch Rates	CSP	31-Dec	2002	0.00%	1.41%	0.00%	0.16%
The Dayton Power and Light Company	DPL	31-Dec	2002	449,153	47,203	1,816	504,409
CRES Providers	DPL	31-Dec	2002	0	172	85	284
Total Customers	DPL	31-Dec	2002	449,153	47,375	1,901	504,693
EDU Share	DPL	31-Dec	2002	100.00%	99.64%	95.53%	99.94%
Electric Choice Customer Switch Rates	DPL	31-Dec	2002	0.00%	0.36%	4.47%	0.06%
Monongahela Power Company	MON	31-Dec	2002	24,097	3,261	917	28,302
CRES Providers	MON	31-Dec	2002	0	0	0	0
Total Customers	MON	31-Dec	2002	24,097	3,261	917	28,302
EDU Share	MON	31-Dec	2002	100.00%	100.00%	100.00%	100.00%
Electric Choice Customer Switch Rates	MON	31-Dec	2002	0.00%	0.00%	0.00%	0.00%
Ohio Edison Company	OE	31-Dec	2002	680,833	79,984	683	777,360
CRES Providers	OE	31-Dec	2002	237,030	26,143	305	263,478
Total Customers	OE	31-Dec	2002	917,863	106,127	988	1,040,838
EDU Share	OE	31-Dec	2002	74.18%	75.37%	69.13%	74.69%
Electric Choice Customer Switch Rates	OE	31-Dec	2002	25.82%	24.63%	30.87%	25.31%
Ohio Power Company	OP	31-Dec	2002	603,668	102,484	8,985	717,853
CRES Providers	OP	31-Dec	2002	0	0	0	0
Total Customers	OP	31-Dec	2002	603,668	102,484	8,985	717,853
EDU Share	OP	31-Dec	2002	100.00%	100.00%	100.00%	100.00%
Electric Choice Customer Switch Rates	OP	31-Dec	2002	0.00%	0.00%	0.00%	0.00%
Toledo Edison Company	TE	31-Dec	2002	154,387	25,841	187	180,871
CRES Providers	TE	31-Dec	2002	107,925	17,582	47	125,554
Total Customers	TE	31-Dec	2002	262,312	43,423	234	306,425
EDU Share	TE	31-Dec	2002	58.86%	59.51%	79.91%	59.03%
Electric Choice Customer Switch Rates	TE	31-Dec	2002	41.14%	40.49%	20.09%	40.97%

Source: Public Utilities Commission of Ohio, Electric Customer Choice Switch Rates,

http://www.puco.ohio.gov/ohioutil/MarketMonitoring/ECC_Switch_Rates_Summary/Summary_of_Switch_Rates_CUS_1Q_2002_02-06-05.pdf

Note 1: Total customers includes residential, commercial, industrial and other customers.

Note 2: The switch rate calculation is intended to present the broadest possible picture of the state of retail electric competition in Ohio. Appropriate calculation made for other purposes may be based on different data, and may yield different results.

Status Report
Oregon Electric Industry Restructuring
(March, 2003)

Portfolio Options*	PGE	PP&L
Fixed Renewable	5,861	3,975
Renewable Usage	10,311	8,498
Habitat	4,392	2,048
Time-of-use	2,053	1,462
Seasonal Flux	N/A	1,192
Eligible Customers	730,927	486,000

*Available to residential and small nonresidential customers. Customers may, in certain circumstances, choose more than one option.

Direct Access and Standard Offer Service
Nonresidential Customer Choice (based on load):

	Cost of Service	Type of Service Market Options	Direct Access
PGE	89%	11%	0%
PP&L	99.7%	0.3%	0.0%

Certified Electricity Service Suppliers: 7
Registered Electricity Service Aggregators: 8

Source: Oregon Public Utility Commission's Electric Restructuring Monthly Status Report,
<http://www.puc.state.or.us/erestruc/indices/statrpt.htm>

Pennsylvania Electric Shopping Statistics as of January 1, 2003

Number of Customers Served by an Alternative Supplier				
	Residential	Commercial	Industrial	Total
Allegheny Power	967	90	0	1,057
Duquesne Light	141,284	10,427	477	152,188
MetEd/Penelec*	2,788	390	110	3,288
PECO Energy**	104,116	11,743	172	116,031
Penn Power	584	31	0	615
PPL	1,966	3,059	153	5,178
UGI	69	3	0	72
Total	251,774	25,743	912	278,429

* FirstEnergy Companies formerly part of GPU.

**Includes 31,901 residential customers assigned to Green Mountain's Competitive Discount Service (CDS). Does not include 161,774 former NewPower CDS customers now served by PECO on a CDS rate.

Percentage of Customers Served by an Alternative Supplier				
	Residential	Commercial	Industrial	Total
Allegheny Power	0.2%	0.1%	0.0%	0.2%
Duquesne Light	26.8%	17.6%	30.7%	25.9%
MetEd/Penelec*	0.4%	0.3%	2.4%	0.3%
PECO Energy**	7.6%	7.7%	5.5%	7.6%
Penn Power	0.4%	0.2%	0.0%	0.4%
PPL	0.2%	2.0%	3.0%	0.4%
UGI	0.1%	0.04%	--	0.1%

* FirstEnergy Companies formerly part of GPU.

** Includes 2.3% of PECO's residential customers assigned to Green Mountain's Competitive Discount Service (CDS). Does not include 11.8% of PECO's residential customers, who are former NewPower CDS customers, that are now served by PECO on a CDS rate.

Totals may differ due to rounding.

Customer Load (MW) Served by an Alternative Supplier				
	Residential	Commercial	Industrial	Total
Allegheny Power	2.2	0.2	0.0	2.4
Duquesne Light	314.8	633.9	144.1	1,092.9
MetEd/Penelec*	6.0	49.0	356.0	411.0
PECO Energy**	240.4	239.5	165.8	645.8
Penn Power	2.4	0.6	0.0	3.0
PPL	5.6	194.2	142.0	342.0
UGI	0.1	0.1	--	0.2
Total	571.5	1,117.5	807.9	2,497.3

* FirstEnergy Companies formerly part of GPU.

** Includes 72.8 MW from residential customers assigned to Green Mountain's Competitive Discount Service (CDS). Does not include 355.7 MW of CDS load for former NewPower customers now served by PECO on a CDS rate.

Totals may differ due to rounding.

Percentage of Customer Load (MW) Served by an Alternative Supplier				
	Residential	Commercial	Industrial	Total
Allegheny Power	0.1%	0.0%	0.0%	0.1%
Duquesne Light*	25.2%	29.8%	21.0%	26.9%
MetEd/Penelec**	0.3%	2.9%	30.0%	8.1%
PECO Energy***	8.4%	10.1%	6.5%	8.3%
Penn Power	0.3%	0.2%	0.0%	0.2%
PPL	0.2%	10.2%	10.1%	5.1%
UGI	Not Available	Not Available	--	0.1%

* FirstEnergy Companies formerly part of GPU.

** Includes 2.5% of PECO's residential customer load (MW) assigned to Green Mountain's Competitive Discount Service (CDS). Does not include 12.4% of PECO's residential customer load from former NewPower CDS customers that are now served by PECO on a CDS rate.

Totals may differ due to rounding.

Source: Pennsylvania Office of Consumer Advocate,
<http://www.oca.state.pa.us/cinfo/instat.htm>

Total Switch Requests as of February 7, 2003

TDSP	Completed	In Review	Scheduled	Total
Oncor	310,599	832	26,192	337,623
CenterPoint	239,277	2,874	19,106	261,257
CPL	51,180	64	9,065	60,309
TNMP	8,866	22	912	9,800
WTU	13,086	50	1,688	14,824
SESCO	0	1	1	2
Total	623,008	3,843	56,964	683,815

Source: Public Utility Commission of Texas, February 2003 Report Card on Retail

Competition, <http://www.puc.state.tx.us/electric/projects/25645/rptcrd/feb03rptcrd.pdf>

Status of State Electric Industry Restructuring Activity
-- as of February 2003 --

Links to State Public Utility Commission Web Sites	Links to Detailed Restructuring Activity Tables [Retail Access] [Stranded Costs] [Public Benefits Programs] [Pilot Programs] [Additional Information]	Status of State Restructuring Activity Map
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Alabama

Regulatory Orders

10/00: The PSC closed the formal inquiry into restructuring in the State of Alabama. They will continue to monitor activity in other States and at the federal level through less-formal channels. The decision came after the PSC commissioners reviewed the Staff Electric Industry Restructuring Task Force's Report on the Public Interest and Role of Commission. On the matter of Public Interest, the report stated that it has not been demonstrated that all consumers in Alabama would continue to receive adequate, safe, reliable, and efficient energy services at fair and reasonable prices under a restructured retail market at this time. On the matter of Role of the Commission, the report stated that the "Commission can not mandate or otherwise allow retail competition or electric industry restructuring without state enabling legislation." It was also stated that the ultimate role of the Commission both during and after a transition to competition will depend on the form restructuring takes in Alabama.

2/00: Following the recommendations in Interim Report No.1, the PSC scheduled hearings to address two key issues: whether electric power industry restructuring for competition is in the best interests of the consumers in Alabama and the regulatory authority of the PSC in a market-based system.

4/99: Final comments were filed in response to the PSC June 1998 Order soliciting comments on electric utility industry restructuring. As a result, Interim Report No. 1 was issued by the Task Force in September 1999.

4/98: PSC issued an order to establish the instant docket, APSC Docket 26427. In June 1998 the PSC issued a Scheduling Order posing questions to address various issues, with comments due in August. (Three extensions were subsequently requested, with the final comments due April 1999.) A series of workshops were scheduled in 1999 on market power, stranded costs, service reliability and other issues to aid the PSC in decision making.

12/96: The PSC Advisory Staff issued a white paper, "The Electricity Industry and Restructuring." The paper led to the creation of a Staff Electric Industry Task Force to explore the potential results of deregulating the electricity industry in Alabama.

Legislation

5/96: SB 306, "The Electricity Customer Severance Law," enacted. The law provides utilities the opportunity to collect from customers who leave their system the amount of stranded costs associated with the customers' service.

Investigative Studies	<p>10/00: The Staff Electric Industry Restructuring Task Force issued the "Report on the Public Interest and Role of Commission," after receiving and analyzing all interested parties comments to its February 2000 Inquiry.</p> <p>11/99: The Staff Electric Industry Restructuring Task Force Interim Report No. I was received by the PSC in September 1999. Comments from interested parties were received and reviewed. The PSC issued recommendations for hearings in early 2000 to address two key issues: whether restructuring is in Alabama's public interest and the regulatory/jurisdictional role of the PSC. The report defines "being in the public interest" as resulting in greater economic efficiency for all consumers. The task force believes some statutory change and policy guidance from the State Legislature will be necessary to implement a move to an efficient open market form of controlled retail competition from the present cost-based monopoly. (In February 2000, the PSC set the inquiry for April 2000.)</p> <p>4/99: A study released by the University of Alabama, Auburn University, sponsored by the State's cooperative utilities, estimates that rates in Alabama could rise 6 percent under retail competition. The study recommends a slow approach to restructuring and further study.</p> <p>6/98: The PSC began a formal investigation into restructuring the electric power industry, as ordered in April 1998 docket, by issuing a Scheduling Order posing a number of questions dealing with the issues of restructuring for competition. Comments from interested parties were received and analyzed, and a report prepared (Interim Report No. 1, September 1999).</p> <p>12/97: The PSC approved a draft report on restructuring the electric industry, "Report and Policy Development Plan of the Staff Electric Industry Restructuring Task Force," issued in October 1997. The report recommended that a phased study of restructuring be instituted by the PSC to determine the extent the public interest would be affected by restructuring and competition (the PSC established Docket 26427 in April 1998 for this purpose).</p>
Links to Tables on Restructuring Issues	<p>[Stranded Costs]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Alabama Public Service Commission] [Alabama Power] [Alabama Legislature]</p>

Alaska

Regulatory Orders	<p>9/01: The Regulatory Commission of Alaska issued an order ending the inquiry into retail electric utility restructuring and competition in Alaska and closing docket R-9710. According to the RCA's order, "projections of any potential benefits are too speculative at this time."</p> <p>7/99: The legislature disbanded the Public Utility Commission and assigned its responsibilities to the newly named Regulatory Commission of Alaska (RCA). Five new commissioners were sworn in July 1, 1999.</p>
Legislation	<p>5/99: Under Title 42 Chapter 4 Section 10 of the Alaska State Code, the Alaska Public Utility Commission became the Regulatory Commission of Alaska with five new commissioners.</p> <p>8/98: The Alaska State Legislative Joint Committee, established to develop recommendations for the legislature on electric industry restructuring (due in January 1999) conducted its first hearing. The Alaska Rural Electric Cooperative Association stated that due to the isolation and unique characteristics of Alaska's rural electric industry, it should be left out of any restructuring plans. Chugach Electric Association, the State's largest electric utility, stated that consumers would benefit if the State embraced a broad policy of allowing competition.</p> <p>5/98: House Concurrent Resolution No. 34 established a Joint Committee on Electric Utility Restructuring.</p>
Investigative Studies	<p>6/99: The final version of CH2M Hill's Study of Electric Utility Restructuring in Alaska requested by the PUC was presented on June 30, 1999. Most of the recommendations targeted the Railbelt (Anchorage and Fairbanks). Included were: consideration of retail pilot programs, encouragement of power trading markets, creation of a central dispatch point and an ISO, and consolidation of administrative functions and introduction of new technologies such as fuel cells and microturbines for rural systems.</p> <p>3/99: The Alaska State Legislature Joint Committee issued its report, Recommendations to the Alaska State Legislature and Alaska Public Utilities Commission Regarding a Retail Pilot Program. The report recommended the 21st legislature address restructuring and decide if statutory changes for the PUC are necessary to implement pilot programs or retail access.</p> <p>10/98: Black and Veatch issued their Power Pooling/Central Dispatch Planning Study Final Report to the Alaska Public Utilities Commission and the Rainbelt Utilities.</p>
Links to Tables on Restructuring Issues	<p>[Retail Access] [Public Benefits Programs]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Regulatory Commission of Alaska] [RCA restructuring page] [Chugach Electric Assn Inc] [Golden Valley Electric Assn Inc] [Matanuska Electric Association] [Municipal Light & Power]</p>

Arizona

Regulatory Orders

9/02:The Arizona Corporation Commission (ACC) issued its [final order](#) on Track A issues. The order instructed the Arizona Public Service Company (APS) and the Tucson Electric Power Company (TEP) "to cancel any plans to divest interests in any generating assets." The order also stated that the previous decisions dealing with the amount of power purchased through a competitive bid process are put on hold. The Commission has designated this issue part of Track B, which will deal with the entire "competitive solicitation process." The ACC specifically stated that if APS pursues acquiring Pinnacle West Energy Corporation's generating assets, then these generating assets cannot "be counted as APS assets in determining the amount, timing and manner of the competitive solicitation process." In addition, the order establishes the Electric Competition Advisory Group, and the ACC staff will "prepare and file reports detailing the activities of the Advisory Group." This order is effective immediately.

8/02: Due of the lack of competition in the state, the Arizona Corporation Commission (ACC) nullified a section of the restructuring law that requires divestiture of generation assets. Arizona's restructuring law does not allow former monopoly utilities to own power plants so the utilities must "move their power plants into a separate subsidiary or sell them to another unrelated company." According to an ACC [press release](#), the Commission stated that the Arizona Public Service Company (APS) and Tucson Electric Power (TEP) "have market power" in their service territories, and "full divestiture would limit the jurisdictional ability of the Commission to protect Arizonans from market power abuses." Also, APS is required to "file a separate application to transfer generating assets from Pinnacle West Energy Corporation to APS." The ACC will discuss this requirement in an upcoming docket.

7/02: An ACC Administrative Law Judge issued a recommendation on electric restructuring issues. In the [order](#), the ACC staff concluded that "the wholesale market is not currently workably competitive; therefore, reliance on that market will not result in just and reasonable rates." The recommended order delays divestiture of generation assets until July 1, 2004, and "removes the requirement that 100 percent of power purchased for Standard Offer Service shall be acquired from the competitive market, with at least 50 percent through a competitive bid process." The recommended order also forms the Electric Competition Advisory Group, and directs the ACC staff to submit periodic reports on the group's activities. Arizona Public Service Company and Tucson Electric Power Company would be required to obtain excess power from "the competitive procurement process as developed in the Track B process." Track B, Competitive Solicitation issues, will be dealt with in another order, and the commission must vote on this order, which will take effect immediately if approved.

	<p>100 percent recovery of \$450 million in stranded costs collected by a Competition Transition Charge (CTC) and recovery of the balance of the \$638 million in stranded costs through a "floating" CTC. Twenty percent of the load in TEP's territory will be open to competition by January 2000, and all by January 2001. Rates will be reduced by 1 percent and frozen through 2008. TEP's generation assets are to be transferred to an affiliate company by the end of 2002.</p> <p>9/99: The ACC approved APS's restructuring settlement agreement. APS will open 20 percent of the load in its territory to competition on October 1, 1999. Residential rates will be reduced 7.5 percent over a 4-year period, and large customer rates 5 percent over a 3-year period. APS may collect \$350 million in stranded costs over 5 years. Small commercial customers may aggregate loads. APS is to be the provider of last resort, and must provide adequate transmission import and distribution capability.</p> <p>4/99: The ACC approved a new plan with 4 options for stranded cost recovery and will begin retail competition with 20 percent of consumers later this year and all consumers by January 1, 2001. Utilities must file their proposals for stranded cost recovery by June. The solar portfolio standard was eliminated as too costly. A hearing process will consider whether to adopt a renewable resource requirement that would include all renewables.</p> <p>1/99: The ACC delayed competition due to a State Supreme Court decision against the restructuring plans of Arizona Public Service Company and Tucson Electric Power. At issue are the settlements for stranded costs. Also, with the election of a new commissioner on the ACC, the solar portfolio requirement is likely to be dismantled.</p> <p>8/98: The ACC approved final rules for restructuring the investor-owned utilities in the State (Arizona Public Service and Tucson Electric Power). Retail competition is to phase-in over 2 years beginning January 1, 1999 with large customers. Utilities are to file restructuring plans by September 1998. Plans should include divestiture of all generation assets for utilities to recover 100 percent of stranded costs and rate cuts of 5 percent for residential consumers. The rules retain the 1996 draft order's solar portfolio standard.</p>
Legislation	<p>5/98: HB 2663 was enacted and affirmed the ACC's authority to require utilities to open territories to retail competition. The bill extended restructuring to municipals and other publicly owned utilities, such as the Salt River Project, which opened its territory to retail access on December 31, 1998.</p>
Investigative Studies	<p>1997: Work group reports were submitted to the ACC and the Joint Legislative Committee on: retail access schedule, taxes, stranded costs, consumer protections, and the roles of the ACC and legislative committee.</p>
Links to Tables on Restructuring Issues	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Arizona Corporation Commission] [ACC Electric Competition page] [Arizona Residential Utility Consumer Office] [Arizona Department of Commerce Energy Page] [Arizona Public Service] [Tucson Electric Power] [Salt River Project] [Arizona State Legislature]</p>

Arkansas

Regulatory Orders

11/01: The Arkansas Public Service Commission (PSC) issued an order that postponed the October 18, 2001, scheduled hearing regarding delaying the implementation of retail competition in Arkansas. The hearing is now scheduled for November 1, 2001.

8/01: Responding to the requirements of Act 324, which delays implementation of retail open access until October 2003, but allows the PSC to further delay open access until no later than October 2005, the PSC issued a request for utilities to provide an analysis of prices customers may pay for electric generation service under open access as compared to continued regulation and to provide information needed to evaluate the readiness of both the retail and the wholesale markets for implementation of retail open access. A public hearing is set for October 18, 2001 to consider these issues.

10/00: The PSC opened a docket to study the electric power market. The PSC wants to ensure that the power supply problems and price spikes that occurred in California in the summer of 2000 do not occur in Arkansas when restructuring begins in 2002. The State's utilities have suggested delaying the start for competition until October 1, 2003, or October 1, 2005 at the latest. Current legislation requires the retail market to open by June 30, 2003 at the latest. The PSC, utilities and Attorney General's office all agree that the original timetable is unlikely, but disagree on when competition will begin in the State. The PSC is to present its recommendation to the legislature in mid-November 2000.

8/00: In an effort to deregulate by 2002, the PSC is asking utilities to examine whether or not they have market power. Once a utility provides an analysis, the PSC will issue an order determining if, in fact, that utility does have market power. If it is deemed that the utility does have market power, it must submit a mitigation plan, followed by a public hearing and a final PSC order to eliminate that market power.

12/99: The PSC issued Rules for Electric Affiliates and for Energy Provider licensing. The PSC will issue a series of reports to facilitate implementation of retail competition. Reports are due on: tax issues and the financial impact on local governments; progress reports on competition and its impact on the price(s) of electricity; and standards of conduct for electric service providers.

5/98: The PSC concluded hearings on when and how to open the electric market to retail competition. Entergy and two other utilities agreed competition should not begin before January 1, 2002, when the neighboring States of Oklahoma and Texas expect to open their markets.

12/97: The PSC decided to conduct public hearings in 1998 to address restructuring issues. Four dockets were established to investigate the specific issues. A report with recommendations is due to the General Assembly by October 1998.

Legislation

3/01: SB 236 was signed into law, [Act 324](#). The Act delays the start of deregulation from January 2002 to October 2003. The PSC is also authorized to initiate further delays based on the adequacy of the state's transmission system and generating capacity to support a competitive market.

4/99: Senate Bill 791, a compromise of the two bills introduced in February, was passed by the General Assembly and signed by the Governor. [Act 1556](#) (Bill 791) will restructure the electric power industry in the State and allow retail access by January 2002. Stranded costs may be recovered via a competitive transition charge and the sale of bonds. Rates will be frozen for 3 years for utilities seeking stranded cost recovery and one year for those that do not. The PSC can force divestiture of generation assets to alleviate market power, and can decide if stockholders should share stranded costs recovery with ratepayers. Utilities are required to functionally unbundle generation, transmission, distribution, and customer service and file unbundled rates with the PSC by January 1, 2000. Municipal utilities are given the option of participating in retail access, and may aggregate retail loads upon filing unbundled distribution rates with the PSC.

4/97: The General Assembly requested, with Senate Resolution 24, a study on competition in the electric industry. A series of hearings were held through 1998 and a report was due by January 1999. A restructuring bill is expected to be introduced in 1999.

Investigative Studies

12/01: The PSC submitted its [Report to the General Assembly Pursuant to Act 324 of 2001 on the Development of a Competitive Electric Market and Possible Impact on Consumers](#) on December 20, 2001. The report assesses the progress of restructuring in the Arkansas electric industry. The PSC recommended that the General Assembly either completely suspend the current statute to date further into the future or repeal the laws related to retail open access. The recommendations were based on the current absence of an operating regional transmission organization and the lack of evidence that customers, especially residential and small commercial customers, would realize a net price benefit from retail open access. In comments from the PSC staff, it was also stated that in order for competition to exist, improvements to the transmission system are needed to assure that the major load centers in Arkansas have equal and reasonably unconstrained access to generation supplies.

9/01: A [study](#) conducted for the PUC by energy consultants, La Capra Associates, concluded that the wholesale markets were not sufficiently developed at this time to support successful retail competition, nor were the utilities prepared to handle the customer switching functions necessary under retail choice. The PUC will hold a scheduled hearing on October 18, 2001, to consider the views of the PUC staff, utilities, and consumer groups on further delaying the implementation of retail competition in Arkansas. Under current restructuring legislation, the PUC may delay retail access, now scheduled for October 2003, until as late as October 2005. Further delay would necessitate legislative action.

11/00: The Public Service Commission issued the [Report on Electric Restructuring to the Arkansas General Assembly](#) on November 29, 2000. The PSC recommended the date for deregulation be extended from the original timeframe in the restructuring legislation of January 1, 2002, through June 30, 2003, to October 1, 2003, through October 1, 2005. The PSC will present the report and recommendations to the Joint Insurance and Commerce Committees of the General Assembly on November 30, 2000. The extension will allow more time for the wholesale market to develop and the new federally-regulated transmission organizations to develop and become operational.

	<p>8/00: The Report on Electric Restructuring of the Arkansas Public Service Commission to the Joint Insurance and Commerce Committee describes the activities the PSC has undertaken to implement Act 1556.</p> <p>7/00: The PSC released its Report of the Arkansas Public Service Commission on Mandatory Rate Reductions for Electric Utilities on July 13, 2000. According to the report, the state legislature cannot pass a comprehensive rate reduction without the direct consent of the utilities and an economic evaluation. The PSC has the power to determine if a utility's rates are "unjust and unreasonable," and then decrease them. Therefore, residential and small business customers who elect standard service over participation in the retail choice program will not receive a comprehensive rate reduction during the rate freeze period unless the stated criteria is met.</p> <p>10/98: The final report, Report on Restructuring the Arkansas Electric Utility Industry, was released by the PSC. The report recommends retail competition no later than January 1, 2002 and asks the legislature to act in 1999 on restructuring giving the PSC authority to implement retail competition and determine stranded costs and appropriate recovery methods, including securitization.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[Arkansas Public Service Commission] [PSC restructuring page] [Arkansas General Assembly] [Entergy]</p>

California [California Electricity Situation Status](#)

Regulatory Orders

12/02: In accordance with Assembly Bill 57, the California Public Utilities Commission (CPUC) approved procurement plans for Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric as well as an [operating order](#) and servicing orders. The utilities were allowed to buy power starting January 1, 2003, thus relinquishing responsibility from the California Department of Water Resources. According to a PUC [press release](#), the operating order describes how the utilities "will perform the operational, dispatch, and administrative functions for DWR's Long-Term Power Purchase Contracts." The commission also approved servicing orders between the utilities and the DWR, but the orders are only amendments to the current arrangements because neither party has been able to agree on a final arrangement.

10/02: In accordance with Assembly Bill 57, the California Public Utilities Commission (CPUC) approved an [interim order](#) that allows the Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric to buy their own power starting January 1, 2003. The utilities are responsible for submitting their short-term procurement plans by November 12, 2002 and their long-term plans by April 1, 2003. After the CPUC has approved each utility's plan, the Department of Water Resources will no longer be responsible for procuring power for Californians. The CPUC also set January 6, 2003 as the date that interested parties should file a proposed procedural process and schedule to implement Senate Bill 1078.

7/02: The Federal Energy Regulatory Commission issued two orders on July 17, 2002. The [first order](#) was a response to the California ISO's Market Design 2002 Proposal. According to the [first FERC press release](#), FERC extended "the current West-wide requirement that all generators offer all uncommitted power for sale," "set a \$250/megawatthour (MWh) bid cap for all sales in the Western Energy Coordinating Council (WECC) beginning October 1, 2002," and set the California ISO's maximum clearing price at \$91.87. The [second order](#) required the California ISO to elect a new independent two-tiered Governing Board by January 1, 2003. According to the [second FERC press release](#), the first tier would be made up of "independent, non-stakeholders" with "sole decision-making authority," and the second tier would be "an advisory committee of stakeholders that may make recommendations."

3/02: The CPUC voted to keep September 20, 2001 as the suspension date for direct access. According to the PUC's [decision](#), customers can renew their contracts or change their electricity providers if they had contracts as of September 20, 2001. The CPUC is hoping to impose an exit fee on these customers to provide DWR with more funds to cover the cost of purchasing power. Exit fees will be dealt with in a separate proceeding and order.

2/02: The CPUC issued two decisions regarding the adoption of a [rate agreement](#) between the CPUC and the Department of Water Resources and cost recovery of the agency's [revenue requirements](#) for purchasing power under ABX 1. In the first decision, the PUC adopted a rate agreement that allows the DWR to issue bonds to repay over \$10 billion in debt, including over \$6 billion to California's General Fund. In the second decision, the CPUC agreed to implement a cost recovery mechanism for DWR's revised revenue requirements for power purchases made on

behalf of the state's three largest utilities: Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric. The revenue requirement for the period covering January 17, 2001 through December 31, 2002 is \$9 billion, which is significantly lower than the original requirement. The PUC adopted a 9.295 per kilowatt-hour charge for PG&E customers, 9.744 cents per kWh for SCE customers, and 7.285 cents per kWh for SDG&E customers. According to the CPUC revenue requirement order, "these charges shall apply to each DWR-supplied kWh included on bills rendered on or after March 15, 2002."

10/01: The CPUC suspended retail choice in California. The CPUC estimates that about 5 percent of the State's peak load of 46,000 MW is currently under direct access contracts, mostly with large industrial customers. Contracts in place will be allowed to continue until their expiration.

10/01: The PUC and Southern California Edison reached a settlement concerning the lawsuit filed by SCE against the CPUC in November 2000. SCE claimed the PUC had violated federal law and unconstitutionally took property by its actions in not providing sufficient retail rates for SCE. The settlement is intended to restore SCE's creditworthiness and enable it to begin purchasing power for its retail customers, limit ratepayers' cost of paying off SCE debt, and enable SCE to pay its debt over a reasonable, certain period of time.

6/01: The CPUC set a tiered rate structure for the 3-cent per kilowatt-hour increase adopted March 27, 2001. Residential customers of Pacific Gas & Electric and Southern California Edison will see rate increases of between zero and 80 percent, depending on their usage. Those using below 130 percent of the baseline amount and exempted or low income consumers will see no increase. The tiered structure gradually increases the percentage of increase to 80 percent for customers who use over 300 percent of the baseline amount. Commercial rates will increase between 34 and 45 percent, industrial rates will increase an average of 50 percent, and agricultural rates will increase 15 to 20 percent. The new rates will begin June 1, 2001.

6/01: The Federal Energy Regulatory Commission [FERC] extended and broadened its price mitigation and market monitoring plan (issued in April 2001). The [price mitigation plan](#) will now apply to spot market sales 24 hours a day, 7 days a week, in all 11 States in the Western Systems Coordinating Council. The formula to calculate the market clearing price is changed to reflect the marginal cost of replacing gas used for generation, based on gas prices reported in Gas Daily for three spot market prices in California, adjust operating and maintenance expense upward, and eliminate the emission costs from the calculation (emission costs will be invoiced to the CA ISO and recovered separately). The price mitigation efforts will now apply to all spot market prices. When operating reserves are above 7 percent, the prices may not exceed 85 percent of the highest hourly price that was in effect during the most recent Stage 1 reserve deficiency period called by the ISO.

4/01: The FERC announced [a plan for market monitoring and price mitigation](#) designed to bring price relief to the California market and price certainty to buyers and sellers while promoting energy conservation and encouraging investment in generation and transmission. During periods when operating reserves fall below 7 percent, the market clearing price will be based on the highest bid of the highest cost gas-fired unit located in California that is needed to serve the CA ISO load on any day in which a reserve deficiency is called. The gas-fired generators are

required to submit their heat and emission rates to the FERC and the CA ISO, and the ISO will calculate the marginal cost for each generator, including operating and maintenance costs. Prices during the period of operating reserve deficiency will be limited to the marginal costs of the highest cost (as calculated by the ISO) generator brought online to meet demand.

3/01: The FERC issued an order to 13 power sellers in the California market to either make refunds for power sales above the proxy market clearing price during stage three emergencies or provide further justification of their prices. FERC also released a staff report on proposed long-term market mitigation measures, a replacement market monitoring plan expected to be in place by May 2001.

3/01: The CPUC approved substantial rate increases of over 40 percent, effective May 2001, for customers of two of the State's major investor-owned utilities; most of the increase is marked for reimbursement to the State (DWR) for the power it is purchasing for those customers. Low income customers are exempt from the increases. The portion of rates that the two utilities retain is still effectively under the rate freeze. The CPUC has not ruled out that more rate increases may be necessary in the future, since the accumulated debt of over \$13 billion the two utilities face has not been resolved.

1/01: The CPUC released the audits of Southern California Edison and Pacific Gas & Electric which were required in the recent CPUC decision to allow temporary one cent rate increases for the two utilities.

1/01: The FERC issued, on January 29, a compliance order to the Cal PX seeking to enforce the December 15 order provision that ensured sellers into the PX market who bid in excess of \$150/MWh only receive their actual bids, rather than the highest bid price. In response, the Cal PX has suspended its day-ahead and day-of-market operations, as of January 31, 2001. The Cal PX has filed an emergency motion with the court requesting a stay of the December 15th order. Earlier in January, Cal PX announced it is taking steps to downsize its operations by 15 percent. Southern California Edison and PG&E were suspended from trading on the PX said they defaulted under the agreed upon tariff and rate schedule.

1/01: The CPUC issued an interim order that provides rate relief for Southern California Edison and PG&E. Retail rates are increased by one cent per kWh for all rate classes. This means a 7 to 15 percent increase, whereas the utilities had requested 26 and 30 percent increases. The CPUC will request an independent audit of the two utilities to determine the need for the rate increases, which are subject to refund provisions if not found to be just and reasonable costs.

1/01: Southern California Edison won a major component of its lawsuit against the CPUC. The court upheld the utility's right to recover just and reasonable costs for serving its customers as required by law. Southern Cal and PG&E have experienced increasing losses, totaling \$12 billion by January 2001, due to the escalating wholesale prices at the PX and the inability to collect adequate revenues to recover these costs of procuring power because retail rates are frozen at a much lower rate. A trail is scheduled to determine that the costs were just and reasonable.

1/01: The CPUC suspended penalties for interruptible rate schedule customers who fail to curtail power usage under emergency conditions. Due to the unexpected extent of curtailment requests in recent months, especially January 2001, there was determined to be a threat to the public health, safety, and welfare due to the

inability of customers who participate in the interruptible programs, particularly the two petroleum pipeline companies, to continue operations, or face severe monetary penalties for operating during the energy emergency situations. The result created a shortage of and corresponding price increases for gasoline and diesel in California. The pipelines will be allowed to operate for 7 consecutive days to bring supplies back up to normal levels, and the CPUC expressed its hope that customers on interruptible schedules would continue to curtail power usage as much as possible in the absence of penalties. The CPUC is planning on reassessing the interruptible programs in the State and is planning to issue a report addressing these issues.

12/00: In its [December 15 Order](#) Directing Remedies to the California Wholesale Markets, the FERC ended the mandatory PX "buy/sell" requirement, thus allowing utilities to sell their own power directly to retail customers and enter into long-term bilateral contracts for purchasing power. The PX rate schedule will end on April 30, 2001. Power provided by the spot market should decrease to about 5 percent of the load. To ensure that the real-time markets are just and reasonable, the Order provides for appropriate real-time market monitoring and price mitigation for ISO and PX spot markets. In order to encourage less reliance on the real-time, or spot, market, the FERC imposed a \$150 soft cap on wholesale prices. Bids above the \$150 cap will not set the market clearing price, and their costs must be verified. Additionally, the Order requires the current stakeholder board at the ISO be replaced with a non-stakeholder board. Meanwhile, decision making and operating control has been turned over to the management of the ISO, retaining the current board in an advisory position until the new board is seated in April. For a listing of FERC orders addressing the energy situation in California see the [FERC Bulk Power Markets](#) web page.

10/00: San Diego Gas & Electric (SDG&E) received approval from the CPUC to negotiate long-term power contracts. SDG&E will now be able to hedge electricity prices in an effort to protect against volatile price spikes like the ones that occurred this past summer. Southern California Edison (SCE) and Pacific Gas and Electric (PG&E) were recently granted approval to negotiate long-term contracts.

8/00: At an emergency CPUC meeting called by Governor Davis, the CPUC approved a rate stabilization plan for SDG&E customers on August 21. The CPUC rejected a price freeze, saying it was unclear who would have to pay the difference in wholesale energy costs. The plan, which is retroactive to June 1, 2000, states that consumers who use 500 kWh or less per month will pay no more than \$68/month for electricity through the end of January 2001. The rates for those customers will then increase to \$75/month through the end of December 2001. Any additional power consumed beyond 500 kWh would be charged at market-based rates. Caps were also outlined for small commercial customers.

8/00: The CPUC on August 3 ruled in favor of a petition by utilities PG&E and Southern California Edison (SCE) to enter into bilateral agreements with generators at set prices to shield the utilities and consumers from volatile price spikes. SCE and PG&E will be allowed to contact third-party suppliers via the Cal PX to negotiate contracts to buy power at set rates for up to five years. The five-year agreements will serve to hedge against price spikes during periods of high demand and low reserves.

8/00: On August 2, the president of the CPUC and the chairman of California's Electricity Oversight Board (EOB) released a report that addressed blackouts in the PG&E service territory in early June 2000 and the volatile wholesale market prices that are affecting retail rates to SDG&E consumers. The report cited California's high demand and limited generating capacity as the main reasons for the blackout. Governor Davis responded to the report by ordering the California Attorney General to form a task force to investigate California's wholesale market.

7/00: San Diego Gas & Electric and the California PX recently proposed a solution to the CPUC for alleviating the price volatility experienced by SDG&E customers this summer. The market-based bidding program proposed to the CPUC will allow SDG&E to bid for power within the CalPX for longer periods into the future using the existing Block Forward Market products. This will enable the company to purchase power at lower prices during periods of high demand, avoiding the price spikes associated with summer heat and increasing demand such as experienced in Southern California this spring and summer. Approval has been requested at the August 3 meeting of the CPUC.

10/99: The CPUC issued its opinion on distributed generation. Addressed were concerns with reliability, safety, and non-discrimination in distributed generation interconnections with the utilities. Issues also included developing definitions for distributed generation, defining the role of the distribution company, environmental impacts, and ownership and control issues with distributed generation.

6/99: The CPUC approved San Diego Gas & Electric's proposal to end its rate freeze on July 1, 1999. The end of the transition period for SDG&E comes two and a half years early, as SDG&E sold their power plants substantially above book value and thus completed recovery of stranded costs.

6/99: The CPUC began public hearings on opening distribution services to competition. The formal opening of the PUC proceeding in December 1998 resulted in responses from numerous stakeholders including utilities, industrial and agricultural groups, cogenerators, and marketers. The process of opening distribution services to competition is likely to prove as complex as the opening of generation services has, with some suggesting that waiting until the transition period for moving generation to competition is completed before attempting to open distribution to competition.

4/98: The CPUC issued the final order officially opening the electric industry market to competition as of March 31, 1998 for all consumers in investor-owned utilities' service territories. Control of 70 percent of the State's transmission lines was transferred to the California ISO.

3/98: The CPUC issued regulations to protect consumers from fraud and market abuses. To operate in the State, competitive suppliers must provide clear information on price, service, and generation sources; use a standard bill format; provide proof of technical, operational, and financial capability; and post a \$25,000 bond.

12/97: The CPUC delayed the starting date for retail competition to March 31, 1998, due to additional time needed to test software at the ISO and PX.

12/95: The CPUC issued its final order calling for the restructuring the electric power industry and allowing consumers direct access to competitive suppliers of electric power. Originally, the CPUC plan was to phase in consumer direct access,

but later was amended to allow retail access for all consumers simultaneously, beginning January 1, 1998.

1994: The CPUC issued the "blue book" which initiated a study of electric power industry restructuring in California.

Legislation

9/02: Governor Davis signed several bills this month to strengthen energy infrastructure, protect the State's energy market and provide for cleaner and affordable energy. [Assembly Bill 57](#) provides that utilities can start buying power no later than January 1, 2003. The California Public Utilities Commission must review each utility's plan before it can resume these duties. [Senate Bill 1078](#) "establishes the California Renewables Portfolio Standard for California." Utilities are required to increase the use of renewable energy by 1 percent per year until 20 percent of retail sales are generated from renewables. Investor-owned utilities and direct access providers must reach the 20 percent mark by 2017.

5/01: [SBX1 6](#), a bill to create the California Consumer Power and Conservation Financing Authority, was signed into law by the Governor. The main objective of the new authority is to ensure that California has an adequate supply of power at reasonable prices. The new agency has the authority to construct new power plants and transmission projects, issue as much as \$5 billion in bonds, and direct new energy efficiency programs, renewable energy programs, and efficiency and environmental improvements to existing power plants.

3/01: Governor Davis issued a series of Executive Orders designed to expedite the construction and permitting of generation capacity and boost the output from existing generation capacity in the State. The orders provide incentives for renewable and distributed generation, bonuses for completing construction and bringing a plant online by July 2001, and a funding mechanism to help plants install emission control equipment and pay mitigation fees to compensate for increased operations. He is anticipating an addition of 5000 MW by the summer of 2001, another 5000 MW by 2002, and a total of 20,000 MW by 2004.

2/01: The Governor issued an executive order for a conservation program. The \$800 million program includes incentives to reduce commercial lighting, a public media campaign, and appliance rebates. Businesses are required to reduce outdoor lighting by half during non-business hours.

2/01: Legislation, [ABX1 1](#), was signed into law by the governor. This legislation will allow the state Department of Water Resources to purchase power under long-term contracts and sell the power to consumers through utilities. The DWR is authorized to sell \$10 billion in revenue bonds to fund the power purchases, which cannot be funded through the state treasury. The bonds will be paid through electricity rates over the next ten years. Rate increases are authorized after the 2002 election. Additionally, the law provides another \$500 million for the DWR to continue its purchasing of power in the short-term. The DWR has already spent over \$400 million under provisions of AB 7 to purchase power in order to prevent major blackouts in the State.

1/01: [ABX1 5](#), [ABX1 6](#), and [SBX1 7](#), were all passed into law in January. These bills address the state's energy crisis. The ISO has issued a Stage Three Electrical Emergency for almost every day in January. Stage Three means that reserves have fallen to below 1.5 percent, and rolling blackouts may be required to maintain system integrity. AB 5 requires, as ordered in the December 15 order by the FERC, the current stakeholder board of the ISO be replaced with nonstakeholders

appointed by the governor. AB 5 also requires the ISO to publish a list of the plants that are not operational each day on its [Internet site](#). AB 6 Requires generating plants owned by utilities in California prior to June 1997 remain under CPUC jurisdiction and cannot be sold before January 2006. The CPUC will require the output of utility-owned plants be available for California consumers. SB 7 authorized the Department of Water Resources to spend \$400 million to purchase electricity and sell it to consumers through the utilities. The utilities (Southern California Edison and Pacific Gas & Electric) have become unable to purchase electricity to meet their consumers' demands due to their inability to obtain financing. Both utilities' credit ratings were downgraded to "junk bond" status as their debts for purchased power increased and their ability to pay their power bills decreased. Escalating wholesale prices at the PX where utilities were required to purchase power under AB 1890 together with the required retail rate caps which prevented the utilities from recovering the costs of the wholesale purchases resulted in losses totaling around \$12 billion for both utilities. Both utilities have stated that they may go into bankruptcy.

9/00: Revised legislation, [AB 265](#) (formerly AB2290), was signed into law. The law caps electricity rates for San Diego Gas and Electric (SDG&E) residential, small commercial, and lighting customers at 6.5 cents/kWh through December 31, 2002, retroactive to June 1, 2000. The CPUC can extend the rate freeze through December 2003 if they feel it is in the public interest to do so. The law mandates the CPUC to initiate a voluntary program for large commercial, agricultural, and industrial customers of SDG&E to also set the energy component of their bills at 6.5 cents/kWh with a true-up after one year.

9/00: The governor signed [AB 970](#), legislation that accelerates the power plant siting approval process. AB 970 reduces the California Energy Commission (CEC) licensing process from 12 months to 6 months for plants and creates a "green team" to help provide guidance and assistance with the permitting process. The law will be in effect until January 1, 2004.

10/99: Under [SB 418](#), ratepayers can receive "a fair and reasonable credit" if any surplus profits are made from selling rate reduction bonds.

9/99: [SB 96](#) creates the five member Electricity Oversight Board to manage the Independent System Operator and Power Exchange. Governing boards will be appointed by the Electricity Oversight Board to administer the Independent System Operator and Power Exchange.

9/99: [AB 811](#) determines how customers can obtain an energy credit from the Power Exchange.

7/99: [SB 1159](#) provides for consumer protections against slamming or unauthorized transfers of service. Independent third party verification companies can provide confirmation of a change in electric service providers.

10/97: [SB 90](#) was enacted to provide administrative guidelines for the renewables program under AB 1890. The California Energy Commission was given authority to administer the funds collected for renewable energy technologies support.

10/97: [SB 1305](#) was enacted to require retail suppliers of electricity to disclose the sources of generation to customers; report fuel type and consumption to system operators who will make the information available to the CEC; and report emissions, purchased power, losses, and retail sales.

8/97: [SB 477](#) corrects a definition in AB 1890 and expands consumer protections.

	<p>9/96: AB 1890 was enacted to restructure the California electric utility industry and implement retail direct access. The law requires the creation of an ISO to operate the transmission system and a PX (both subject to FERC approval) to operate a wholesale power market through which the IOU's must sell to and buy from all power needed to serve their customers; divestiture of power plants (except hydro and nuclear) by the investor-owned utilities; recovery of stranded costs via a Competition Transition Charge on customer bills until 2002; a 10-percent rate reduction (financed by issuing bonds that will be repaid by a charge on customers' bills over a ten year period) and a rate freeze at 1996 levels for small and residential customers for the transition period of 4 years (through March 2002); continued energy efficiency and renewable energy programs and low-income customer programs funded by public purpose program charge on customer bills; and numerous protections from any detrimental effects of the restructuring aimed at small consumers and utility employees.</p>
<p>Investigative Studies</p>	<p>The "Blue Book" was issued recommending a restructured electric power industry and retail access to lower electricity prices in California.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access and Rates] [Stranded Costs] [Public Benefits Programs] [Pilot Programs] [Additional Information]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[California Energy Commission] [California Public Utility Commission] [California Legislature] [California Independent System Operator] [California Department of Water Resources] [PacifiCorp] [Pacific Gas & Electric] [Sacramento Municipal Utility District] [San Diego Gas & Electric] [Southern California Edison] [Los Angeles Department of Water and Power]</p>

Colorado

Regulatory Orders

1/99: The Colorado Public Utility Commission adopted rules which will require IOU's to itemize the fuel sources used for generated and purchased electricity. The unbundling of costs is intended to educate consumers on the costs and sources of generation and the separate costs of power generation and delivery. Customers will begin receiving the unbundled billing in October 1999.

6/96: On June 26, 1996, the Commission opened Docket Number 96Q-313E, in the matter of the Inquiry Into Electric Utility Industry Restructuring of Colorado.

Legislation

7/98: The Colorado Electricity Advisory Panel (created by SB 152) met for the first time in July. The purpose of the panel is to study electric industry deregulation and report the findings to the legislature by November 1, 1999.

5/98: [SB 152](#) was enacted. It created a 21-member panel to assess whether retail competition will benefit the state's consumers.

Investigative Studies

11/99: The Colorado Electricity Advisory Panel issued its [Final Report](#). A majority (17 of 29 members) voted against restructuring the industry as it would not be in the best interest of the State and its consumers. The Legislature requires a 2/3 majority vote for a formal recommendation, which was not met. A minority report supporting restructuring was also issued, as well as a "middle ground" report. The major reasons opposing restructuring are in the Final Report. Included are: 1) Colorado has low rates now; 2) a consultant study modeling the effects of restructuring found that rates were likely to rise; and 3) rate impacts would be disproportionately shared among classes of consumers, with low-income, fixed-income, rural, residential, and small consumers seeing the greatest rate increases.

9/99: A report titled "[A Comparison of Studies by U.S. DOE and Stone & Webster on the Effect of Electric Restructuring in Colorado](#)" was issued in September 1999 for the National Rural Electric Cooperative Association. It presents the opposing views of each study.

8/99: The task force continues to hold public hearings across the state on restructuring the industry. During the five hearings so far, opponents of restructuring have outnumbered proponents, on the basis that Colorado currently enjoys low electric rates and the fear prices would rise with competition. A sixth hearing is scheduled, and the task force will make its report to the General Assembly by November 1, 1999.

7/99: A [draft report](#) was released by the Colorado advisory panel. The report shows most panel members oppose opening the retail electricity market to competition, believing prices would rise under restructuring. Proponents of restructuring, including IOU's, environmentalists, and industrial customers, think prices will fall, citing a DOE study that supports their view. Public hearings will be held in July and August for public comment on the report. The final report is due to the legislature in November 1999.

5/99: A study by [Stone & Webster Management Consultants, Inc. and Standard and Poor's DRI](#) was conducted for the Colorado Electricity Advisory Panel. The study found that consumers would pay more for power if the state opens the retail electricity market to competition. The Panel plans to present preliminary findings on restructuring to the legislature by July 1, 1999.

**Links to State
Regulatory
Commissions and Major
Utilities**

[\[Colorado Public Utility Commission\]](#) [\[Colorado General Assembly\]](#)

Connecticut

Regulatory Orders

9/99: The Connecticut Department of Public Utility Control (DPUC) issued a rule that is aimed at preventing customers from switching back to Standard Offer Service (SOS) after switching to an alternative supplier when SOS is the least expensive alternative. The rule would provide a 12-month switching moratorium once a customer returns to SOS.

3/99: The DPUC began a consumer education effort sponsoring statewide presentations and ordering that, beginning in July, generation charges be shown separately on bills for the purpose of comparison with competitive offers. Retail competition is set to begin January 1, 2000 and suppliers could be licensed as early as July and begin soliciting business.

3/99: In February, the DPUC approved the sale of Connecticut Power & Light's non-nuclear assets, and in March it approved United Illuminating's sale of non-nuclear assets.

1/99: The DPUC is considering utilities' divestiture plans which were filed in late 1998, and stranded cost proposals filed in January.

7/95: The DPUC issued a final report that calls for restructuring the electric power industry and gradually moving to retail competition.

Legislation

4/98: [HB 5005](#), An Act Concerning Electric Restructuring, was signed into law on April 29, 1998. The bill will allow access to competitive suppliers for 35 percent of consumers by January 2000 and for all consumers by July 2000. Utilities will be required to sell non-nuclear generation assets by January 2000 and interests in nuclear generation by January 2004, making Connecticut the first State to require divestiture of nuclear assets. The bill also requires participation in an ISO, public interest program funding, functional unbundling, renewable energy funding, a 5.5-percent renewable portfolio standard, environmental protections, and a 10-percent rate reduction beginning January 2000, and a rate cap at the December 31, 1996 level from July 1, 1998 until January 1, 2000.

Links to Tables on Restructuring Issues

[\[Retail Access\]](#) [\[Stranded Costs\]](#)

Links to State Regulatory Commissions and Major Utilities

[\[Connecticut Department of Public Utility Control\]](#) [\[DPUC restructuring page\]](#)
[\[Connecticut General Assembly\]](#) [\[Connecticut Light & Power Co\]](#) [\[The United Illuminating Company\]](#)

Delaware

Regulatory Orders	<p>9/99: The PUC issued final rules for restructuring electric utilities in Delaware.</p> <p>1/98: The PSC adopted final report on electric industry restructuring with recommendations including unbundling of rates and stranded cost recovery using Competitive Transition Charges. The report calls for competition for all Delaware consumers to begin 12 months after restructuring legislation is enacted.</p>
Legislation	<p>3/99: HB 10, "The Electric Utility Restructuring Act of 1999," was enacted on March 31, 1999. The law's provisions include: a phase-in of retail competition beginning on October 1, 1999 for large customers in Conectiv's service territory and ending on April 1, 2001 when all consumers in Conectiv's (DP&L) and Delaware Electric Cooperative's territories; a residential rate cut of 7.5 percent for Conectiv customers and a rate freeze for the coop customers; funding for public benefits programs; and for Conectiv, no provisions for stranded cost recovery (the cooperative has no public benefit funding and stranded cost recovery may be determined by the PSC).</p>
Links to Tables on Restructuring Issues	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Delaware Public Service Commission] [Conectiv] [Delaware Electric Cooperative] [Delaware General Assembly]</p>

District of Columbia

Regulatory Orders

10/01: The PSC issued [Order No. 12159](#) and [Order No. 12203](#), which mandated PEPCO distribute the net proceeds (in excess of the asset's book value) of the sale of its assets to its customers. Order 12159 allowed the customers to receive \$50.1 million, but Order 12203 stated that PEPCO should revise the rate schedule and add 9.09 percent interest and begin distribution "on October 22, 2001 or the first billing cycle after October 22, 2001." According to the [PSC website](#), residential customers received \$75.39 per household and commercial customers received 0.393 cents per kWh for the annual usage ending March 31, 2001. The total credits distributed to customers amounted to \$51.85 million.

1/01: The District of Columbia began allowing customers direct access to competitive electricity suppliers on January 1, 2001. The PSC established interim shopping credits ranging from 3.68 to 5.18 cents/kWh. Pepco, the only utility in DC, recently sold its power plants; the shopping credits will be adjusted based on the sale of the power plants. The PSC is reviewing marketer licensing applications and consumer protection measures.

12/00: [Order 11845](#) unbundled retail rates into separate categories, generation, transmission, and distribution functions. Unbundling allowed customers to compare prices among electricity suppliers, and helped the Commission to determine "shopping credits" or "price to compare."

9/00: The District of Columbia Public Service Commission issued [Order No. 11796](#) on September 18, 2000 providing the implementation plan for retail choice. Effective January 1, 2001, all residential and commercial electricity customers in the District of Columbia will be able to choose an electricity supplier. PEPCO will continue to provide delivery services. Order 11796 also includes the licensing requirements for alternative electricity suppliers.

12/99: The PSC issued [Order No. 11576](#) on December 31, 1999 that addressed various issues regarding restructuring of the electric power industry in the District of Columbia and the implementation of retail access. The settlement with PEPCO dealt with asset divestiture and treatment of its proceeds; rate freezes and rate decreases; transmission and distribution system investment; power supply procurement; market power and retail competition.

2/99: PEPCO has filed a plan with the PUC to allow retail competition in its service territory in the District of Columbia and suburban Maryland. The plan would allow retail choice in DC by 1/01, included an estimate of stranded costs and a method for recovery, proposed unbundled rates, and a rate freeze through 1/05. PEPCO plans to sell its DC power plants to recoup stranded costs.

12/98: The PSC requested PEPCO to file a restructuring plan with stranded costs and unbundled rates studies.

9/97: The PSC continues to study restructuring and issued a notice of inquiry for issues to investigate on retail competition. A report is expected in 1998.

Legislation	1/00: The DC City Council passed legislation (13-284) to allow retail competition. The PSC is reviewing PEPCO's restructuring settlement. Under that settlement, commercial and government consumers will have retail direct access and residential consumers will begin a retail access pilot by January 2001.
Investigative Studies	<p>12/01: The PSC released "A Plan for Effective Market Monitoring of the Wholesale and Retail for Electricity, Natural Gas, and Telecommunication" on December 31, 2001.</p> <p>8/98: A report was issued by the PSC on electric restructuring issues. The report requests a restructuring plan from PEPCO and recommends retail access by be phased-in over 3 years beginning January 1, 2001.</p>
Links to Tables on Restructuring Issues	[Retail Access] [Public Benefits Programs]
Links to State Regulatory Commissions and Major Utilities	[District of Columbia Public Service Commission] [Potomac Electric Power Company] [Council of the District of Columbia]

Florida

Regulatory Orders

4/00: The Supreme Court of Florida reversed the PSC order that approved Duke Energy's proposal for a merchant plant in New Smyrna. The Court ruled that the PSC does not have the authority to approve the Duke merchant plant under the Florida Electric Power Plant Siting Act of 1973.

4/99: The PSC approved a merchant plant to be built in [New Smyrna](#) by Duke Energy. The combined cycle gas plant has a photovoltaic unit to offer a "green" pricing option as part of the plant's marketing. The utilities in the State opposed the plant, but the PSC stated that the plant, and other merchant plants proposed to be built could help solve the State's reserve margin problem, lack of photovoltaics, and market share concerns.

2/99: The PSC ruled that investor-owned utilities must disclose the sources of generation and purchased power by fuel type to consumers.

8/98: Responding to competitive pressures that can lower electric bills for large consumers, the PSC approved discount rates (up to 20 percent) for new and expanding businesses. The Florida Alliance for Lower Electric Rates Today opposes the discounts, and proposes state-wide competition for all consumers.

Investigative Studies

12/01: The [Florida Energy 2020 Study Commission](#) released its [final report](#) to Governor Bush and the Legislature on December 11, 2001. The report presents the commission's "strategy for assuring that Florida will have an adequate, reliable and affordable supply of electricity." The commission recommended removing barriers to entry for merchant plants to facilitate the development of new generation capacity; providing nondiscriminatory access to the transmission system through the creation of an RTO; and fully implementing wholesale competition in six years. Also recommended is the establishment of a new study commission in 2004 "to assess the status of wholesale competition and make recommendations as to whether retail competition should be allowed."

3/01: The Energy 2020 Study Commission released an [interim report](#), "Proposal for Restructuring Florida's Wholesale Market for Electricity." The report makes recommendations to the 2001 legislature that would result in the development of a competitive wholesale electricity market in Florida. Proposals include removing barriers to entry for merchant generation plants, requiring investor-owned load-serving utilities to acquire energy resources through a competitive acquisition process, and allowing utility affiliate companies to assume ownership of existing generation assets as well as build new ones.

9/00: The Energy 2020 Study Commission held its first meeting to begin studying Florida's future energy requirements over the next twenty years. Six technical advisory committees were created to identify issues, gather and analyze information, and make recommendations on energy policy. The 17-member Study Commission is charged with studying retail competition and future electric gas demand in Florida, and is scheduled to present a final report by December 1, 2001.

7/00: The Energy 2020 Study Commission, a study committee created an Governor Bush's [Executive Order 2000-127](#), was announced May 3 when the legislature

	<p>failed to address restructuring the electric power industry. The commission is composed of 17 appointed members that will begin meeting in September. The commission will issue its final report to the Governor by December 1, 2001 on their investigation of current and future electric reliability, energy conservation, environmental impacts, supply and delivery options, electric industry competition, and the financial consequences of restructuring.</p> <p>1/00: The staff of the House of Representatives Utilities and Communications Committee conducted a review and issued a report, "An Overview of the Electric Power Industry," in January 2000. The report provides a history and an overview of the current state of the electric power industry in Florida. Currently, neither the legislature nor the PUC is actively pursuing restructuring for retail access in Florida.</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Florida Public Service Commission] [Florida Public Service Commission Study] [Florida Power & Light Company] [Florida Power Corporation] [Florida Legislature]</p>

Georgia

Regulatory Orders

1/98: The PSC issued a Staff Report on Electric Industry Restructuring, which recommended market-based rates, unbundled services, and stranded cost recovery. Docket 7313-U was established for stakeholder's comments. A slow approach to restructuring was recommended.

4/97 - 7/97: Public workshops were held to address the issues related to restructuring. The results of the public hearings were incorporated in the Staff Report.

Investigative Studies

The [staff report](#) on electric restructuring was issued on January 23, 1998.

Links to Tables on Restructuring Issues

[\[Retail Access\]](#) [\[Stranded Costs\]](#)

Links to State Regulatory Commissions and Major Utilities

[\[Georgia Public Service Commission\]](#) [\[PSC restructuring page\]](#)
[\[Georgia Power\]](#) [\[Georgia General Assembly\]](#)

Hawaii

Regulatory Orders

4/99: The Hawaii Public Utilities Commission (PUC) has an open docket (Docket No. 96-0493) on electric power industry restructuring, but no recent action on this case has occurred.

1997: The PUC began to develop a draft restructuring plan and a formal investigation into the issues.

12/96: The PUC began investigating competition in the electric power industry. A report is expected by October 1998.

Links to State Regulatory Commissions and Major Utilities

[\[Hawaiian Electric Company, Inc.\]](#) [\[Hawaii State Legislature\]](#)

Idaho

Regulatory Orders

9/97: The PUC hosted technical workshops to discuss public purpose program costs as part of unbundling.

7/97: The PUC began proceedings on electric restructuring.

Legislation

12/98: The legislative committee concluded that deregulation would boost electric prices in the State, and recommended against restructuring.

3/97: HB 399 was enacted, directing the PUC to establish a committee to obtain information on the costs of supplying electricity to consumers. Utilities are required to unbundle costs of electric service and report to the PUC.

5/97: Governor signed an executive order creating the Governor's Council on Hydroelectric and River Resources that will establish guidelines for electric industry restructuring in Idaho.

Investigative Studies

1/99: The Legislative Council Committee on Electric Utilities Restructuring issued its [final report](#). The report recommends a slow approach to retail competition. Idaho is a low cost state for electricity and concerned about prices rising under a competitive market. The legislature reestablished the study committee.

1/98: The PUC issued the [Electric Costs Report](#) to the Governor and Legislature. The report contains the findings on the unbundled average costs for utilities in Idaho compared to national averages.

Links to Tables on Restructuring Issues

[\[Stranded Costs\]](#) [\[Pilot Programs\]](#)

Links to State Regulatory Commissions and Major Utilities

[\[Idaho Public Utilities Commission\]](#) [\[Idaho Power\]](#) [\[Avista Corp\]](#) [\[PacifiCorp\]](#)
[\[Idaho Legislature\]](#)

Illinois

Regulatory Orders

11/02: The Illinois Commerce Commission issued an [interim order](#) to discontinue the current rate for Commonwealth Edison's large customers with 3 Megawatts of demand or more and charge competitive rates by June 2006. The current rate will not be available to new or returning customers after June 2003. Commonwealth Edison stated that competitive rates would help spur competition in the State.

12/00: The Illinois Commerce Commission (ICC) issued an update on the status of competition in the State. The Illinois electric market first opened in October 1999 to a third of non-residential customers. As of January 1, 2001, all commercial and industrial customers are eligible for retail access to competitive suppliers, and residential customers will become eligible starting in May 1, 2002. The majority of customers who switched to alternative suppliers were in Commonwealth Edison's territory. About 12 percent of ComEd's eligible customers representing about half of the company's load switched to alternative suppliers. Illinois Power had 6.9 percent of customers switch and AmerenCIPS had 6.8 percent. None was recorded for Illinois Light Co. The ICC stated that a lack of competition could be due to a need for more suppliers, electricity shortages, inefficient transmission system, a lack of uniform interconnection standards, and the surrounding states lack of restructuring.

6/98: The ICC issued a ruling that prohibits utility affiliates from exploiting the name, reputation, or logo of the utility in advertising or marketing campaigns. The rule will protect ratepayers from cross-subsidization of utility affiliates.

5/98: The ICC approved Commonwealth Edison's plan to offer nonresidential customers hourly rates under its "Hourly Energy Pricing" program.

Legislation

7/99: [SB 24](#), was enacted to amend the restructuring law. The amendment moves up the transition to customer choice. The first third of commercial and industrial consumers will have retail access by October 1, 1999, the second third by June 1, 2000, and the final third by October 1, 2000. Residential customers will receive a 5 percent rate reduction by October 1, 2001, seven months earlier. The rate cap for utilities is increased by 2 percent, cogeneration is promoted, and ComEd is required to allocate \$250 million to a special environmental initiatives and energy-efficiency fund.

12/97: [HB 362](#), "The Electric Service Customer Choice and Rate Relief Act of 1997," was enacted. The bill provides for rate cuts for ComEd and Illinois Power effective August 1998. The law accords some commercial and industrial customers choice by October 1999, and all customers, including residential, choice for their generation supplier by May 1, 2002. Transition charges may be collected through 2006. Most residential customers will receive a 15 percent rate reduction by August 1998, and another 5 percent reduction in May 2002.

Investigative Studies

8/02: The Illinois Commerce Commission released the Report of Chairman's Summer 2002 Roundtable Discussion Re: Implementation of the Electric Service Customer Choice and Rate Relief Law of 1997. The report states that "there is absolutely no competition (or choice) for retail residential electric customers, and it is unlikely competition (or choice) will be available for these customers for the

next several years." Commercial and industrial retail customers also have limited access to alternative retail electric suppliers outside of the Commonwealth Edison service territory, and competition in ComEd's service territory has been reduced with the approval of a new "market value index" (MVI). The calculation of the MVI, the restructuring legislation, the absence of a Regional Transmission Organization (RTO), transmission constraints and credit risks were just a few of the reasons cited in the report for the lack of competition. **4/02:** The ICC release its ["Assessment of Retail and Wholesale Market Competition in the Illinois Electric Industry in 2001"](#). According to the report, "14 percent of the load eligible for delivery services" switched to a retail electric supplier, mainly from the AmerenCIPS, Commonwealth Edison and Illinois Power service areas. Eighteen suppliers were licensed retail electric suppliers in 2001. In regards to the Power Purchase Option, the number of ComEd and Illinois Power delivery services customers increased from 2000. The PPO "allows customers to receive a rate discount even when no suppliers are serving the market," but this option ends in 2006.

10/01: The ICC release its ["Report to the General Assembly: Experimental Programs Initiated by Electric Utilities Under Section 16-106 of the Electric Service Customer Choice and Rate Relief Law of 1997 During 2000"](#). The utilities offered two types of experimental programs, specific customer group programs and reliability programs.

4/01: The ICC issued its "Assessment of Retail and Wholesale Market Competition in the Illinois Electric Industry." The report concluded that only in the ComEd service territory were switching rates and supplier activity high in 2000. "Approximately 22 percent of eligible customers in the ComEd service territory had switched to delivery services," and "62 percent of eligible usage had switched from bundled to delivery services." "At the end of 2000, about eight suppliers were active in the ComEd service territory; only three or four suppliers had acquired a fairly significant number of customers. In the downstate territories, by contrast, few suppliers are operating."

1/00: The ICC issued a report, ["Assessment of Competition in the Illinois Electric Industry Three Months Following the Initiation of Restructuring."](#) The report summarizes the status of consumer choice in the State, finding that more consumers have switched suppliers in Commonwealth Edison's territory than other Illinois utilities, likely because ComEd has comparatively high rates for the State.

Links to Tables on Restructuring Issues

[[Retail Access](#)] [[Stranded Costs](#)] [[Public Benefits Programs](#)] [[Pilot Programs](#)]

Links to State Regulatory Commissions and Major Utilities

[[Illinois Commerce Commission](#)] [[CILCO](#)] [[Commonwealth Edison](#)] [[Ameren](#)] [[Illinois Power](#)] [[MidAmerican Energy](#)] [[Illinois General Assembly](#)]

Indiana

Legislation

5/97: [SB 427](#) created a legislative study committee that will meet through November on electric restructuring issues. A report is due in November 1997.

Investigative Studies

7/00: The State Utility Forecasting Group, which was charged by the Indiana General Assembly to investigate the electricity supply, predicts that over the next 15 years competition could lower prices in the short term, raise them in the medium term, and level off in the long term. The State's investor-owned utilities, American Electric Power and NIPSCO, are working on proposals to submit to the 2001 General Assembly that would restructure the industry to allow retail competition.

Links to Tables on Restructuring Issues

[\[Retail Access\]](#)

Links to State Regulatory Commissions and Major Utilities

[\[Indiana Utility Regulatory Commission\]](#) [\[IURC's Summary of Restructuring Activities in All 50 States\]](#) [\[IURC's Annual Energy Reports\]](#)
[\[IPALCO Enterprises\]](#) [\[NIPSCO\]](#) [\[AEP\]](#) [\[Indiana General Assembly\]](#)

Iowa

Regulatory Orders

4/01: The Iowa Utilities Board (IUB) issued an [order](#) closing Docket No. NOI-95-1, "Inquiry Into Emerging Competition in the Electric Industry" on April 17, 2001.

9/97: The IUB adopted its "Action Plan to Develop a Competitive Model for the Electric Industry in Iowa." The plan includes a statewide pilot program for residential and commercial customers (about 3 percent of load) over 2 years.

5/96: The IUB adopted principles for restructuring the electric power industry.

2/96: The IUB appointed a 28 member Advisory Group to study restructuring.

Legislation

4/00: Proposed restructuring legislation died in Iowa as the legislative session ended in April without further action on SF 2361 or HF 2530.

5/98: [Senate File 2416](#) was signed by the Governor. It will replace property taxes on electric utilities with excise taxes imposed on generation, transmission & delivery of electricity. The changes in tax law are to address concerns that under coming deregulation, non-Iowas suppliers would have a competitive advantage over Iowa-based companies that were paying property taxes.

Investigative Studies

6/99: The Deregulation and Restructuring of the Electric Utility Industry Study Committee released its [final report](#). The committee was established by the Legislative Council. The Committee was authorized to conduct five meetings during the 1998 Interim, but made no formal recommendations.

4/99: The Iowa Utilities Board released final reports on restructuring resulting from its 4-year studies. The released reports are: [Making Competition Work: Addressing Issues of Market Structure and Market Power](#); [Customer Education](#); [Public Benefits](#); [Reliability](#); and [Universal Service](#).

Links to Tables on Restructuring Issues

[\[Pilot Programs\]](#)

Links to State Regulatory Commissions and Major Utilities

[\[Iowa Utilities Board\]](#) [\[Iowa Department of Natural Resources Energy Bureau's Utility Deregulation Page\]](#) [\[Iowa Energy Center\]](#) [\[MidAmerican Energy\]](#) [\[Alliant\]](#)
[\[Iowa Association of Electric Cooperatives\]](#) [\[Iowa Association of Municipal Utilities\]](#) [\[Iowa General Assembly\]](#)

Kansas

Legislation

5/99: Although several bills were introduced in the 1999 legislative session to restructure the industry, no electric restructuring measures were acted on when the session adjourned May 2. The issue will likely be taken up again in the 2000 session.

4/98: The Task Force's restructuring bill was not acted on in the 1998 session. Legislation will likely be introduced again in 1999.

2/98: The Retail Wheeling Task Force's restructuring bill is introduced in the legislature. Also being considered are a bill to establish a joint committee on taxation of public utilities and a bill to require utilities to disclose generation, transmission, and distribution charges and sales, use, and franchise taxes and any fees relating to the retail sale of electricity.

4/96: The Retail Wheeling Task Force was established with passage of HB 2600. The bill prohibits the Commission from authorizing retail competition prior to July 1999, and froze retail rates for 3 years. A final report with a model for legislation was due on before January 11, 1998.

Investigative Studies

1/98: The Retail Wheeling Task Force issued a final report and draft restructuring bill that calls for retail access after July 2001.

9/97: The National Regulatory Research Institute released its "[Assessment of Retail Competition in Kansas' Electric Power Industry](#)," a report done at the request of the Kansas Corporation Commission.

Links to State Regulatory Commissions and Major Utilities

[[Kansas Corporation Commission](#)] [[KCC restructuring page](#)]
[[Kansas City Power & Light Company](#)] [[Western Resources](#)]
[[Kansas Legislature](#)]

Kentucky

Regulatory Orders

4/99: The PSC issued an order to reduce rates for KU and LG&E subsidiaries. Under a performance-based ratemaking approach, rates will be reduced \$52 million over 5 years. While not restructuring for competition, the order should provide efficiency incentives for utilities.

Legislation

8/00: The Kentucky Special Task Force on Electricity Restructuring issued its [final report](#) on August 10, 2000 to the Governor and the Legislative Research Commission. This report incorporates the final report approved by the Task Force on December 13, 1999, and the four interim reports written by Resource Data International (RDI). According to this report, "there is no compelling reason at this time for Kentucky to move quickly to restructure."

4/00: Kentucky's 2000 General Assembly reauthorized the [Task Force on Electricity Restructuring](#) in [Senate Joint Resolution 107 \(SJR 107\)](#) in April 2000 for the purposes of monitoring developments in electric power restructuring, maintaining knowledge of the issues, studying within the context of low-income assistance, and making recommendations to the 2002 General Assembly. The task force is to report to the Legislative Research Commission and the Governor no later than November 15, 2001.

1/00: The Task Force on Electricity Restructuring issued its final report on December 13, 1999. The report recommends that no action be taken in 2000 to restructure the industry. Reasons include Kentucky's low rates, which may see greater variability under restructuring.

4/98: [House Joint Resolution 95 \(HJR 95\)](#) passed legislature and signed by Governor to create the Kentucky Task Force on Electric Restructuring. A report is due November 1999.

Investigative Studies

6/99: A study produced by Resource Data International for the Special Task Force on Electricity Deregulation concluded that retail prices in Kentucky could rise under competition. Kentucky has the third lowest retail prices in the Nation. The Task Force on Electric Restructuring continues to meet and discuss issues. The task force has held discussions on reliability of service, consumer protections, unregulated utility businesses, and a review of other States' restructuring activities.

Links to State Regulatory Commissions and Major Utilities

[[Kentucky Public Service Commission Restructuring Page](#)] [[Kentucky Legislature](#)] [[Kentucky Utilities](#)] [[LG&E](#)] [[Kentucky Association of Electric Cooperatives](#)]

Louisiana

Regulatory Orders

12/01: The Louisiana Public Service Commission issued two orders in regards to analysis of competitive implications. The [first order](#) deals with cogeneration and plant construction. The [second order](#) declines to implement retail access and the recommendations of the Staff's report. The PSC will continue to study restructuring and retail access as well as monitor its neighbors and federal restructuring legislation.

1/01: The PSC issued a [draft restructuring plan](#) that would allow large industrial customers retail choice starting in January 2003. Utilities would not be required to divest their generation assets needed to serve their customer demands.

4/99: The PSC issued an [order](#) setting up a schedule through August 2000 to study the issues: consumer education; stranded costs; regional planning and reliability; market power; rate unbundling; functional unbundling; independent system operators; and transition mechanisms.

3/99: The PSC issued an [order](#) stating that Commission "defers making a public interest determination until such time that a Louisiana-specific transition to competition plan has been fully developed. The Staff, outside consultants and counsel are directed to recommend a plan for implementation of retail electric generation competition for consideration by the Commission on or before January 1, 2001."

2/99: A [draft report](#) by the PSC advises not to go ahead with deregulation due to concerns that residential consumers could experience higher prices. The report also says that, however, if deregulation does go forward, it should allow large industrials to shop for power while limiting rates for small consumers. Louisiana consumers currently enjoy rates less than the national average.

1/99: Entergy Gulf States and Entergy Louisiana submitted restructuring proposals to the PSC. The PSC Chairman expects the PSC to rule that restructuring is in the best interest of the State, but expects Louisiana to take a slow approach to retail access.

8/98: The PSC conducted hearings on stranded costs. Participants included Central Louisiana Electric Company, Enron, and Gulf State Utilities.

5/95: The PSC opened Docket U-21453 on whether electric industry restructuring is in the public interest.

Legislation

3/98: The PSC committee and the legislative committee met on March 16, 1998 to discuss the tax implications of deregulation.

6/97: [Resolution 150](#) created a study committee on electric power restructuring with reports on various issues due in 1998.

Investigative Studies

4/02: The Louisiana Public Service Commission issued a [restructuring collaborative procedural schedule](#). The study groups must submit their final information to the commission no later than October 31, 2002 because the

commission plans to release its monitoring report on November 30, 2002. The report will address transition cost estimates, the definition of a large industrial customer, methods to encourage construction of capacity, and affiliate rules.

7/01: The staff of the Louisiana PSC issued its final report, [Final Response of the Commission Staff to Comments on Proposed Competitive Transition Plan](#), to the PSC. The report recommends some changes to the transition plan issued in January including allowing open access to competitive service providers to only large industrial customers with loads averaging 5 MW or more rather than the original 2 MW load. Even though the PSC ruled two years ago that open access was not in the State's best interest, study of the issue has continued due to concerns about economic development. The report recommends another study due in 2005 to determine if competition would benefit all classes of customers. However, the PSC did not take any action on this latest report at their most recent meeting, but may take it up in its September meeting.

5/99: The PSC staff presented a report on restructuring recommending a slow approach. The report raises skepticism on the benefits to residential consumers, citing California's retail market where they say too few electricity suppliers exist to have true competition. The report states that Louisiana has lower than average electric rates, and competition could increase prices, not lower them. The report recommends no action toward retail competition be taken at this time, but "reluctantly" submitted a draft restructuring plan in case the PSC decides to go ahead. In Louisiana, the PSC could order retail competition without legislative action.

12/97: The PSC voted to accept a staff report recommending further study on issues surrounding electricity restructuring. The PSC will develop draft legislation for the 1999 session.

**Links to State
Regulatory
Commissions and Major
Utilities**

[\[Louisiana Public Service Commission\]](#) [\[PSC restructuring page\]](#) [\[Entergy\]](#)
[\[Southwestern Electric Power Company\]](#) [\[Central Louisiana Electric Company\]](#)
[\[Louisiana State Legislature\]](#)

Maine

Regulatory Orders

3/02: [New standard offer rates](#) for customers in the Central Main Power Company, Bangor Hydro Electric Company, and Maine Public Service Company service territories went into effect on March 1, 2002. According to a PUC [press release](#), medium and large commercial and industrial CMP and Bangor Hydro customers "will see the largest overall price decreases."

3/01: Upon termination of the bid process, the PUC ordered Central Maine Power to provide standard offer service from March 2001 to March 2002 for medium and large nonresidential customers and set the standard offer rates for these classes of customers. The PUC approved CMP contracts with wholesale suppliers to supply the power for the standard offer customers, and approved nonresidential standard offer rates ranging from 5.6 cents for off peak non summer to 14.6 cents for on peak summer.

10/00: The PUC issued a request for bids to provide service for Bangor Hydro, Maine Public Service, and Central Maine Power standard offer customers. The bidding process was revised from last year's, streamlining the process and giving bidders more flexibility in hopes of attracting better offers.

1/00: In 1999, the PUC finalized the [rules](#) necessary to implement electric restructuring by March 1, 2000. Companies were selected to provide standard offer service at reasonable prices for the majority of electricity consumers in Maine. Principles were established for setting rates, including stranded costs, for distribution and transmission utilities in the State. The three IOU utilities sold their generation assets.

10/99: The PUC rejected the bids received for standard offer service for Central Maine Power and Bangor Hydro territories, saying they were too high. Using three service bids that were conditionally approved for Maine Public Service for a new ceiling, and revising some technical rules, a second round of bidding will be due November 8. The standard offer providers are to be selected by December 1.

5/99: The PUC issued a schedule for suppliers to offer standard service when retail competition begins March 2000. Standard service price will be set through a bid process, rather than a predetermined price, as in other states.

12/98: The PUC will begin a consumer education program in January 1999 to prepare the public for retail access and unbundled billing.

5/98: The PUC adopted a requirement that beginning January 1, 1999 utilities must issue bills showing "unbundled" charges for generation and distribution, rules for consumer education, and standard offer service for all consumers when competition begins March 1, 2000.

12/96: The PUC issued a plan requiring utility functional unbundling, divestiture of generation assets by March 2000, and retail competition by 2000.

Legislation	5/97: LD1804 was enacted. The law will allow retail competition by March 2000 and, for large investor-owned utilities, features a market share cap of 33 percent in old service areas, a requirement for divestiture of generation assets by March 2000, and the nation's most aggressive renewables portfolio, requiring 30 percent of generation to be from renewable energy sources (including hydroelectric).
Investigative Studies	12/02: The Maine Public Utilities Commission (PUC) released a report, Standard Offer Study and Recommendation Regarding Service after March 1, 2005 , to the state Legislature. In the report, the PUC recommended standard offer service remain available after March 1, 2005, under certain conditions. For medium and large nonresidential customers, standard offer service will be continued only as a “last resort” service. In the small commercial and residential sectors, where competitive retail markets for electricity are not as fully developed as the large customer sectors, current standard offer service will continue to be offered to customers who do not choose an alternative energy supplier. Based on public interest, the PUC also recommended a “green” supply option for residential and small commercial customers.
Links to Tables on Restructuring Issues	[Retail Access] [Stranded Costs] [Public Benefits Programs]
Links to State Regulatory Commissions and Major Utilities	[Maine Public Utilities Commission] [PUC restructuring page] [Central Maine Power] [Maine Public Service] [Bangor Hydro] [Maine Legislature]

Maryland

Regulatory Orders

1/00: The PSC approved PEPCO's restructuring plan. PEPCO customers will begin retail direct access by July 2000. PEPCO also received approval to sell its generation assets.

1/00: The PSC approved Allegheny Energy's restructuring settlement. The settlement will allow almost all of Allegheny's Maryland customers direct access to their electricity supplier of choice by July 1, 2000, two years earlier than required by the State law.

8/99: Public hearings on BG&E's proposed restructuring settlement began in August. The Mid-Atlantic Power Supply Association (a coalition of energy supply companies) opposes the settlement on the grounds that the price to compare at BG&E, set at 4.3 cents per kilowatt-hour, are too low to allow competition. Also suggested was that the stranded cost recovery for BG&E be lowered. The three-day hearings were concluded August 13; closings arguments are due August 30; and rebuttals due by September 30. The PSC will issue a decision in October.

7/99: Baltimore Gas & Electric filed a proposed restructuring plan with the PSC. The plan includes a 6.5 rate decrease over six years for residential customers, \$528 million for stranded costs, a six year rate freeze and phase out of transition costs, and customer choice for all residential and business customers by July 1, 2000. Public hearings are set for July and August for comments to the plan. A decision on the plan is due in October.

10/98: Five utilities in Maryland announced that they asked a state court to stop the PSC deregulation effort until several issues are resolved, including the issue of stranded costs recovery.

4/98: A PSC order established roundtable discussions on restructuring issues: universal service, supplier authorization, demand-side management programs, customer protection, competitive billing, and consumer education. The discussion groups were to submit reports in May 1999 and July 1999.

12/97: The PSC issued an order establishing a framework for the restructuring of the electric power industry. The plan's schedule: a third of the State's consumers will have retail access by July 2000; another third by July 2001; and the entire state by July 2002. Round table discussions to address implementation of specific issues will commence in April 1998. For the order to be effective, legislation must be passed.

Legislation

4/02: [SB 285](#) requires electric companies in Maryland to "conduct a study that tracks shifts in generation and emissions as a result of restructuring the electric industry." The electric companies must submit their studies twice to the PSC and the Department of the Environment on or before December 31, 2003 and on or before December 31, 2005. If it is determined that restructuring has a negative impact on Maryland's environment, then the PSC will consider "establishing an air quality surcharge or other mechanism."

	<p>4/99: HB 703 (SB 300), restructuring legislation, was enacted. The legislation includes at least a 3 percent rate reduction for residential consumers, funding for low-income programs, stranded cost recovery to be determined by the PUC, disclosure of fuel sources by electric suppliers, recovery of stranded costs through a nonbypassable wires charge, and a 3-year phase-in for competition beginning in July 2000 and becoming complete by July 2002.</p> <p>1/99: A bill to allow BG&E to form a holding company was enacted. The law will make it easier for BG&E to enter into new business ventures in a competitive market. Maryland was the only state that prevented public utilities from forming holding companies by enacting HB 3 (SB 65).</p> <p>12/97: The Legislative Task Force held hearings and issued conclusions and recommendations.</p> <p>4/97: SB 851 created a task force on electric industry restructuring that will issue a report by December 1997.</p>
Investigative Studies	<p>5/97: A PSC staff report recommended that retail choice be phased-in beginning April 1999 and be completed by April 2000.</p>
Links to Tables on Restructuring Issues	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Maryland Public Service Commission] [Conectiv] [Baltimore Gas & Electric] [Potomac Electric Power Company] [Maryland General Assembly]</p>

Massachusetts

Regulatory Orders

8/01: The Department of Telecommunications and Energy approved fuel adjustment rate increases for standard offer rates by 1.23 cents per kWh for most customers of Massachusetts utilities. Utilities submitted [Standard Offer Fuel Adjustment Filings](#) with the DTE requesting increases in standard offer rates to reflect the rising cost of fuel to generate electricity.

7/01: In June, the DTE, seeking to boost customer participation in the open electricity market, issued an [order](#) for utilities to release, with customer approval, default customers' information to competitive suppliers. Suppliers may request names, addresses, and rate classes of default service customers.

7/00: The DTE issued an [order](#) that will allow utilities to base their rates for default service on the wholesale bid prices, beginning January 2001. Utilities complained that the required rate, set below the cost of wholesale power, was causing them to lose money on default customer accounts. Utilities may begin issuing competitive bids seeking 6-month to 1-year contracts for the power needed to serve their default service customers. Default service is defined as those customers who have left their competitive supplier, or are new to the utility's territory.

7/00: The DTE is considering two courses of action, as required by the restructuring legislation passed in 1998. The law requires the DTE to consider opening metering, billing, and information services to competition, and also requires the DTE to look into eliminating exclusive service territories for investor-owned utilities.

5/98: Education program for consumers begins with showing the labels that will disclose the price of electricity, generation sources, and air emission contents.

3/98: DTE issued [rules](#) for distribution, default generation services, standard offer generation, aggregation requirements, and ownership of meters.

2/98: The DTE issued implementation [rules](#) for the restructured industry. Included are licensing and information disclosure for retail suppliers and provisions for public interest programs, standard offer service, and utility transition cost recovery filings.

1/97: The DTE's final decision is to officially open the retail electricity market to competition by March 1, 1998.

Legislation

11/97: [House Bill 5117](#) was enacted to restructure the electric power industry. The law requires retail access by March 1998, rate cuts of 10 percent by March 1998 and another 5 percent 18 months later, and encourages divestiture of generation assets.

Links to Tables on Restructuring Issues

[[Retail Access](#)] [[Stranded Costs](#)] [[Public Benefits Programs](#)] [[Pilot Programs](#)] [[Additional Information](#)]

Links to State Regulatory Commissions and Major Utilities

[[Massachusetts Department of Telecommunications & Energy](#)] [[Consumer Education Site](#)] [[Massachusetts Electric](#)] [[Nantucket Electric](#)] [[Western Massachusetts Electric](#)] [[NSTAR \(Boston Edison, Cambridge Electric Light, and Commonwealth Electric\)](#)] [[Eastern Utilities - Eastern Edison](#)] [[Fitchburg Gas and Electric Light Co](#)] [[The General Court of Massachusetts](#)]

Michigan

Regulatory Orders

10/02: The Michigan Public Service Commission approved AEP Ohio Commercial & Industrial Retail Company's application for an alternative electric supplier license. There are 21 other licensed alternative electric suppliers in the State.

8/02: The Michigan PSC issued an [order](#) that mandates the CHOICE Advisory Council subcommittee to instigate a statewide customer choice education program. Their program must complete the following tasks: "informing commercial electric customers about customer choice, informing commercial and residential electric customers about the availability of green power, and informing potential alternative electric suppliers of the opportunities to participate in the customer choice program in Michigan." The utilities and the contractors have two months to comply with this order. **1/02:** The Michigan Public Service Commission (PSC) issued an [order](#) allowing nine electric cooperatives to use deferral accounting for the implementation and administrative costs associated with customer choice and unbundling electric rates. Cooperatives are not guaranteed cost recovery under this order, and the cooperative will have to file a separate recovery plan with the PSC.

12/01: The PSC issued nine new orders "to advance Michigan's competitive electric environment" that took effect on January 1, 2002. The [first](#) and [second](#) orders prohibit both the Detroit Edison and Consumers Energy from changing their depreciation accrual rates and practices until January 1, 2006. The [third](#) order initiated the drafting of "rules for service quality and reliability standards for electric distribution systems." The [fourth](#) order adopted standards for the disclosure of customer information, fuel mix information, and environmental characteristics of electricity products. The [fifth](#) and [sixth](#) orders approved Detroit Edison and Consumers Energy's new retail rates. The [seventh](#) order unilaterally determines net stranded costs for utilities. The [eighth](#) order approved Wisconsin Electric Power Company and Edison Sault Electric Company's "revised return-to-service proposal." The [ninth](#) order rejected the Detroit Edison Company's application "to unbundle existing commercial and industrial electric rates."

11/01: Recently issued orders by the PSC include: an [order](#) adopting [procedures](#) to protect customers from slamming, switching a customer to another service provider without their consent, and cramming, billing a customer for unauthorized service, in compliance with the Customer Choice and Electricity Reliability Act of 2000; an [order](#) establishing a procedural framework for implementing and administering the Low-Income and Energy Efficiency Fund; and an [order](#) adopting a modified [code of conduct](#) for regulated and unregulated services provided by electric utilities and alternative electric suppliers.

10/01: The PSC issued an [order](#) October 11, 2001, to adopt the settlement agreement and authorizing Wisconsin Electric Power Co, Edison Sault Electric Co, Wisconsin Public Service Corp, Upper Peninsula Power Co, Northern States Power Co - Wisconsin, Indiana Michigan Power Co, and Alpena Power Co to implement Customer Choice and Electricity Reliability Act implementation plans.

11/00: The PSC issued two orders approving [Detroit Edison's](#) and [Consumers Energy's](#) financing order applications that allows them to issue securitization

bonds. Detroit Edison will secure \$1.77 billion in costs by issuing bonds, and Consumers Energy will secure \$469 million. The refinancing will allow both companies to cover the cost of implementing the 5-percent reduction in rates, which began in June 2000 after the passage of Public Act 141 and 142.

6/00: The PSC issued a [series of orders](#) to implement the restructuring legislation, which was signed into law on June 3, 2000. In the orders the PSC directed: Consumers Energy and Detroit Edison to file, by September 20, revised tariffs to implement retail access programs; investor-owned utilities, other than DE and CE, and cooperatives that have any customer with a peak load of 1 MW or more, to file restructuring plans to implement retail access; MPSC staff to consult with utility owners, merchant plant owners, and other stakeholders to develop standards for the interconnection of merchant plants; utilities to file reports with the PSC when they learn of any reductions in federal funding for low-income and energy assistance programs; and electric generating facilities to file reports with the PSC on compliance with all applicable federal Environmental Protection Agency regulations governing mercury emissions. The PSC also issued an order that establishes the framework for alternative electric suppliers to participate in retail electric markets under the restructuring law.

6/00: The PSC [ordered](#) Detroit Edison and Consumers Energy to immediately reduce residential rates by 5-percent. According to Public Act 141 and 142, Michigan's "Customer Choice and Electricity Reliability Act," the Commission must reduce rates by 5-percent.

8/99: The PSC established September 1, 1999, as the deadline for Detroit Edison and Consumers Energy to notify the PSC of their intent to voluntarily implement the Electric Choice plan, as [ordered](#) by the PSC. Both [Detroit Edison](#) and [Consumers Energy](#) have announced that they intend to implement retail competition under a voluntary basis. The Governor issued a statement in which he stated that he "continued to support the implementation of the PSC's Orders to begin the creation of a competitive market" and that "the next step is to codify those Orders into law..."

6/99: The Michigan Supreme Court decided that the PSC does not have the authority to mandate retail wheeling. However, Consumers Energy and Detroit Edison, which serve 90 percent of the consumers in Michigan, are voluntarily restructuring according to the PSC restructuring plan. All of their consumers will have retail access by January 1, 2002.

3/99: A PSC Order adopted implementation plans for 2.5 percent of Detroit Edison and Consumer's Energy consumers to choose electric suppliers beginning September 1999. Another 2.5 percent will be added each 6 months until all consumers have retail access by January 1, 2002.

4/98: Responding to the PSC order, Consumers Energy and Detroit Edison filed restructuring plans to implement retail competition. In other PSC action, the utilities were ordered to file plans for obtaining additional capacity for this summer.

	<p>1/98: The PSC completed final action on rehearing orders required to introduce competition into the state’s electric utility market. A phase-in schedule was adopted allowing 2.5 percent of Consumer’s Energy and Detroit Edison customers retail access as early as March 1998, adding another 2.5 percent on June 1998, January 1999, January 2000, and January 2001 and all consumers by 2002.</p>
<p>Legislation</p>	<p>6/00: Public Act 141 of 2000 and companion Public Act 142 were signed into law on June 3, 2000. The comprehensive restructuring legislation will allow all consumers retail choice by January 2002. Detroit Edison and Consumers Energy residential consumers will receive an immediate 5-percent rate reduction. The reduced rates will then be frozen at least until December 31, 2003. Rates for large commercial and industrial consumers will also be capped through 2003, and small business consumers’ rates will be capped at current levels through 2004. Other provisions of the law include: requiring the PSC to issue orders that will prevent “slamming” and “cramming”; creating a low-income and energy efficiency fund of approximately \$40 million per year for 6 years; creating a consumer education program; authorizing stranded cost recovery and securitization (refinancing of debt); licensing new suppliers; and requiring a study of the effects of mercury emissions from the electric power industry in the State. The PSC was given authority to implement restructuring and retail competition.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[Michigan Public Service Commission] [PSC Customer Choice] [Consumers Energy] [Detroit Edison] [Michigan Public Power Agency] [Michigan Legislature]</p>

Minnesota

Regulatory Orders

5/99: The PUC issued an ["order initiating development of unbundling program and opening new investigation docket."](#) The purpose of this order is "to investigate issues of unbundling/retail choice/restructuring in the gas and electric utilities industries." The PUC will develop program by January 2001, and present it to the Legislature for consideration. Progress reports will be given to the Legislature on October 1, 1999, March 1, 2000 and September 1, 2000.

Legislation

4/98: [H.F. 3654 \(Chapter 380 of the Laws of Minnesota 1998\)](#) established technical advisory work groups within the task force to study "bulk power system reliability, infrastructure, and regulation issues; distribution reliability, safety, and maintenance issues; energy prices and price protection mechanisms issues; and universal service issues." The groups will prepare a report for the full task force to review by November 30, 1998, and the task force will present a report to the Legislature by January 15, 1999.

5/97: The Legislature amended the role of [The Minnesota Legislative Electric Energy Task Force](#) to review and analyze issues relating to electric power industry restructuring with the passage of [S.F. 1820 \(Chapter 191 of the Laws of Minnesota 1997\)](#). A report is due January 1998.

Investigative Studies

9/00: A report by the Minnesota Department of Commerce recommends changes in the State's power industry but not full electric competition. The report, entitled ["Keeping the Lights On: Securing Minnesota's Energy Future"](#) stated that the Department would not recommend implementation of full retail electric competition because of potential shortfalls in available energy. The Department estimates that by 2006 the Midwest could encounter an energy shortfall of 5,000 MW, and in its report proposes a change in the tax structure to promote the building of new power plants. The report also includes suggestions for mandated statewide energy planning, increased energy conservation, and competition on the wholesale level. Fourteen public meetings on the proposal have been scheduled across the state through the end of October.

1/00: The Minnesota Legislative Electric Energy Task Force's [January 2000 report](#) confirmed that there is still no underlying consensus among stakeholders as to whether the state should restructure. However, most stakeholders also believe that restructuring in Minnesota is inevitable and that there are many areas of consensus in terms of the broad issues. The report recommends that the task force's term be extended beyond its current expiration date of June 30, 2000. The task force also recommends that staff draft a restructuring plan or outline restructuring options to assist the legislature in its determination of whether and how Minnesota should restructure.

1/99: The Minnesota Legislative Electric Energy Task Force's [January 1999 report](#) recommended that a continued study of electric restructuring issues. A 1999 work plan was drafted and a report is due January 2000.

1/98: The Minnesota Legislative Electric Energy Task Force released its 1998 report to the Legislature, and recommended against acting on electric industry restructuring in the 1998 session. It also recommended further study of the issues with a report due January 1999.

	10/97: The PUC issued a report that reflects the discussions held by the Minnesota PUC Electric Competition Work Group from February 1996 to October 1997. The report identifies restructuring issues and is intended as a starting point for state policy makers and stakeholders to restructure the electric industry.
Links to State Regulatory Commissions and Major Utilities	[Minnesota Legislature] [Minnesota Public Utilities Commission] [ME3 Electric Restructuring Resources] [Minnesota Power] [Otter Tail Power] [Great River Energy]

Mississippi

Regulatory Orders

5/00: The Mississippi Public Service Commission (PSC) concluded that a competitive electric power industry would not be beneficial to the State's consumers at this time. After several years of hearings and investigation into the benefits of competition, a decision was made to suspend the 1996 docket opened by the PSC to investigate electric power industry restructuring. Prices for electricity in Mississippi are below the national average, and studies conducted by the PSC indicate that prices for residential and small consumers could rise in a competitive environment.

6/98: The PSC issued a Revised Proposed Plan for retail competition that addresses the comments received from industry, consumers, suppliers, and utilities. Hearings will be held throughout 1999 to address the issues and retail competition will be phased-in beginning January 1, 2001 through January 1, 2004, pending authorizing legislation.

5/98: The PSC issued orders to conduct studies on market power and cost of service.

4/98: The PSC will receive comments and hold hearings on its restructuring plan.

1/98: Entergy Mississippi commented to the PSC that the restructuring plan was overly optimistic and recommended January 2002 as the earliest date to begin retail competition.

7/97: The PSC issued an order requesting the Public Utilities Staff to develop a plan for restructuring the industry, due by November 1997. The plan, if accepted, will be a basis to draft legislation for 1999.

Legislation

9/98: The first legislative hearing on restructuring the electric power industry was held in September 1998. The Mississippi Senate Committee heard 2 days of testimony on the impact of restructuring the electric power industry. The committee chair said Mississippi stands to gain from electricity deregulation because of its abundant natural resources.

Investigative Studies

11/97: The Public Utilities Staff presented a report to the PSC proposing retail choice to begin by January 2001 and be completed by December 2004, unbundling of services and rates, and recovery of stranded costs to be determined by the PSC. Implementation of the plan requires legislation to be passed by 1999.

Links to Tables on Restructuring Issues

[[Stranded Costs](#)]

Links to State Regulatory Commissions and Major Utilities

[[Mississippi Public Service Commission](#)] [[Entergy](#)]
 [[Mississippi Power Company](#)] [[Mississippi Legislature](#)]

Missouri

Regulatory Orders

9/01: The Missouri Public Service Commission (PSC) approved the reorganization of Kansas City Power & Light (KCPL). KCPL will form a holding company, Great Plains Energy, Inc., with three subsidiaries: KCPL which engages in the generation, transmission, distribution and sale of electricity to approximately 467,000 customers located in western Missouri and eastern Kansas, Great Plains Power, Inc. which develops competitive generation for the wholesale market, and KLT, an unregulated subsidiary with investments in energy-related businesses. Conditions of the reorganization are designed to protect KCPL customers. Also, purchase supply agreements between KCPL and Great Plains Power or its affiliates will require PSC approval and must be cost-based.

3/97: The PSC established the [Retail Electric Competition Task Force](#) to study retail wheeling and related issues and prepare reports for the PSC. Four working groups were established and are to submit reports no later than April 1998.

Legislation

7/02: [HB 1402](#), the "Consumer Clean Energy Act," requires retail electric suppliers to set net metering standards by August 28, 2003. According to the Missouri House of Representatives' [summary](#), the Missouri Public Service Commission will develop a contract that allows excess electricity produced by the consumer to be sold to the local utility. The seller will "receive credit for renewable energy generation and emission avoidance." The PSC will issue the contracts "on a first-come, first-served basis until statewide capacity equals the lesser of 10,000 kilowatts or 0.1 percent of the peak demand for each supplier of electricity during the previous year."

1997: HCR 7 created a panel of legislators to study retail wheeling; a report is due by January 1998.

Investigative Studies

5/98: The Retail Electric Competition Task Force issued its [Final Report](#) to the PSC with recommendations on issues including public interest programs, stranded costs, taxes, reliability, and market power.

Links to Tables on Restructuring Issues

[\[Pilot Programs\]](#)

Links to State Regulatory Commissions and Major Utilities

[\[Missouri Public Service Commission\]](#) [\[PSC Electric Restructuring Page\]](#)
[\[Empire District Electric Company\]](#) [\[Kansas City Power & Light\]](#) [\[Ameren\]](#)
[\[Aquila\]](#) [\[Missouri General Assembly\]](#)

Montana

Regulatory Orders

2/02: The PSC issued a [final order](#) that will allow the NorthWestern Corporation to complete its acquisition of the Montana Power Company.

1/01: The PSC approved an interim \$14.5 million increase in delivery rates for Montana Power customers. The increase represents a 4.5-percent increase for customers who buy their power from Montana Power and a 7.5-percent increase for customers who buy power from competitive suppliers.

11/00: The Montana PSC has decided to delay complete retail access for all consumers from July 2002 to July 2004 because the state does not have a competitive power supply market in place. Most rural electric cooperatives have opted not to restructure or offer retail choice. Also, Montana Power customers have not been switching to retail choice in large numbers. All NorthWestern Energy customers will be returned to Montana Power service because the Public Service Commission has imposed a rate hike moratorium on Montana Power customers through July 1, 2002.

6/98: PSC approved a plan to phase-in competition. Beginning July 1, 1998, Montana Power's largest customers (loads over 1 MW) will be able to choose their energy supplier. Beginning November 1998, 5 percent of residential and small consumers will select their power supplier under a pilot program. Full retail access should be complete by April 2000.

Legislation

5/01: [HB 474](#) was signed into law, significantly altering the existing restructuring legislation, and extending the transition period to July 1, 2007. HB 474 allows customers being served by alternative suppliers to switch to the default supplier providing that the customer does not resell the electricity. The PSC is directed to adopt a mechanism to ensure the default supplier may fully recover electricity supply costs in rates. The Montana Board of Investment is authorized to invest in 450 MW of new generation projects and 120 MW in purchases from PURPA qualifying facilities that meet certain criteria. Approved projects must have contracts for the sale of power to the default suppliers or a Montana industry, and are to be "collateralized by payments from the sale of the electricity produced by the project..." Additionally, HB 474 creates a Montana Power Authority, financed by revenue bonds, to purchase, construct and operate electric generating or transmission or distribution systems or enter into joint ventures for these purposes. Also, a Consumer Electricity Support Program is created as a State revenue fund derived from the electrical energy excess revenue tax. The program is to promote price stability and fund default customers, Universal Service programs, low-interest loans for new or upgraded transmission facilities or new generation facilities. The Universal System Benefits Charge is extended from July 1, 2003 to December 31, 2005, and public utilities are to offer a product composed of electricity from renewable resources.

7/99: [SB 406](#), the Electricity Buying Cooperative Act, took effect on May 5, 1999. It allows residential and small business customers to combine their buying power to form a cooperative. As a result, a cooperative is being formed that would buy up to 330 MW from the market to serve up to 250,000 customers statewide. The law

	<p>exempts electricity suppliers from laws that prohibit cooperatives from expanding into cities of more than 3,500 persons.</p> <p>4/97: SB 390, the Electric Utility Industry Restructuring and Customer Choice Act, was enacted allowing large industrial consumers retail access by July 1998 and all consumers by July 2002. The bill also includes a 2-year rate freeze beginning July 1998.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs] [Pilot Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[Montana Public Service Commission] [PSC restructuring page] [NorthWestern Energy] [Montana-Dakota Utilities] [Montana Legislative Branch]</p>

Nebraska

Legislation

4/00: [Legislative Bill 901](#) was enacted by Governor Johanns, and it "adopts the "conditions certain" approach recommended in the L.R. 455 study, and directs the Power Review Board to monitor the ongoing activities in the electricity industry and submit an annual report to the Governor and Legislature."

6/96: [Legislative Resolution 455](#) was enacted to allow a 3-year study on electric power industry restructuring, with reports due in December 1997 and December 1999.

Investigative Studies

10/01: [The 2001 Annual Report](#), mandated by LB 901, addresses five "condition certain" issues; regional transmission organizations, wholesale markets, retail rates, regional prices, and state and federal deregulation activities.

12/97 - 12/99: [The Final Report of the Phase I Study](#) to the Natural Resources Committee on Nebraska's electric utility industry was issued in December 1997. The report focuses on the existing structure of the industry and how to improve it. [The Final Report of the Phase II Study](#) was issued in December 1999. The report addresses competition issues and policy changes needed to keep public power viable.

Links to Tables on Restructuring Issues

[[Additional Information](#)]

Links to State Regulatory Commissions and Major Utilities

[[Nebraska Power Review Board](#)] [[Nebraska Power Review Board Deregulation Page](#)] [[Nebraska Public Power District](#)] [[Omaha Public Power District](#)] [[Nebraska Legislature](#)]

Nevada

Regulatory Orders

3/01: Deregulation was indefinitely delayed in Nevada (see Governor's decisions below).

8/00: The PUC has set a schedule for opening the retail market in Nevada. The market will open November 1, 2000 for the largest commercial customers, in April 2001 for medium commercial customers, and in June 2001 for small commercial customers. Residential customers will be phased in from September 1 through December 31, 2001.

2/99: The PUC decided to delay deregulation of the electric power industry previously set to begin at the end of 1999 according to legislation passed in July 1997. They cite a list of "unresolved issues," as the reason for the delay.

6/98: The PUC issued an order that defines which utility-related services, aside from selling electricity, could be open to competition. Areas of activity expected to be opened up to competition include metering, billing, and customer service.

11/97: As part of its ongoing investigation, the PUC ordered Nevada Power and Sierra Pacific Power Co to submit filings which demonstrate each distinct component of electric service (unbundled costs). Hearings will be held beginning in December 1997.

8/97: The PUC opened a docket to investigate issues to be considered as a result of restructuring.

Legislation

7/01: [AB 661](#) was enacted, revising and repealing certain provisions of Nevada's restructuring law. The law allows eligible large customers, those using 1MW and above, to choose an alternative supplier for power with permission from the State PUC. The law also contains provisions to fund low-income energy assistance with a universal energy charge and to revise and repeal various provisions concerning the regulation of public utilities and the process of establishing and changing rates.

7/01: [SB 372](#) was enacted, requiring the two investor-owned utilities in Nevada to provide 5 percent of their power from renewable resources by 2003, and 15 percent from renewables by 2013. Currently in Nevada, about 3 percent of electricity is generated using renewable energy sources.

5/01: Legislation was enacted to revise and repeal certain provisions of the State's restructuring law governing the regulation of electric utilities. [AB 369](#) will return electric utilities to regulation and bar the sale of their power plants before July 1, 2003. Also, utilities will be able to use a deferred accounting method to protect consumers from wholesale price volatility. Retail rates will remain at April 2001 levels, which include the rate increase of over 17 percent approved in March 2001, until early next year when adjustments may be made in accordance with the costs of procured power over the past year. Any needed increases to clear the deferred accounts will be spread out over several years.

3/01: The Governor issued the [Nevada Energy Protection Plan](#), a comprehensive strategy to provide energy reliability, consumer protection, and long-term rate stability to Nevadans. The plan includes an indefinite halt to electric utility

	<p>deregulation at this time due to high demand, low supply, and unstable prices. The plan also re-examines utility plant divestiture, seeks to accelerate power plant and transmission line construction, and offers to protect consumers from increasing high energy costs.</p> <p>1/01: The Governor's energy panel has now recommended that only large customers will be allowed retail choice until supply and wholesale prices have become more stable in the western markets. Residential retail access has been put on hold indefinitely.</p> <p>10/00: Nevada Governor Kenny Guinn has extended the deadline for the start of competition for the second time this year. The market, which was most recently scheduled to open up for large commercial customers on November 1, 2000, will now open on September 1, 2001 for all customer classes in the State.</p> <p>4/00: Sierra Pacific Resources, the parent company of Nevada Power and Sierra Power, filed suit in Federal court claiming the 1999 Nevada restructuring law is unconstitutional. The suit could delay opening the Nevada retail electricity market to competition. An issue of disagreement between the PUC and Nevada Power is a recent rate case, where Nevada Power requested an increase in rates, prior to the rate freeze mandated in restructuring legislation. The PUC ruled against a rate increase, and instead recommended a slight decrease. (3/01: Sierra Power has dropped the lawsuit.)</p> <p>3/00: The Governor delayed opening the retail market, originally scheduled for March 1, indefinitely. Issues to be resolved include funding the Mountain West Independent Scheduling Administrator and decisions on a series of major cases before the PUC regarding unbundling, stranded cost recovery, and rate freezes.</p> <p>6/99: SB 438 was enacted to amend the 1997 restructuring legislation, AB 366. The bill delays the opening of the retail market by March 2000, and gives the Governor, rather than the PUC, the authority to select another date if he deems it in the best interest of consumers. It also caps residential rates for the first 3 years. The bill allows an incumbent utility to use its name and logo for affiliates competing in the unregulated power market.</p> <p>7/97: Restructuring legislation, AB 366, enacted. The law directs the PUC of Nevada (formally the PSC) to establish a market in which customers have access to potentially competitive electric services from alternative suppliers no later than December 31, 1999.</p>
Investigative Studies	<p>12/98: The PUC ordered working groups to investigate issues of retail competition. Reports on meter data exchange and stranded costs are due in June 1999.</p> <p>3/98: The PUC issued a draft report on the unbundling of services and costs.</p>
Links to Tables on Restructuring Issues	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Nevada Public Utilities Commission] [Nevada Power] [Sierra Pacific] [Nevada Legislature]</p>

New Hampshire

Regulatory Orders

1/01: The New Hampshire Supreme Court upheld Public Service of New Hampshire's (PSNH) restructuring plan, clearing the way for competition to begin for the majority of consumers in New Hampshire. The PSNH plans to implement retail choice by April 2001. The plan calls for a 10-percent rate reduction; standard offer rates between 4.4 and 4.6 cents per kWh, increasing gradually over a three-year transition period; and divestiture generation assets, including PSNH's interest in Seabrook nuclear and about 1,200 MW in fossil and hydro plants.

12/00: Granite State Electric Company was granted permission to increase rates by the New Hampshire Public Utilities Commission (PUC) due to the rising costs for natural gas and petroleum. The rate will rise from 3.8 cents/kWh to 5.6 cents/kWh, an average of 18.4 percent on a customer's bill.

10/00: Lawsuits filed by consumer groups challenged the new PSNH restructuring settlement concerning stranded costs recovery as unconstitutional. Competition was scheduled to begin on January 1, 2001, with an accompanying rate reduction of about 10.5 percent, but likely will be delayed again.

9/00: The PUC approved a settlement that resolves a three-year long dispute over the restructuring of PSNH. The settlement, which was signed into law in June 2000, calls for the utility's residential customers to receive a 5 percent rate reduction on October 1, 2000. The full rate reduction will total 15.5 percent and will happen when "Competition Day" occurs. The actual start of competition, or Competition Day, is dependent on how soon financing of the rate reduction is completed, as well as possible legal challenges to the PUC orders by other parties. Residential rates will be capped for nearly three years, and businesses' rates for nearly 2 years. PSNH can now begin refinancing \$800 million in debt to be paid off over 12 to 14 years. PSNH will divest its generation assets by July 2001, and operate as a transmission and distribution utility, regulated by the State.

6/00: The New Hampshire Electric Cooperative voted to set their own rates and approve financing without oversight of the PUC. The PUC will continue oversight of contracts between the cooperative and outside suppliers, IPPs, and municipal utilities as well as continuing oversight of deregulation activities and the service territory.

8/99: The PSNH filed an agreement with the PUC that could end the litigation that is blocking competition in PSNH territory. Under the agreement, PSNH would be allowed to recover \$1.9 billion in stranded costs, and allow the issuance of \$725 million in bonds to finance part of these costs (a process known as securitization). The governor supports the agreement, and stated that "If approved by the PUC and legislature, this agreement will reduce electric rates about 18 percent for families and businesses, open the door for electric competition, and end the costly litigation brought by PSNH that has blocked competition and lower rates for the past two years."

4/99: Restructuring in New Hampshire is at a standstill due to Federal court rulings concerning the PUC's efforts to set stranded costs and rates for PSNH. The continuing Federal court cases will further delay restructuring efforts in the State.

	<p>6/98: US District Court issued an order enjoining the PUC from implementing any restructuring plans until the court holds trial for the suit filed by PSNH, scheduled for November 1998.</p> <p>3/97: PSNH filed a complaint in Federal District Court requesting a stay against the PUC's stranded cost recovery plan, claiming the PSNH would be forced into bankruptcy. The stay was issued, halting implementation of the restructuring plan as it applied to PSNH. The stay was extended until a trial is completed, which is expected to begin in February 1999.</p> <p>2/97: The PUC issued a final plan and legal analysis for restructuring the electric power industry in New Hampshire. Among the issues addressed by the plan are market structure, unbundling electric services, stranded costs, and public policy issues such as universal service, renewable energy, and customer protections.</p>
<p>Legislation</p>	<p>6/00: Legislation was passed and signed into law that will resolve the lengthy dispute that has delayed retail competition in the PSNH area. SB 472 authorizes refinancing of \$800 million of PSNH debt to be paid off over 12 to 14 years. PSNH will reduce rates by an average 15.5 percent for businesses and 17 percent for residential consumers. Residential rates will be capped for nearly three years, and businesses' rates for nearly 2 years. PSNH will divest its generation assets by July 2001, and operate as a transmission and distribution utility, regulated by the State.</p> <p>7/99: HB 464, a law that addresses rate reduction financing or securitization, was signed into law on July 16, 1999.</p> <p>6/98: SB 341, a law that addresses default and transition services, was signed into law on June 17, 1998.</p> <p>6/98: HB 485, a net metering law, was enacted to allow customers with 25kW or less renewable generation to utilize net metering.</p> <p>5/96: HB 1392 was enacted, requiring the PUC to implement retail choice for all customers of electric utilities under its jurisdiction by January 1, 1998 or at the earliest date which the Commission determines to be in the public interest, but not later than July 1, 1998.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs] [Pilot Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[New Hampshire Public Utility Commission] [Public Service of New Hampshire] [Granite State] [New Hampshire General Court] [Unitil Energy Systems, Inc. (Concord Electric Company and Exeter & Hampton Electric Company)]</p>

New Jersey

Regulatory Orders

12/00: The New Jersey Supreme Court upheld a decision upholding the New Jersey Board of Public Utilities' (BPU) restructuring and securitization orders for PSE&G. This decision will allow PSE&G to go forward with its implementing restructuring according to the orders issued by the BPU. Customers will receive an additional 2 percent rate reduction and securitization bonds will be sold, amounting to \$2.5 billion, the proceeds which will retire outstanding debt and/or equity.

7/99: The BPU reached a final settlement agreement with Conectiv. The final plan sets a schedule for rate reductions, determines stranded costs recovery and shopping credits, and sets retail access implementation by November 1999.

6/99: The BPU reached a settlement agreement with GPU for restructuring. The settlement includes rate reductions, increased shopping credits, and reduced the amount of stranded costs GPU will be allowed to recover.

3/99: New Jersey plans to launch its consumer education for electricity restructuring and retail choice program on June 1, 1999.

5/98: The BPU announced a 6-month delay in its plan to offer retail competition. Phase-in of retail competition should now begin by April 1999.

4/97: The BPU issued an order adopting and releasing its final report for the Energy Master Plan. The revised plan accelerates the time line for retail competition to begin: phase-in should begin with 10 percent by October 1998, 35 percent by April 1999, 50 percent by October 1999, 75 percent by April 2000, and all by July 2000.

1/97: The BPU issued an order releasing its Energy Master Plan for public comment. The proposal calls for a phase-in of retail choice that would give all New Jersey residents and businesses the option of choosing their electricity supplier by April 2001.

Legislation

9/02: [Senate Bill 869](#) was enacted on September 9, 2002 and effective immediately. SB 869 gives the Board of Public Utilities the discretionary power to allow the utilities to issue "transition bonds." These bonds will allow Conectiv, Jersey Central Power & Light, Public Service Electric & Gas and Rockland Electric to recover nearly \$1 Billion in "deferred balances" as a result of the rate cap. The Board has hired two consulting firms to audit the four utilities.

2/99: [Legislation \(A 10/S 5\)](#) to restructure the electric power industry in New Jersey was enacted. The law allows all consumers to shop for their electric supplier by August 1999; reduces current rates by 5 percent, and over the next 4 years, by 10 percent; and allows recovery of utilities' stranded costs through a wires charge paid by consumers.

7/97: AB 2825, a tax reform bill, was enacted. The law abolished the gross receipts and franchise tax on sales of electricity and replaces it with a corporate business tax paid by the utilities and a 6 percent sales and use tax paid by the customers on energy use. The new tax system will create tax equity between utility companies and potential competitors in a deregulated market.

Investigative Studies

8/02: On August 30, 2002, the [Deferred Balances Task Force](#) released its [report](#) and [appendices](#) to Governor McGreevey, who established the task force with his

	<p>Executive Order on July 31, 2002. The report explains that the four-year rate caps have caused the enormous deferred balances. Under New Jersey's restructuring legislation, ratepayers are required to repay "reasonably incurred deferred balances." The task force made five recommendations: "sign Senate Bill 869;" "apply strong consumer protections;" "aggressively mitigate further accumulation of deferred balance;" "mandate bill inserts on educate consumers about deferred balances;" and "examine boarder changes in EDECA," New Jersey's restructuring legislation, "and its implementation."</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs] [Pilot Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[New Jersey Board of Public Utilities] [New Jersey Legislature] [Public Service Electric & Gas] [GPU (FirstEnergy Company) - Jersey Central Power & Light] [Conectiv]</p>

New Mexico

Regulatory Orders

10/02: The New Mexico Public Regulation Commission issued a [Notice of Proposed Rulemaking \(NOPR\)](#) to increase the amount of renewable energy utilities provide to their customers. If the NOPR were passed, utilities would be required to increase their renewable portfolio standard to 4 percent by January 1, 2004, 7 percent by January 1, 2007 and finally 10 percent by January 1, 2010. According to the NOPR, no one renewable energy source can make up “more than 50% of the portfolio of any utility.”

9/00: The New Mexico Public Regulation Commission (PRC) issued its [final order](#) on rehearing case no. 3109. The order answers the question, "whether cost is a factor in determining whether to require the inclusion of a renewable resource in standard offer service." The PRC decided to include the cost as a factor, but capped the increase to standard offer service as a result of encouraging renewables at one-tenth of a cent per kWh. Green power will be offered as an option.

8/00: New Mexico's Attorney General, the New Mexico Industrial Energy Consumers, and the New Mexico Rural Electric Cooperative Association have asked the PRC to postpone a pending decision to authorize the state's IOUs to begin unbundling their operations. The groups are concerned about the recent price spikes and supply problems in California and feel that delaying the decision would allow them time to revisit restructuring issues before the state legislature convenes again in January 2001.

5/00: The PRC ruled that the schools', small businesses', and residential consumers' retail access date is delayed one year to January 1, 2002. The delay provides utilities additional time to prepare their customer information and billing systems to accommodate customer choice.

5/00: The PRC issued [code of conduct](#) rules for public utilities and their affiliates offering retail electric services in New Mexico.

4/00: New Mexico IOUs requested the PRC to delay the beginning of competition for a year, claiming they are unprepared to implement new billing and computer systems.

3/99: The State Supreme Court ruled that the PUC exceeded its authority when it ordered the Public Service of New Mexico to open its power lines to a competitor. The competitor plans to ask the court to address the matter again.

2/98: New Mexico PRC submitted legislative language to the legislature and Governor that would give PUC authority to resolve deregulation issues. The PUC is pushing for retail competition; legislation will likely be introduced in the 1999 legislative session.

Legislation

5/01: Legislation, [SB 266](#), was enacted that delays opening the retail electricity market to competition. Customer choice for residential customers, originally scheduled for 2002, is delayed until January 2007, and for nonresidential customers until July 2008. Other measures of the law will delay Public Service of New Mexico's unbundling of its distribution from its generation and marketing

	<p>businesses and will allow the utility to proceed with plans to build new generation and form a holding company.</p> <p>4/99: The Electric Utility Restructuring Act of 1999, SB 428, was enacted on April 8, 1999. The law will open the state's electric power market to consumer choice beginning in 2001, when residential and small consumers will have retail access. All other consumers will have retail access by January 2002. The law splits the responsibility for stranded costs between consumers and stockholders, allowing utilities to recover at least 50 percent of stranded costs through charges to consumers over a five year period.</p>
<p>Investigative Studies</p>	<p>1/98: The PSC issued its restructuring report to the legislature. The report calls for full retail competition by January 2001 and for legislative adoption of rules by July 1999. The report also states that \$60 million/year could be saved.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Pilot Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[New Mexico Public Regulation Commission] [New Mexico Legislature] [Public Service of New Mexico] [Texas-New Mexico Power]</p>

New York

Regulatory Orders

6/01: The New York Public Service Commission approved standards governing the electronic exchange of routine business information and data among electricity and natural gas service providers in New York. The PSC also issued an order to establish uniform retail access billing and payment processing practices that will facilitate a single bill option for customers who buy power and/or natural gas from ESCOs. These orders are designed to facilitate retail energy competition in New York and provide for efficient single-billing options for all New York electricity and natural gas customers.

3/01: The PSC approved rules for customers in New York State Electric & Gas territory to receive a credit for switching to a competitive electricity supplier. The old "shopping credit" was set, at 3.71 cents per kilowatthour, below market prices. Competitors could not beat the that price with market prices consistently being higher. The new "shopping credit" will be tied to the going market price plus a small amount for administrative costs, making it easier for competitors to deal with wholesale prices that fluctuate seasonally. The market-based shopping credit is expected to entice more customers to switch suppliers.

11/98: The PSC ordered utilities, beginning in 4/00, to inform customers of the sources of their electricity and their amount of environmentally "clean" power.

6/98: The PSC set rules for a Systems Benefit Charge to fund R&D related to energy service, storage, generation, the environment, and renewables; pilot programs for energy management for low-income consumers; and environmental protection.

1997 to 1998: The PSC approved restructuring orders for six utilities in the State (see utility plans in the "retail access" table).

5/96: The PSC issued its [opinion and order regarding competitive opportunities for electric service](#) that restructured New York's electric power industry. The Competitive Opportunities Case adopted the goal of having a competitive wholesale market by 1997, and a competitive retail market by early 1998. Electric utilities are required to submit restructuring plans by October 1996. It also states that utilities should have a reasonable opportunity to recover stranded costs consistent with the goals of restructuring.

Legislation

9/02: According to the Governor's [press release](#), "Governor Pataki signed net metering legislation that will encourage farmers to sell excess electricity generated through the use of anaerobic digesters to utilities. Net metering laws already exist for electricity generated by solar panels on homes. The new legislation would expand those laws to include technically qualified farms as potential "net metering" customers who generate power from methane."

1/99: The governor withdrew a tax break for customers who chose an alternative generation supplier, resulting in a 4 percent increase in rates for customers who are "choosing."

	<p>2/98: A bill, A.7942 - D, was introduced by Senator Tonko to provide an alternative deregulation plan to the PSC, saying the current PSC plan does not go far enough to protect consumers. The bill calls for competition in electric generation no later than March 1, 2000 for all consumers, including municipal systems and 10 percent rate cuts by September 1998.</p>
<p>Investigative Studies</p>	<p>12/00: The New York Public Service Commission staff released a report recommending modifications in the operation of the New York Independent System Operator. The report recommends a hard cap of \$150/MWh and the power to order retroactive refunds. FERC must approve these recommendations before they become an order.</p> <p>2/99: A briefing paper was issued from the New York General Assembly that criticizes the piecemeal PSC process of restructuring. It lists five criteria that the PSC plan has failed on in restructuring the industry.</p> <p>2/99: The PSC ordered utilities to submit monthly reports in 1999, and quarterly reports thereafter, to monitor competition. The reports will contain the number of consumers eligible to participate, the number of kWh eligible for retail access, the number of consumers per ESCO in the utility's operating territory, and the number of kWh provided by each ESCO.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs] [Pilot Programs] [Additional Information]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[New York State Public Service Commission] [PSC restructuring page] [Consolidated Edison] [New York State Electric & Gas] [Niagara Mohawk] [Orange and Rockland] [Central Hudson] [LIPA] [Rochester Gas & Electric] [New York State Assembly]</p>

North Carolina

Regulatory Orders

2/01: The North Carolina Utilities Commission issued an [order](#) that initiates an investigation "on the creation of voluntary "green" and "public benefit fund" check-off programs." The NCUC will issue a report to the Study Commission on the Future of Electric Service. A hearing will be held on April 3, 2001 to discuss the comments of the Carolina Power & Light Company, Duke Power, Dominion North Carolina Power, North Carolina Electric Membership Corporation, ElectriCities of North Carolina, Inc.

9/97: The PUC reopened electric restructuring Docket concerning emerging issues in the electric industry.

Legislation

1/01: The legislation study panel has decided more study of restructuring issues is needed before recommending to the legislature to open the state to competition by 2005, as previously recommended. The studies will focus on consumer protections and ways to encourage power plant construction in the State.

7/00: [HB 1840](#) provides funding for the Study Commission on the Future of Electric Service in North Carolina until June 30, 2006.

7/00: [HB 1593](#) allows the Study Commission to report periodically to the General Assembly until June 30, 2006.

7/00: [SB 1385](#) added a 30th member to the Study Commission, the Chief Executive Officer of North Carolina Power Company or the Chief Executive Officer's designee.

11/98: The Study Commission will not meet its January due date for its report. Accordingly, restructuring legislation will likely not be considered in 1999. However, one state legislator may introduce a restructuring bill in 1999, previously introduced as the 1997 Customer Choice in Electricity Act. The Study Commission will present a report to the short legislative session in 2000.

8/98: At a "Mayor's Day" event, mayors and city officials urged the legislature to pass restructuring legislation to prevent large industrials from relocating and thus protect the economies of North Carolina cities and the State.

5/98: [HB 778](#) added six members to the Study Commission, three members of the State House of Representatives and three members of the State Senate.

11/97: The Study Commission commenced its work to investigate restructuring in North Carolina and determine whether legislation is needed. Reports are due to the General Assembly in 1998 and 1999.

4/97: [SB 38](#) established a 23-member Study Commission on the Future of Electric Service in North Carolina. A report is due by 1999 to the legislature.

Investigative Studies

3/02: The North Carolina Utilities Commission issued an [interim report](#) regarding the Investigation of Green and Public Benefit Fund Voluntary Check-Off Programs to the Study Commission on the Future of Electric Service in North Carolina. According to the report, the NCUC requests "that the Commission continue to work with the stakeholders to implement a statewide green power program for North Carolina," but "not adopt a voluntary public benefit fund check-off program

at this time." The Commission wanted to concentrate voluntary contributions on green power because public benefit programs are already successful and well established.

12/00: The Utilities Commission staff issued its comments, recommending a limited deregulation plan to a legislative panel. The legislative panel has been working for two years and is scheduled to present recommendations on restructuring to the General Assembly by January 2001. In light of California's market dysfunction, the Utilities Commission recommends that restructuring in North Carolina proceed slowly and with caution. Also, a representative for ElectriCities, which collectively have \$5.5 billion in debt and are concerned about their ability for repayment under restructuring, recommended to the legislative panel that no restructuring take place until the Commission can demonstrate that there will be a benefit for consumers.

9/00: The Study Commission on the Future of Electric Service in North Carolina wants to draft a model restructuring bill to submit to state legislators when the next General Assembly session starts in January 2001. At a recent commission meeting, several panel members suggested that the commission look into this summer's price spikes in California before proceeding. An October meeting is scheduled.

7/00: The [Study Commission on the Future of Electric Service in North Carolina](#) announced intentions to hold a series of meetings and public hearings on deregulation in cities around the State. The issue of municipal debt must be resolved before legislation can be drafted for the 2001 legislative session.

4/00: The Study Commission issued its [final report](#) with recommendations to open retail electricity markets to half of consumers by January 2005, and the other half by January 2006. The study also recommends a rate freeze until January 2005 to allow utilities to pay down stranded costs and implementation of a public benefit fund for low-income, renewable energy, and energy efficiency programs. The issue of municipals' stranded costs was not addressed. Legislators will review the Study Commission's recommendations in the 2000 short session, and consider enacting restructuring legislation in the longer 2001 session.

3/99: Research Triangle Institute issued a final report to the North Carolina PUC as part of its ongoing investigation into electric power industry restructuring. The RTI reports contain recommendations for a restructured electric industry including: potential distribution reliability problems, forming a regional transmission group, certification of all electricity suppliers, and consumer safeguards. The final report on stranded costs analyzes 4 options for ensuring fairness to the consumers and the utilities, especially the municipals. Municipals in North Carolina have a total bond debt of approximately \$5.8 billion, much of it in relatively expensive nuclear generation.

7/98: Research Triangle Institute produced a [report](#) for the Study Commission on the Future of Electric Service in North Carolina that summarizes the rate disparity between publicly owned and private utilities in the State. The report recommends the Legislature pass deregulation legislation in 1999.

**Links to State
Regulatory
Commissions and Major
Utilities**

[\[North Carolina Utilities Commission\]](#) [\[North Carolina General Assembly\]](#)
[\[Carolina Power & Light Company\]](#) [\[Duke Power\]](#) [\[Dominion North Carolina Power\]](#) [\[ElectriCities\]](#)

North Dakota

Legislation

1/99: [SB 2389](#) was enacted. It added a new language to HB 1237. It states that the committee's study must determine "whether to grant a public utility a certificate of public convenience and necessity to extend its electric lines and facilities to serve customers outside the corporate limits of a municipality and....under which a rural electric cooperative may provide electric facilities and service to new customers and existing customers within municipalities being served totally or primarily by a public utility." The Act is effective from August 1, 1999 to July 31, 2001.

No restructuring legislation was introduced in 1999, and the legislature will meet again in 2001 (meets every other year).

2/98: North Dakota Electric Utilities Committee met and discussed tax implications of restructuring and electric rates of investor-owned and cooperative utilities.

7/97: First meeting of Electric Utilities Committee. Final report is due November 1998.

3/97: [HB 1237](#) was enacted to create a Legislative Study Committee on Electric Industry Competition. Committee work should be completed by August 1, 2003.

Investigative Studies

11/98: The Electric Utilities Committee submitted its [report](#) to the legislature. The report states that restructuring efforts shouldn't proceed until potential tax issues are considered.

Links to State Regulatory Commissions and Major Utilities

[[North Dakota Legislative Branch](#)] [[North Dakota Public Service Commission](#)]
[[Xcel Energy \(Northern States Power\)](#)] [[Otter Tail Power](#)]

Ohio

Regulatory Orders

10/02: The Public Utilities Commission received Daytona Power & Light's proposal to extend its current generation rate freeze from December 31, 2003 to December 31, 2005.

10/00: Allegheny Energy's (parent of Monongahela Power) restructuring plan was approved by the Public Utilities Commission of Ohio (PUCO). Competition and a 5 percent residential rate reduction begins January 1, 2001. Rates will be frozen through the development period, which is 2003 for large industrial consumers and 2005 for residential consumers.

10/00: American Electric Power's (parent company for Ohio Power and Columbus Southern Power) restructuring plan was approved by the PUCO. Retail competition begins January 1, 2001, with residential consumers receiving a 5 percent rate reduction. More than \$600 million in transition costs will be collected through 2007 (for Ohio Power) and 2008 (for Columbus Southern Power). Certain residential customers will have transition charges waived. Also, rates will be frozen through the development period or 2005, whichever comes first. Shopping credits, incentives and switching procedures will be provided, and AEP agreed to absorb \$40 million of customer education, customer choice implementation, and transition plan filing costs.

10/00: Dayton Power and Light's (DP&L) transition plan to begin retail competition for all customers by January 2001 was approved by the PUC. Under the agreement, DP&L generation rates will be capped until the end of the recovery period when transition costs are fully recovered, December 31, 2003. Transmission and distribution rates will be capped through the end of 2006. The plan includes a 5 percent residential rate reduction to the generation portion for customers who remain with DP&L, beginning January 1, 2001. Additionally, DP&L will pay up to \$1 million for a voluntary enrollment procedure if at least 20 percent of its customers have not chosen another supplier by September 30, 2003.

9/00: The PUCO approved the Cincinnati Gas & Electric (CG&E) restructuring plan. Retail electric choice will be offered beginning January 1, 2001. The price of electricity will be unbundled into its components (generation, transmission, distribution), and a rate cap will be in effect for five years for all residential customers. Additionally, residential customers who stay with their current supplier will receive a 5 percent rate reduction in the generation portion of their bill.

7/00: First Energy's (Ohio Edison, Toledo Edison, and The Illuminating Company) restructuring plan was approved by the PUCO. The plan calls for recovery of transition costs through 2006 for Ohio Edison, mid-2007 for Toledo Edison, and 2008 for Illuminating Company. Competition will begin January 1, 2001, and residential consumers will receive a 5 percent rate reduction on the generation portion. Distribution rates will be frozen through 2007.

1/00: AEP (Ohio Power and Columbus Southern Power) filed its transition plan with the PUCO. The plan includes requested recovery of \$974 million in regulatory assets.

1/00: Monongahela Power filed its transition plan with the PUCO. Included is a request for \$13 million in stranded cost recovery.

	<p>1/00: Cincinnati Gas & Electric filed its transition plan with the PUCO. The plan includes: 5 percent residential rate reduction in the generation portion of rates, effective January 2001; rate unbundling into the generation, transmission, distribution, and transition costs components; recovery of \$927 million in transition and stranded costs; corporate separation of regulated and unregulated functions; participation in the MidWest ISO; and a consumer education plan. The PUCO is to rule on the plan before Oct. 31, 2000.</p> <p>1/00: Dayton Power & Light filed its transition plan with the PUCO. The plan includes a 5 percent residential rate reduction for generation; a cap on all prices through December 31, 2004; customer choice by January 1, 2001; recovery of \$441 million in transition costs; and a consumer education program. The PUCO will issue comments and recommendations to the plan within 90 days, a final order within 275 days.</p> <p>1/00: First Energy (Ohio Edison, The Illuminating Company, Toledo Edison) refiled a transition plan with the PUCO to conform with the new rules established to comply with Ohio’s restructuring law. The plan includes: requested recovery of \$7 billion for transition and stranded costs; operational and technical support changes to allow for retail direct access by January 1, 2001; plans to transfer control of transmission assets to the Alliance RTO; unbundled prices; corporate separation of regulated and unregulated business; and an education program for consumers.</p> <p>10/99: The PUCO issued an initial set of rules for transition to a competitive retail market. The draft rules include provisions for recovery of stranded costs, corporate unbundling, consumer education, and employee protections.</p>
Legislation	<p>7/99: The restructuring legislation, SB 3, was signed into law by the governor on July 6, 1999. The legislation will allow retail customers to choose their energy suppliers beginning January 1, 2001. The new law requires 5 percent residential rate reductions and a rate freeze for 5 years, contains consumer protections, environmental provisions, and labor protections, and empowers the PUCO to determine the amount and recovery period for stranded costs. Also, the property tax utilities paid in the past is replaced with an excise tax on consumer bills. Utilities are required to spend \$30 million over the next six years on consumer education programs.</p>
Investigative Studies	<p>6/02: The Triad Research Group completed its 2002 Research Report for the Public Utilities Commission of Ohio as part of the Ohio Electric Choice campaign. According to this annual market survey, customers are more supportive and knowledgeable of electric choice because of the increase in advertising. However, customers are less interested and concerned about the “reliability of electric service.” Of the customers surveyed, “only 5.1% report switching suppliers, while one-quarter (25.9%) have decided to not switch.”</p>
Links to Tables on Restructuring Issues	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs] [Pilot Programs] [Additional Information]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Public Utilities Commission of Ohio] [Ohio General Assembly] [The Ohio Consumers’ Counsel] [(FirstEnergy (Ohio Edison, Toledo Edison, and The Illuminating Company))] [AEP (Columbus Southern Power Company and Ohio Power Company)] [Dayton Power & Light] [Cinergy (Cincinnati Gas and Electric)] [Allegheny Power (Monongahela Power)]</p>

Oklahoma

Regulatory Orders

7/99: Oklahoma Gas & Electric Energy Services filed a plan with the OCC for new rate reductions totaling \$58.9 million through July 1, 2002, establishing a performance based incentive plan, and eliminating the fuel adjustment clause. These decreases, in addition to those already scheduled to take effect in 2000, are intended to help prepare the utility for competition. If the performance goals aren't met, the company would pay the price; if they are exceeded, the stockholders would receive the benefits of the savings. This is the first performance-based ratemaking plan filed in Oklahoma.

2/98: The OCC issued final rules for unbundling. The rules now go to the legislature and governor for review.

4/97: The Oklahoma Corporation Commission (OCC) is directed by SB 500 to undertake a study of all relevant issues relating to restructuring the electric utility industry and to develop a framework for the restructuring. Four reports: ISO Issues, Technical Issues, Financial Issues, and Consumer Issues are due February 1998, December 1998, December 1999, and August 2000, respectively.

Legislation

6/01: The Governor signed [SB 440](#). The bill establishes a 9-member task force to further study the effects of deregulation. Retail competition will not be implemented until after the task force issues its final report at the end of 2002, and the legislature enacts enabling restructuring legislation.

9/00: An electric restructuring symposium, sponsored by the Oklahoma Industrial Energy Consumers, was held to discuss restructuring in other states in anticipation of developing a similar plan for Oklahoma. An earlier attempt at restructuring failed when the House of Representatives narrowly rejected SB 220. A similar bill is expected to be introduced during the 2001 legislative session, which begins in February.

6/00: Efforts to pass legislation containing implementation guidelines to restructure Oklahoma's electric power industry, set to begin July 1, 2002, by earlier legislation, ended with the closing of the 2000 legislative session. The Electric Deregulation Task Force remains in operation until January 1, 2003, and will continue working toward deregulation, presumably addressing new legislation in the 2001 session.

3/00: The Senate passed legislation dealing with the details of how to implement retail competition in the state's electric power industry, as required in SB 500, passed in June 1998. Retail choice is set to begin by July 2002 in the State. The bill has yet to be approved by the House.

10/98: The Joint Electricity Task Force began meeting to discuss deregulating the state's electric utilities. Issues studied will include customer choice, reliability, unbundling, and tax impacts. The studies are to be completed by October 1999.

6/98: [SB 888](#) was enacted. The bill will speed up the time line for restructuring the industry. Currently, under SB 500, studies and recommendations for restructuring should be completed by the OCC by 2000. This new legislation requires that all studies be completed by October 1999, and allows some retail competition to begin as early as 1999.

	<p>4/97: SB 500, the Electric Restructuring Act of 1997, is enacted allowing retail competition by July 2002. The OCC is directed to study the issues and develop a framework to implement retail competition.</p>
<p>Investigative Studies</p>	<p>12/01: The Oak Ridge National Laboratory conducted a study on the potential economic impact of electricity industry restructuring in Oklahoma at the request of the OCC. Phase I of the report was issued in March 2001, and Phase II was presented to the commission in November 2001. Phase I of the report concentrated on an analysis of the near-term effects of potential restructuring in Oklahoma. Phase II analyzes the future of the electricity market to 2010 incorporating the potential of new generating plants and customer responses to competitive prices.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[Oklahoma Corporation Commission] [OCC restructuring page] [AEP - Public Service of Oklahoma] [Oklahoma Gas & Electric] [Oklahoma Legislature] [Electric Restructuring Advisory Committee] [Electric Restructuring Advisory Committee Papers] [Oklahoma Attorney General]</p>

Oregon

Regulatory Orders

11/02: According a Oregon Public Utility Commission [press release](#), the Commission approved a request by Industrial Customers of Northwest Utilities (ICNU) to implement a five-year plan for large commercial and industrial customers of Portland General Electric with an hourly demand of 1 MW or more to choose their own electric supplier. These customers will be required “to pay a fixed transition charge.” Despite having the opportunity to choose their own supplier since March 1, 2002, eligible customers had been discouraged by variable transition charges. The customers who choose this option will “give up receiving the standard cost-of-service rate for at least five years.” However, if they give two years notice they “can switch to any PGE option available to new customers for service after 2007.” Eligible customers have until November 8, 2002 to decide.

9/00: The Oregon Public Utilities Commission (PUC) has passed the first set of rules governing electricity restructuring in Oregon. Beginning October 1, 2001, large commercial and industrial customers will have the opportunity to choose alternative suppliers. Small commercial and residential customers will continue to be regulated. Electric utilities are required to file resource plans by November 1, 2000. The plans must identify what aspects of their businesses will remain regulated to serve residential and small commercial customers.

Investigative Studies

12/02: The Oregon Public Utility Commission recently released a report to the state Legislature on whether residential customers should participate in retail competition. According to a PUC [press release](#), the report “concluded there would be few if any suppliers competing for residential customers,” and “the cost of implementing a competitive residential power market exceeds the likely benefits at this time.”

Legislation

3/02: According to Oregon's electric restructuring law, commercial and industrial customers of Portland General Electric and PacifiCorp will be eligible for direct access (the ability to purchase power from a certified Electricity Service Supplier) on March 1, 2002. In the event that an ESS pulls the plug on non-residential customers, PGE and PacifiCorp provide default service. Residential customers are not eligible for direct access, but they will have "a portfolio of energy options to choose from including electricity from a variety of renewable energy resources." The 12-member portfolio advisory committee recommended these options to the Public Utility Commission. PGE and PacifiCorp will continue to offer their renewable energy products, "Blue Sky" and "Clean Wind." All Oregon electric customers have the option to retain "cost-of-service" based rates, but all customers will be assessed "a 3 percent public purpose charge...to fund and encourage energy conservation and development of renewable energy." According to the PUC approved grant agreement, the Energy Trust of Oregon will administer funds collected for conservation and renewable energy. The Oregon Housing and Community Services Agency will continue to collect "a low-income bill assistance fee" from Portland General Electric and PacifiCorp customers.

8/01: Legislation, [HB 3633](#), was enacted to revise Oregon's restructuring law. Act 3633 delays the date for implementing retail access for large customers from October 2001 to March 2002. Most other provisions of Oregon's plans for restructuring are also delayed 6 months to March 2002, including offering a

	<p>portfolio of rate options to residential customers, the collection of public purpose funds, and the requirement for utilities to unbundle the costs of generation, transmission, distribution, ancillary services, customer services, public purpose programs, and taxes. An exception was made to allow collection of funds for low-income assistance programs, which may begin in October 2001.</p> <p>8/01: HB 3502 was enacted. The legislation amends the power of the Public Utility Commission to not only obtain fair and reasonable rates, but also to balance the interests of the utility investor and the consumer in establishing fair and reasonable rates. Fair and reasonable rates are defined as those that provide adequate revenue for both operating expenses and capital costs, with a return to the equity holder that is commensurate with the return on investment in other enterprises of similar risk and sufficient to ensure confidence in the utility's financial integrity.</p> <p>7/99: The restructuring bill, SB 1149, was signed by the governor. The bill is somewhat different from the other States that have passed restructuring legislation in that residential consumers will not have retail access, but will be offered a choice of pricing plans by the utilities and regulated by the PUC. The bill allows the PUC to suspend restructuring if it jeopardizes access to low-cost power from BPA, and it allows municipalities to choose whether or not to participate. The bill imposes a 3 percent public benefits charge for energy conservation and low-income programs on consumers. Residential consumers are offered a portfolio of options, including market-based prices, rate-regulated prices, and green prices for energy, while businesses and industrials will have retail access beginning October 1, 2001. The PUC is given authority to determine stranded costs. Another provision allows the governor to appoint the chair of the PUC and remove commissioners for cause, and a net metering law for customer-installed generators less than 25kW (and limited customer generators to one half of one percent of the utility's single-hour peak). The bill effects consumers of IOU's in the State (PacifiCorp and Portland General Electric).</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Public Benefits Programs] [Pilot Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[Oregon Public Utility Commission's Electric Restructuring Page] [PacifiCorp] [PacifiCorp's program in Oregon] [Portland General Electric] [Oregon State Legislature]</p>

Pennsylvania

Regulatory Orders

8/02: The Pennsylvania Public Utility Commission issued an [emergency order](#) to stop New Power "from sending out additional make-up bills that are not consistent with our rules and regulation." All New Power customers that have already paid these bills are to be refunded.

8/01: The Pennsylvania Public Utility Commission (PUC) approved a settlement with GPU, Inc. and First Energy Corp (a merger between the two utilities is pending) that preserves customer rate caps, encourages customer participation in choosing alternative generation suppliers, increases support for renewable energy and conservation programs, and enables GPU to defer its wholesale power losses through 2005. Distribution rate caps were extended for 3 years to 2005. Total generation rates, including shopping credits and competitive transition charges, continue at the same levels through 2010 as established by GPU's restructuring settlement. Shopping credits will rise with a corresponding decrease in the competitive transition charge, which will enable customers more opportunity to find alternative suppliers for generation. The settlement also commits \$15 million to renewable and sustainable energy development. And finally, through the establishment of a deferral mechanism that allows GPU to carry its wholesale power losses in a deferred account through 2010, the settlement addresses GPU's current financial concerns and enables it to continue meeting its obligations to purchase wholesale power for its customers.

1/01: As required under PECO's restructuring plan, 300,000 residential customers that had not chosen a competitive supplier were randomly chosen and switched to The New Power Company, which was chosen by PECO to provide "Competitive Discount Service" from March 2001 through January 2004. Customers may opt out of the program or choose another electricity supplier without penalty.

1/01: The PUC deferred the decision on GPU's rate increase request for recovery of wholesale power costs until May, when it will be heard with GPU's merger request (with First Energy). GPU claims projected losses in 2001 could exceed \$145 million due to the rising costs of purchasing wholesale power. GPU voluntarily divested its generation assets, has not entered into long-term contracts for power, and must buy power on the wholesale market at increasing prices to serve its customer load.

12/00: GPU has asked the PUC to defer the losses from its rising costs of wholesale power purchases, due to rising fuel costs, to provide its default customers with power. A number of customers returned to GPU this summer following a rise in market prices. GPU was unable to procure through a 1999 auction, a supplier for 20 percent of its "provider of last resort" load. PECO, which initially also could not procure default power through an auction, recently was able to negotiate privately with New Power Company to supply part of its default load. NPC will offer discounted power to about 299,000 residential PECO customers until 2004. Customers may opt out and remain with PECO.

5/99: The PUC finalized rules for full consumer choice in the retail electricity market. By September 1999, utilities will mail information packages to all

	<p>consumers that have not chosen a competitive supplier. The packages will contain information about consumer choice, the "price to compare," and a list of competitive suppliers serving their rate class and location.</p> <p>6/98: The PUC began its consumer education program. An Electric Supplier Selection Form will be mailed to all consumers in the state to begin enrollment in the first part of the phase-in of competition, set to begin with two-thirds of consumers in January 1999. Sign-up for retail choice begins July 1, 1998. The final third of consumers will begin retail choice in January 2000. Most consumers are expected to realize savings of over 10 percent of what they now pay.</p>
Legislation	<p>12/96: HB 1509, the Electricity Generation Customer Choice and Competition Act, was enacted. The law allows consumers to choose among competitive generation suppliers beginning with one third of the State's consumers by January 1999, two thirds by January 2000, and all consumers by January 2001. Utilities are required to submit restructuring plans by September 1997.</p>
Investigative Studies	<p>9/02: The Citizens for Pennsylvania's Future release its Electric Competition: The Story Behind the Headlines, A 50-state Report. The report found that rates for most restructured states are lower or similar to what they were before restructuring.</p>
Links to Tables on Restructuring Issues	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs] [Pilot Programs]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Pennsylvania Public Utility Commission] [PA Utility Choice Program] [Pennsylvania Office of Consumer Advocate] [FirstEnergy (Penn Power, Penelec, Met-Ed)] [Exelon Corp. (PECO Energy)] [PPL Electric Utilities] [Allegheny Power (West Penn)] [Duquesne] [Pennsylvania Rural Electric Association] [Pennsylvania General Assembly]</p>

Rhode Island

Regulatory Orders	12/97: The Rhode Island Public Utilities Commission (PUC) issued an order accepting interim rates and approving retail choice for all Rhode Island consumers on January 1, 1998.
Legislation	<p>6/02: HB 7786 was enacted. It changed the composition of the Public Utilities Commission, its membership, meetings and hearings. There will now be five commissioners instead of three, and three of the commissioners must be independent from any business regulated by the commission. The bill also amended the State's restructuring law, HB 8124. Utilities must offer Standard Offer Service (SOS) to customers not participating in retail competition until 2009, and Last Resort Service (LRS) to customer who left the competitive market. All SOS and LRS rates will be approved by the PSC. Starting January 1, 2003 and for the next 10 years, utilities will collect \$0.000002 per kilowatt-hour "to fund demand side management programs and \$0.0000003 per kilowatt-hour "to fund renewable energy programs." Municipal aggregation is also permitted.</p> <p>5/01: The Rhode Island State Senate passed SB 881, an act that would enable non-residential customers enrolled in last resort service the option to return to standard offer service. These customers would be required to sign an agreement for 2 years prohibiting self-generation during non-emergency conditions and remarketing of purchased electricity.</p> <p>8/96: The Rhode Island Utility Restructuring Act of 1996, HB 8124, allowed retail choice to be phased-in starting July 1997. In July 1997, Rhode Island became the first state to begin phase-in of statewide retail wheeling (for industrial customers). Residential consumers were guaranteed retail access by July 1998.</p>
Investigative Studies	2/01: The PUC released its annual report on electric restructuring to the State legislature. According to the report, the number of customers leaving the competitive market and becoming Last Resort Service (LRS) customer "increased dramatically in 2000." In June 2000, LRS rates "moved gradually to the full market price" for nonresidential customers, but LRS rates were still the same as Standard Offer Services rates for residential customers.
Links to Tables on Restructuring Issues	[Retail Access] [Stranded Costs]
Links to State Regulatory Commissions and Major Utilities	[Rhode Island Public Utilities Commission] [National Grid] [Narragansett Electric] [Rhode Island General Assembly]

South Carolina

Regulatory Orders	<p>6/98: The Public Service Commission of South Carolina (PSC) decided to conduct stranded cost proceedings for the 4 investor-owned utilities in the State, expecting completion by the end of the year.</p> <p>4/98: The PSC requested utilities to calculate their stranded costs under a retail access scenario.</p> <p>2/98: The PSC issued the Proposed Electric Restructuring Implementation Process as requested by House Speaker. The plan calls for a five-year transition period following passage of legislation to deregulate the electric power industry.</p>
Legislation	<p>3/00: Restructuring legislation, SB 1168, was introduced and referred to the Committee on Judiciary. The bill would allow retail direct access within three years in South Carolina. Debate and discussions continue in both the House and Senate, but few expect passage of a bill this session.</p> <p>5/99: Three restructuring bills and one joint resolution calling for a study of restructuring the electric power industry have not been passed in the current legislative session. The legislature continues to debate and review the bill proposed by Representative Cato.</p> <p>3/99: Restructuring legislation was introduced. The bill calls for competition to be phased-in over 6 years and would allow regulators to determine how much utilities could recover in stranded costs.</p> <p>12/98: A task force was appointed to study deregulation in South Carolina. A report will be issued, but no time frame was announced.</p> <p>11/98: A restructuring bill was prefiled that will create a deregulation task force.</p> <p>5/97: House speaker requested a PSC study and recommendations for restructuring electric industry by January 1998.</p> <p>1997: Legislation (Bills 346 and 3414) to restructure the electric industry and allow retail wheeling were introduced in the House and Senate. The bills would allow retail competition to be phased in beginning January 1998 and going through January 1999. Neither were acted on in the current 2-year legislative session that ended in June 1998.</p>
Investigative Studies	<p>3/00: A report by the Senate Task Force is due to be released soon.</p> <p>10/98: The PSC released a report on deregulation that stated the cost of deregulating the 3 large investor-owned utilities in the state would be about \$1.4 billion. Stranded costs for South Carolina Electric and Gas were estimated to be \$882 million; for Carolina Power & Light, \$410 million; and for Duke Energy, \$81 million.</p>
Links to Tables on Restructuring Issues	<p>[Stranded Costs]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[Public Service Commission of South Carolina] [Santee Cooper] [Carolina Power & Light Company] [Duke Power] [SCANA] [Electric Cooperatives of South Carolina] [Piedmont Municipal Power Agency] [South Carolina Legislature]</p>

South Dakota

Regulatory Orders

6/99: Black Hills Power and Light agreed to freeze its rates for 5 years, until January 1, 2005. This continues a 5-year freeze begun in 1995. South Dakota's electric rates are among the lowest in the Nation, and some studies have indicated retail competition in such low-cost rural areas could cause rates to rise.

Legislation

1/98: The Legislative Research Council is hosting an informational forum on developments in utility competition. This is the first time the State legislature has addressed restructuring of the electric industry. No action is expected. Current law allows retail wheeling for new, large customers.

Investigative Studies

2/99: A study by the University of South Dakota Business Research Bureau commissioned by the rural cooperatives stated that under restructuring, cooperatives would see rates increase.

Links to State Regulatory Commissions and Major Utilities

[[South Dakota Public Utilities Commission](#)] [[Black Hills Corp](#)] [[Xcel Energy \(Northern States Power\)](#)] [[Otter Tail Power](#)]

Tennessee

Legislation

2/99: The Study Commission is continued. Recommendations for restructuring including any proposed legislation in Tennessee must be made by February 28, 2001, when the commission ends.

6/98: The General Assembly Study Commission is continuing into 1999.

6/97: General Assembly created a special joint legislative committee to study electricity deregulation. A report is due October 1998.

Investigative Studies

2/00: The Comptroller of the Treasury issued a report titled "[The Potential Impacts of Electric Industry Restructuring in Tennessee](#)". The report states that Tennessee should be ready to join the national trend towards electric industry restructuring. The study suggests that the Joint Study Commission continue studying restructuring issues. If Tennessee does decide to allow retail competition, then the state should "move slowly in allowing competition, possibly following the examples of Virginia and Pennsylvania in first pursuing pilot projects." Also, "full retail competition is probably the preferable approach," allowing residential consumers to participate.

1/99: The Tennessee Regulatory Authority released a report on deregulation of the industry. The report identifies 10 issues: rates and prices; stranded costs; reliability; market power; universal service; environmental concerns; taxes; local rate setting; consumer education; and regulatory and legal issues.

5/98: The Department of Energy advisory committee on TVA issued a final report calling for more regulation controls on TVA once national electric deregulation begins. It recommends TVA remain mainly in the "wholesale electric business."

Links to Tables on Restructuring Issues

[[Additional Information](#)]

Links to State Regulatory Commissions and Major Utilities

[[Tennessee Regulatory Authority](#)] [[Tennessee Valley Authority](#)]
[[Tennessee General Assembly](#)] [[Texas Legislature](#)]

Texas

Regulatory Orders

10/02: The Public Utility Commission of Texas issued a settlement agreement for NewPower's exit from the Texas retail electric market. According to a PUC [news release](#), NewPower's final bills must follow PUC rules. "Customers with past due bills of more than \$50 may request a deferred payment plan," but they "will not be charged any late fees or penalties." The NewPower call center will remain "open until December 30, 2002 or the 61st day after NewPower issues its final bill, whichever date is later." All complaints received by October 16, 2002 must be resolved, and "all other complaints sent by the PUC to NewPower must be resolved within 21 days."

8/02: The Public Utility Commission of Texas approved a rate increase due to rising fuel costs. According to a PUC [press release](#), Texas' restructuring legislation, Senate Bill 7, provides that the PUC can raise rates "twice a year if natural gas prices increase at least four percent over a 10-day period." The PUC is considering this issue and may change it in the near future, but the Commission stated that customers are still paying "approximately 10 percent" less than last year. Customers should see the fuel cost increase on their October bills.

3/02: According to a [press release](#), the Public Utility Commission of Texas (PUC) "issued an interim order approving a procedure to allow for the transfer of customer contracts from an Enron subsidiary, Enron Energy Services, Inc. (EES), to Constellation Power Source, Inc. The order also prohibits EES from marketing to or serving customers in Texas pending the sale. This action will allow EES customers to keep the existing contract terms with a qualified provider who buys the contracts from EES or to opt out of their contracts with EES and choose another retail electric provider (REP)."

12/01: The PUC set the "Price to Beat" for the six utility-affiliated retail electric providers in the State. Customers who do not choose to switch to an alternative retail electric provider will continue to receive full service from their utility-affiliated provider. Rates for residential customers will be cut by at least 6 percent on January 1, 2002, when all customers will be able to choose to buy their energy from a competing provider. See the [Texas Electric Choice](#) web page for customer information about choosing a retail electric provider.

11/01: Exercising its option to delay retail access in regions where fair competitive service cannot be implemented, the PUC accepted a settlement to delay implementation of retail access in Southeast Texas. Affected are customers of Entergy within the Southeast Regional Reliability Council. The PUC cited a lack of an RTO in the region and the absence of marketing by retail electric service providers as the primary reasons for the decision.

10/01: The PUC delayed retail choice in the area covered by the Southwest Power Pool in Texas (panhandle area). The delay will effect customers of Southwest Electric Power Company and a few customers of West Texas Utilities. Reasons cited include the lack of an RTO in that region, no retail electric suppliers, and wholesale electricity markets in the area are not yet competitive.

9/01: Utilities in Texas began the process of auctioning part of their generating capacity. According to SB 7, at least 60 days before competition begins, each generation company affiliated with a former monopoly utility must sell entitlements to at least 15 percent of its installed generation capacity. The action is designed to increase the pool of available power for new retail suppliers entering the market, prevent market power, and promote competition in electricity markets.

8/01: The official opening of the pilot program in Texas has been delayed twice, from the original date of June 1 to July 6, and now to at least July 31. The schedule for full implementation of retail open access is still set to begin January 2002.

7/01: The Texas Supreme Court upheld the March PUC settlement with Central Power and Light (a subsidiary of American Electric Power) to securitize approximately \$764 million in regulatory assets. Securitization, or refinancing of debt, is the mechanism to recover stranded costs as provided by the Texas restructuring law, SB 7, passed in June 1999.

3/01: A high level of interest in participating in the retail choice pilot program by nonresidential customers is requiring most of the investor-owned utilities to conduct lotteries to choose the allowed 5 percent of their customers who will be allowed to choose their electricity supplier. Beginning in June, 5 percent of each customer class in each of the investor-owned utilities will be allowed to choose their supplier of electricity. The residential participants are being selected on a first-come, first-serve basis.

3/01: The PUC is overseeing the pilot program set to begin retail competition by June 1, 2001. The pilot program will be open to customers in the State's IOU service territories. Enrollment began in February 2001, and if over 5 percent of customers choose to enroll, a lottery will be held to choose participants.

3/01: The PUC began its consumer education program to promote competition for electricity suppliers. Inserts are being enclosed in bills, and an information website ([Texas Electric Choice](#)) and telephone line are now operating.

12/00: The PUC issued a Request for Proposals (RFPs) to select electric service providers to be providers of last resort (POLR). The POLR will serve customers in areas open to competition on January 1, 2002, where the Retail Electric Provider (REP) of choice fails to continue service. According to the PUC's restructuring rules, POLRs must offer a firm, nondiscountable, seasonally differentiated rate to any of three consumer classes: residential, small nonresidential, and large nonresidential. The POLR service is not supposed to be competitive, innovative or anything other than basic standard service.

10/00: The PUC adopted rules for the provider of last resort for when competition begins in early 2002. The rules will allow for continuity of service if a service provider goes out of business or drops a consumer. The provider of last resort will be required to provide to consumers no longer served by their provider of choice with service at a fixed price. A competitive bidding process will designate the last resort providers for each consumer class. Bidding is expected to be completed by June 1, 2001.

	<p>4/00: Utilities filed restructuring plans with the PUC. The plans incorporate how the utilities will implement retail choice by 2002, a mandated rate reduction of 6 percent after January 1, 2002, and how the utilities will separate their business into generation, retail provider, and delivery divisions.</p> <p>10/99: Southwestern Public Service Company filed its plan for evaluation of market dominance with the PUC, as required by the legislation passed in June. To alleviate market dominance, SPS plans to transfer ownership or control of 595MW of generating capacity. Some entitlements to power will be auctioned, and some generation assets divested (by 2002).</p> <p>7/98: The PUC approved TNMP's proposal for retail competition. The plan includes provisions for a pilot program and a five-year transition to competition. This voluntary plan has a provision that it would be modified to conform with any restructuring legislation passed.</p> <p>4/98: The PUC is finalizing its plan and recommendations for restructuring and expects to forward it to the legislature within days.</p> <p>8/96: The PUC authorized the ERCOT ISO, to be operational by July 1997.</p>
Legislation	<p>6/99: Restructuring legislation, SB 7, was enacted to restructure the Texas electric industry allowing retail competition. The bill requires retail competition to begin by January 2002. Rates will be frozen for 3 years, and then a 6 percent reduction will be required for residential and small commercial consumers. This will remain the "price to beat" for five years or until utilities lose 40 percent of their consumers to competition. The bill will also require a reduction of NOx and SO2 emissions from "grandfathered" power plants over a 2-year period. All net, verifiable, nonmitigated stranded costs may be recovered. Securitization will be allowed as a recovery mechanism. Utilities must unbundle into 3 separate categories, using separate companies or affiliate companies, the generation, the distribution and transmission, and the retail electric provider. Utilities will be limited to owning and controlling not more than 15 percent of installed generation capacity in their region (ERCOT). Municipals and cooperatives are not affected by the law, unless they choose (after January 2002) to open their territories to competition. The law also requires an increase in renewable generation and 50 percent of new capacity to be natural gas-fired.</p> <p>12/97: The Senate Interim Committee on Electric Industry Restructuring met, and will continue meeting with stakeholders; next meeting set for February 1998. The committee expects to issue a report prior to when the 1999 legislative session reconvenes in January.</p> <p>8/97: A Senate committee was formed to review electric industry restructuring.</p> <p>1995: SB 373 enacted to restructure the Texas' wholesale electric industry, consistent with FERC requirements. The law requires utilities to provide unbundled transmission service on a non-discriminatory basis and establish an ISO.</p>
Investigative Studies	<p>8/02: As part of the upcoming "Report to the 78th Legislature on the Scope of Competition in Electric Markets," the PUC released its July 2002 Report Card on Retail Competition. According to the report card, 349,612 switch requests have</p>

	<p>been completed as of July 22, 2002. There was a 31 percent increase in switching activity since the May 2002 Report Card. The final report will be given to the Legislature in January 2003.</p> <p>7/02: As part of the upcoming "Report to the 78th Legislature on the Scope of Competition in Electric Markets," the PUC released its June 2002 Report Card on Retail Competition. According to the report card, 262,593 switch requests have been completed and 39,634 switch requests are either in review or scheduled. There has been a 9 percent increase in switching activity since the May 2002 Report Card on Retail Competition. The final report will be given to the Legislature in January 2003.</p> <p>11/98: The House committee released a report on the tax impacts of deregulation indicating a major overhaul of the state's tax system would be necessary if restructuring legislation were to pass in 1999.</p> <p>1/97: The PUC issued three reports as directed by the legislature. Volume I is on the scope of competition in the electric industry in Texas; Volume II is an investigation into retail competition; and Volume III focuses on recovery of stranded costs and competition.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs] [Public Benefits Programs] [Pilot Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[Public Utility Commission of Texas] [Entergy] [Texas Utilities] [El Paso Electric Co] [AEP - Southwestern Electric Power, West Texas Utilities, and Central Power & Light] [Reliant Energy] [Texas-New Mexico Power]</p>

Utah

Legislation

3/01: [HB 244](#) changed the name of the Electrical Deregulation and Customer Choice Task Force to the [Energy Policy Task Force](#), which studies the State's energy needs.

3/00: [SB 250](#) extended the Electrical Deregulation and Customer Choice Task Force until November 30, 2002.

3/99: [SB 15](#) continued the Electrical Deregulation and Customer Choice Task Force through November 30, 2000, and repealed the rate freeze from the prior session.

4/98: The Utah Legislature's Electrical Deregulation and Customer Choice Task Force is favoring a slower approach, and will not begin working on draft legislation until the fall of 1998.

3/98: According to the Utah Division of Public Utilities' Electric Utility Restructuring timeline, [HJR 7](#) recommended that the task force continue its work in 1998 and decide whether or not to introduce restructuring legislation in 1999. The bill also stated that the rate freeze should be allowed to expire and "a full rate hearing for Utah Power & Light be allowed to proceed before the Utah Public Service Commission."

11/97: The task force voted to recommend no restructuring legislation for 1998 session. The task force will prepare draft legislation for a restructuring plan by April 1998 for introduction in the 1999 General Session.

3/97: [HB 313](#) created a task force to study the various issues of electric industry restructuring. Draft report is due November 1997, and the final report is due November 1998.

Investigative Studies

11/98: A draft report on restructuring was issued by the Utah legislature's Electrical Deregulation and Customer Choice Task Force. The report is generally favorable toward competition; however, it advises a "go slow" approach.

10/98: The Public Service Commission (PSC) of Utah issued a report to the Electrical Deregulation and Customer Choice Task Force on [stranded costs](#). The Task Force favors allowing the market to determine the value of stranded costs.

9/98: The PSC completed a report on [market power](#) for the Electrical Deregulation and Customer Choice Task Force. Market power is considered a "serious problem."

8/98: The PSC completed a report on [consumer protections](#) for the Electrical Deregulation and Customer Choice Task Force.

6/98: The PSC's "[Unbundling Electricity Related Services](#)" report to the Electric Deregulation and Customer Choice Task Force details technical options for separating the costs for generation, transmission, and distribution.

Links to State Regulatory Commissions and Major Utilities

[\[Utah Division of Public Utilities\]](#) [\[Public Service Commission of Utah\]](#)
[\[PacifiCorp\]](#) [\[Utah State Legislature\]](#)

Vermont

Regulatory Orders

12/96: Vermont Public Service Board (PSB) issued [a report and order](#) on electric power industry restructuring that called for retail competition by 1998, functional unbundling, and allowed recovery of stranded costs. Implementation of the plan requires legislation.

10/95: The PSB opened docket 5854, a formal investigation into restructuring the electric power industry. An informal investigation yielded a set of principles for implementing competition.

Legislation

7/02: [Senate Bill 138 \(Act No. 145\)](#), a bill regarding net metering, took effect July 1, 2002. The act allows farms to produce up to 150 kilowatts of electricity using renewable energy sources. The farm will receive renewable energy credits as long as it produces "less energy than the annual load of the meters associated with the farm." As long as the farm as a certificate of public good, an electric company "may contract to purchase all or a portion of the output from a farm system." **8/98:** The Governor created a task force to study restructuring activities regionally and nationally; the effects of Hydro-Quebec contracts on ratepayers; the State's competitive position with a deregulated environment; and the effect of recent regulatory activities on Vermont utilities. A report is due by December 1998.

4/98: Several restructuring bills were considered in 1998 session. The session ended on April 17 with no action taken on any of the bills.

10/97: House Electric Utility Regulatory Reform Committee voted to not propose any retail wheeling legislation in 1998, but will draft its version of a restructuring bill for 1999.

8/97: Prompted by the Senate bill, the House formed a special committee to study restructuring issues.

4/97: The Senate passed a bill based on the plan issued by the PSB that would have allowed retail choice by 1998; however, the bill stalled in the House.

Investigative Studies

12/98: The governor's Working Group on Vermont's Electricity Future issued a report that unveiled a restructuring plan. The report suggests that the industry in Vermont should be restructured within the next year to 18 months, and the three major utilities in the State merge and that the contracts costs with Hydro Quebec be paid down with State-backed loans.

Links to State Regulatory Commissions and Major Utilities

[\[Vermont Department of Public Service\]](#) [\[DPS restructuring page\]](#)
[\[Vermont Public Service Board\]](#) [\[Vermont Public Service Board restructuring page\]](#) [\[Central Vermont Public Service\]](#) [\[Green Mountain Power\]](#)
[\[Citizen's Utilities\]](#) [\[Vermont Legislature\]](#)

Virginia

Regulatory Orders

11/02: The Virginia State Corporation Commission increased the fuel rate from 1.31 cents per kilowatthour to 1.463 cents per kilowatthour for AEP-Virginia effective January 1, 2003. The Virginia Electric Utility Restructuring Act allows the SCC to increase rates for fuel costs even during the rate cap period.

1/02: The State Corporation Commission (SCC) issued the average [price to compare](#) rates for each customer class. "The price to compare is the regulated price of generation and transmission of electricity, less any applicable competitive transition charge." Competitive service providers use these rates to determine what it must offer in order to attract customers. Eligible customers must contact their current supplier for the actual rates. According to the SCC's 2002 average "price to compare" chart, overall AEP Virginia has the lowest average rates. However, Dominion Virginia Power has the lowest average rate in the large commercial class. All AEP-Virginia, Allegheny Power, and Conectiv customers became eligible to choose an electric supplier on January 1, 2002. Dominion Virginia Power allowed only its Northern Virginia residential customers and one-third of its non-residential customers to participate in electric choice on January 1, 2002, but it will phase in electric choice by January 1, 2003 for the rest of its customers.

12/01: The SCC issued [orders](#) for each investor-owned and cooperative utility to functionally unbundle generation from delivery within each company. Virginia Electric and Power Company and American Electric Power had requested legal separation of generation assets from the rest of the company, but the SCC denied the requested plans, imposing only functional separation at this time. The orders direct each utility to maintain separate divisions along functional lines for the generation, transmission and distribution functions. Customer choice for most customers in the State will begin January 2002 and by January 2004 all customers will be able to choose their supplier for the generation portion of electric service. The incumbent utilities will continue to provide delivery service for all customers and default service for the customers who do not choose an alternative provider. The SCC will set rates for the generation portion of service provided by incumbent utilities, which will be capped during a transition period through 2007. Customers will be able to use this "price to compare" rate when deciding to remain with their incumbent utility or choose a competing supplier for generation. The [Virginia Energy Choice](#) web site provides information about the new competitive energy supply market in Virginia.

10/01: The SCC issued an [order](#) regarding customer minimum stay periods (the time a customer must remain with the incumbent utility upon returning from competitive supplier service). When returning to capped rate or default service after receiving service from a competitive service provider, customers with an annual peak demand of 500 kW or greater will be required to remain with the default supplier a minimum of 12 months. However, if the competitive service supplier leaves Virginia, the minimum stay period will not apply to the affected customers. The complete set of [rules](#) governing retail access to competitive energy services including minimum stay periods is located on the SCC's website.

6/01: The SCC adopted [rules](#) to advance a competitive energy supply market and protect customers that shop for alternative electric suppliers when the retail market opens in January 2002. The SCC ruled that utilities will be required to provide lists of all eligible customers to competitive service providers. Customers will have the opportunity to have the information withheld, known as the "opt-out" provision. Utilities will also be required to unbundle charges on customer bills into the following components: distribution service, competitive transition charge, electricity supply service, state and local consumption tax, and local utility tax. Bills will also include a customer's monthly energy consumption for the previous 12 months, a "price to compare" for shopping comparison to energy service providers prices, descriptions of charges, and notices of any rate changes. Rules also provide numerous consumer protections and rights to information. The [Virginia Energy Choice](#) web site provides information about the progress toward developing a competitive energy supply market in Virginia.

8/98: The SCC approved more than \$700 million in refunds and rate reductions. A total of \$150 million in refunds will be provided by November 2, 1998. In return for the refund/rate cuts, Virginia Power will use \$220 million in revenue to reduce debt on generation assets.

3/98: The SCC ordered investor-owned utilities to begin work on change to introduce retail competition to the State including the creation of an ISO, PX, and plans for pilot programs. Utilities are to report on their previous activities and future plans by April 15, 1998.

Legislation

3/01: [SB 1420](#), a bill concerning the designation of a default supplier and a mechanism for establishing default service rates, was enacted. The bill designates the SCC as the deciding agent for supplier of last resort in a competitive retail market for electricity. Potential suppliers could bid to provide the service, and the SCC can set the rates for default service, based on market rates. Other points contained in the bill: transfer or sale of generating assets would be subject to SCC approval; competitive metering and billing, scheduled for 2002 and 2003, could be delayed; and suppliers would be allowed to recover the costs of implementing competitive metering and billing through tariffs.

3/99: The Virginia Electric Utility Restructuring Act, [SB 1269](#), passed the General Assembly and was signed into law by the Governor. Highlights of the bill include: creation of a regional transmission entity by January 1, 2001; deregulation of generation by January 1, 2002; phase-in of consumer choice between January 1, 2002 and January 1, 2004; rates capped through July 2007 for those who remain with the incumbent utility; recovery of stranded costs through capped rates for customers staying with the incumbent utility and through a wires charge for those who switch to competitive suppliers; and consumer protections such as universal service, education programs, fuel and emission disclosure requirements, and allowing aggregation for small consumers.

4/98: Restructuring legislation, [HB 1172](#), was signed into law. The law establishes a schedule for retail competition beginning January 2002 and completion by January 2004. Also, the law requires establishment of an ISO and allows recovery of net stranded costs. The General Assembly will deal with details of restructuring issues such as stranded costs and public benefits programs in the 1999 session.

Investigative Studies

12/02: The Virginia State Corporation Commission released an Addendum to the 2002 Status Report on Competition called the [Review of FERC's Proposed Standard Market Design and Potential Risks to Electric Service in Virginia](#). The report advocates for rebundling of retail rates and service because competition is currently lacking. In addition, the study suggests that if Virginia reverted back to a regulated market, then the State would not be subject to the FERC's standard market design as long as the State's jurisdiction was upheld.

11/02: The Virginia State Corporation Commission (SCC) issued a report to the Legislature titled "[The Feasibility, Effectiveness, and Value of Collecting Data Pertaining to Virginia's Energy Infrastructure](#)." Senate Bill 684 required the SCC to submit a "workgroup study" to the Legislature on this matter. According a SCC [press release](#), the "workgroup study" found that utilities, generators and customers "generally agree that collecting information does not appear to be a problem," but "the value and effectiveness of collecting the information is more difficult to ascertain," especially after deregulation.

11/02: Dominion Virginia Power commissioned Chmura Economic & Analytics to conduct a [report](#) on how much a residential customer would save during the capped rate period of 1998-2007. The utility's rates are capped until July 1, 2007. A Dominion Virginia Power [press release](#) stated "the average annual savings per residential customer range from \$45 to \$50 during the capped rate period."

9/02: The Virginia State Corporation Commission released its [2002 Status Report](#) to Governor Warner and the General Assembly. The report states, "At the time of this report, only 2,500 residential consumers and 24 small commercial consumers are using an alternative supplier. The residential consumers that have switched are customers of a competitive provider offering "green" power at a premium to the incumbent utility's price-to-compare." Another 750,000 Virginians will have access to retail choice on September 1, 2002. The report concluded no competitive suppliers are offering a rate below the "price-to-compare," and wholesale market power is still evident.

8/02: The Legislative Transition Task Force of the Virginia Electric Utility Restructuring Act released its [2002 Report](#). The Task Force considered many proposals to amend the 1999 Virginia Electric Utility Restructuring Act. The AES New Energy and Old Mill Power Company proposal suggested phasing out wire charges, which they consider an obstacle to competition. The Task Force stated that the issue of wire charges would be addressed next year when they examine whether or not the recovery of stranded costs has occurred.

9/01: The SCC staff presented to the 2001 Legislative Transition Task Force the required [annual report](#) on the status of development of a competitive retail electricity market within Virginia. According to the report, the pilot programs currently underway in Dominion Virginia Power, American Electric Power, and Rappahanock Electric Cooperative are not as successful as anticipated. Although some customers in Dominion Virginia Power's area have switched to competitive suppliers, none switched in AEP or Rappahanock's areas, and no competitive suppliers are currently making offers for service in any area. The report also examines other retail electricity markets in surrounding regions and found most to be under stress and undergoing decreasing participation. The report includes

	<p>recommendations by interested parties to facilitate competition in retail electricity markets. One suggestion, the elimination of price caps and wires charges, was rejected by the SCC since these mechanisms are intended to protect both consumers and incumbent utilities.</p> <p>11/97: The SCC issued a study on electric industry restructuring and a model for competition. The draft model recommends a five-year transition to full retail access. Phase I, from 1998 to 2001, would involve unbundled rates and bills, a study of stranded costs, formation of an ISO and PX, and pilot programs to study retail wheeling. Phase II, from 2000 to 2002, would involve decision-making for a competitive industry and utility plans for restructuring. Full competition would then be phased-in through 2005.</p> <p>11/96: The SCC issued an order calling for more study on competition in the industry. The SCC asked that the state move slowly toward retail competition.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Retail Access] [Stranded Costs] [Pilot Programs]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[Virginia State Corporation Commission] [SCC restructuring page] [Virginia General Assembly] [Dominion Virginia Power] [AEP]</p>

Washington

Regulatory Orders

5/01: The Washington Utilities and Transportation Commission announced a settlement between Puget Sound Energy and the utility's large industrial customers. The utility's six largest industrial customers will be allowed to buy power from any source, including other utilities, power marketers and each other.

12/95: The WUTC issued its final guidelines after a year-long inquiry into retail wheeling and restructuring issues, favoring a gradual approach.

Legislation

5/98: Several bills were passed by the legislature: a net metering bill to allow net metering for on customer site generation from solar, wind, and small (under 25 kW) hydro; and an unbundling bill to require generation, distribution, transmission, control area services, and programs to benefit the public (i.e., low-income, conservation) to be shown as separate charges for the purpose of preparing a report to the State legislature. The bill did not require utilities to offer unbundled services to consumers.

4/98: HB 2831 passed the legislature and the Governor is expected to sign it. The bill requires utilities to study and submit reports on unbundling their costs and the quality of service and reliability. Reports must be submitted by September 1998, and a the WUTC will provide a consolidated report to the legislature by December 1998.

Investigative Studies

12/98: The WUTC delivered a report to the legislature per Bill 6560, on retail consumer protections.

5/98: The WUTC completed Phase I of its investigation into electric restructuring concluding the pace nationwide is faster than expected.

Links to Tables on Restructuring Issues

[\[Pilot Programs\]](#) [\[Additional Information\]](#)

Links to State Regulatory Commissions and Major Utilities

[\[Washington Utilities and Transportation Commission\]](#) [\[WUTC restructuring page\]](#)
[\[PacifiCorp\]](#) [\[Puget Sound Energy\]](#) [\[Washington State Legislature\]](#)

West Virginia

Regulatory Orders

1/00: The West Virginia Public Service Commission (PSC) issued an [order](#) recommending a plan for restructuring on January 28, 2000. The PSC submitted this plan, the culmination of three years of study, to the legislature for approval. The plan will implement consumer choice by January 2001, provides a rate freeze through 2004, and will stabilize rates through 2014. In the plan, divestiture is not required, but utilities must transfer generation to a fully separate subsidiary by 2005.

9/99: The Consumer Advocate Division of the PSC argues that consumers in West Virginia have already paid the stranded costs associated with power plant construction. They are also pushing for a rate cap in the deregulation plan to be developed for submittal to the legislature early next year. All parties are planning to begin negotiation of the plan by November 1999.

1/99: The PSC scheduled 2 hearings in August of 1999 that will address electric restructuring issues such as stranded costs and consumer protections.

10/98: The PSC pushed back the October 1998 deadline for its final report on restructuring to November 16, 1998.

9/98: The PSC suspended an October 1998 hearing on deregulation, delaying any plan to submit recommendations to the 1999 legislature. No hurry is seen to enact deregulation since West Virginia rates are low.

5/98: In compliance with HB 4277, a new restructuring docket was established. Proponents of deregulation are requested to file plans meeting criteria in HB 4277. A series of restructuring workshops will be held this summer and fall. Proposed plans have been submitted by 11 parties including AEP.

5/97: The PSC formed a task force to study restructuring, and a report is due October 1997.

Legislation

10/00: In light of the low cost of electricity in West Virginia and the price spikes experienced this past summer in other States that have restructured retail markets, lawmakers seem to need to be convinced that restructuring will benefit West Virginia consumers. Before the provisions of the restructuring law can take effect, a resolution must be passed by the legislature in 2001. Most concerns center on protecting small (residential) consumers from price increases.

3/00: The Legislature approved the Electricity Restructuring Plan submitted by the PSC. The plan will allow retail choice by January 2001, unbundles and caps rates until 2004, and provides commercial and industrial rate reductions through 2005. The legislation requires passage of a resolution in the 2001 session before the provisions of the law can go into effect.

3/98: [HB 4277](#) was passed to give the PSC authorization to develop a restructuring plan for presentation to the legislature in January 1999. The plan will require legislative approval. The principles which a restructuring plan should be based on are included in the legislation.

1/98: A bill was introduced to the legislature to authorize the PSC to design and implement an electricity deregulation plan.

Investigative Studies	<p>11/98: The PSC staff issued a status report on its study of deregulation in West Virginia stating that utilities, industrials, consumer advocates, and marketers have failed to reach a final consensus on a restructuring plan in West Virginia.</p> <p>6/98: A report was filed with the Consumer Advocate Division of the PSC stating that the public interest would not be served by the current proposals to deregulate the State's electric power industry. West Virginia enjoys some of the lowest rates in the Nation, and it is feared that rates for residential consumers would rise in a competitive electricity market.</p> <p>10/97: The PSC staff report was issued.</p>
Links to Tables on Restructuring Issues	<p>[Retail Access]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[West Virginia Public Service Commission] [PSC restructuring page] [Allegheny Power – Potomac Edison/Monongahela] [AEP] [West Virginia Legislature]</p>

Wisconsin

Regulatory Orders

12/00: WPS Resources filed a restructuring plan with the Wisconsin Public Service Commission (PSC) that would transfer WPS generating assets to a nonregulated subsidiary (genco) and transform Wisconsin Public Service Corporation into a regulated electric distribution company (disco). A power purchase agreement between the disco and genco would be executed, and ratepayers would retain the same rates as they have today. WPS sees this plan that would remove power plants and their construction from rate bases as a step toward a competitive market in Wisconsin, something they see as inevitable due to surrounding states restructuring status.

11/97: The PSC issued its final decision on electric industry restructuring. The plan does not recommend retail access before 2000, but focuses on improving the utility infrastructure. Recommendations included improving transmission facilities; removing barriers to open transmission access; developing an ISO; promoting construction of merchant plants; and promoting the development of renewable energy resources.

8/97: The PSC submitted its draft 7-step work plan to restructure the electric industry to the legislature. The plan focuses on reliability and infrastructure improvements, and does not recommend retail access at least until 2000. A final decision is set for October 30, 1997.

Legislation

10/99: A proposal called "Reliability 2000," includes a budget plan to restructure the utility industry. It estimates a cost of \$14 per year per consumer for energy conservation projects and low-income assistance programs; would create a nonprofit company to own and operate the transmission system; and would lift a rule that limits a utility's investments to 25 percent of its assets.

4/98: Legislation to improve reliability and prevent power shortages by establishing a competitive merchant plant generating industry and creating a regional independent system operator was signed into law on April 28, 1998. The law will allow merchant plants up to 100 MW to be built without PSC approval, and utilities are required to join an ISO and create 50 MW of power from renewable sources by 2000.

1/98: A bill authored by the Governor was introduced in the 1998 session that considers the reliability issues as proposed in the PSC final decision of October 30, 1997.

Links to Tables on Restructuring Issues

[\[Retail Access\]](#) [\[Public Benefits Programs\]](#) [\[Additional Information\]](#)

Links to State Regulatory Commissions and Major Utilities

[\[Wisconsin Public Service Commission\]](#) [\[PSC restructuring page\]](#) [\[Wisconsin joint legislative council on restructuring\]](#) [\[Wisconsin Electric\]](#)
[\[Alliant/Wisconsin Power & Light Co\]](#) [\[Wisconsin Public Service Corporation\]](#)
[\[Madison Electric & Gas\]](#) [\[Xcel Energy \(Northern States Power\)\]](#)
[\[Wisconsin State Legislature\]](#)

Wyoming

Regulatory Orders

6/98: The Wyoming Public Service Commission (PSC) had scheduled a hearing on deregulation in June 1998 to establish voluntary guidelines for utilities, but the hearing was canceled in response to legislator's concerns.

Legislation

9/97: A joint committee of the Wyoming legislature began a series of hearings on electric industry restructuring.

Investigative Studies

9/97: The PSC released the [Study of the Potential Economic Impacts of Electric Restructuring on the State of Wyoming](#), a report commissioned by the PSC and completed by Black & Veatch and Planning Information Corporation on September 15, 1997. The paper stated that further study was needed; legislation would be needed; stranded costs should be recoverable; and pilot programs should be developed.

Links to State Regulatory Commissions and Major Utilities

[\[Wyoming Public Service Commission\]](#) [\[Wyoming Public Service Commission Electric Industry page\]](#) [\[Montana-Dakota Utilities Company\]](#) [\[PacifiCorp\]](#)
[\[Wyoming State Legislature\]](#)

Status of State Electric Industry Restructuring Activity

Retail Access as of February 2003

Alaska	
Additional Information	<p>1/99: Chugach rejected Matanuska's offer and contended that the savings projected by the merger could easily be achieved through competition; Chugach will continue to push for statewide competition.</p> <p>10/98: Matanuska Electric Association, Chugach's largest wholesale customer, offered to buy out Chugach. Chugach's assets are valued at \$486 million. Chugach officials were surprised by the offer and are withholding judgment.</p> <p>6/98: PUC rejected Chugach's argument and affirmed the PUC's authority to regulate retail wheeling.</p> <p>1/98: Chugach Electric Association, the State's largest utility, urged to PUC and legislators to allow retail competition in Anchorage and surrounding areas. HB 235 primarily failed because Chugach would not support it unless it was amended to allow retail wheeling in Anchorage and surrounding areas.</p>
Arizona	
Schedule	<p>1/01: The Salt River Project made 20 percent of their 1995 retail peak load available for competition on December 31, 1998 and opened its entire service territory to competition on June 1, 2000. Arizona Public Service opened 20 percent of their retail load to competition on October 1, 1999, and Tucson Electric Power opened 20 percent of its retail load to competition on January 1, 2000. Retail access was fully implemented by January 1, 2001.</p>
Rates	<p>11/99: TEP's settlement agreement was approved and requires a 1 percent rate reduction and a rate freeze through 2008.</p> <p>9/99: Under APS's settlement agreement was approved. Residential rates will be reduced 7.5 percent over 4 years, and large users' rates 5 percent over 3 years.</p> <p>5/99: In the proposed APS settlement agreement, rates will be reduced 7.5 percent for residential and small business and 5 percent for industrials over the next 4 and 3 years, respectively. If approved, the residential and small business reductions would total 16 percent over 10 years, including the rate reductions from 1994. TEP's settlement includes a more modest rate reduction of 1 percent in July 1999 and in July 2000 with rates frozen at the July 2000 level until 2008.</p> <p>1/99: The Salt River Project's restructuring plan includes a 5.4-percent residential rate reduction.</p>
Utility Plans	<p>11/99: The ACC approved TEP's restructuring agreement. The agreement will allow recovery of \$450 million in stranded costs collected from ratepayers through 2008; rate reductions of 1 percent and frozen from July 2000 to 2008; and retail access beginning with 20 percent of TEP's retail load 60 days after ACC approval (January 2000), and all customers by January 2001. TEP's generation assets will be transferred to an affiliate company by the end of 2002.</p> <p>9/99: The ACC approved the settlement agreement with APS for restructuring. The APS will open 20 percent of its retail territory to competition by October 1,</p>

	<p>1999, and all of it by January 1, 2001. Residential rates will be reduced 7.5 percent over 4 years, and large users' rates will be cut 5 percent over 3 years. APS will be allowed to recover \$350 million in stranded costs over the 5-year transition period. The residential shopping credit is set at 4.5 cents and large users' at 3 cents. APS is required to transfer its generation assets to an affiliate company.</p> <p>5/99: The ACC and the Arizona Public Service reached a settlement agreement (still subject to ACC approval and public hearings). The agreement includes 7.5-percent residential and small business rate reductions spread from 1999 to 2003, and a 5-percent industrial rate reduction over the period 1999 to 2002. The plan will allow recovery of stranded costs through a competitive transition charge through December 2004. Additionally, the agreement maintains APS's low income program.</p> <p>1/99: The Salt River Project opened about 20 percent of their market to retail competition. However, only one alternative supplier (PG&E) is licensed to sell to only commercial and industrial consumers. SRP's restructuring plan includes a 5.4-percent rate reduction for consumers remaining with SRP. SRP is not under jurisdiction of the ACC and thus not effected by the court ruling that has delayed competition in the investor-owned utilities' territories.</p>
<p>Additional Information</p>	<p>3/00: The Arizona Restaurant Association is organizing a buying block for its members. A potentially large group of commercial consumers in the Arizona Public Service territory may switch to an alternative electricity supplier, New West Energy, the marketing arm of the Salt River Project. Members in other service territories, Tucson Electric and SRP, may also negotiate for an alternative supplier. New West Energy will provide the Association's members electricity at a savings and various services including energy efficiency audits to enhance energy savings.</p> <p>1/99: The ACC delayed retail access when the State Supreme Court decision put a stay on the restructuring settlements submitted by APS and Tucson Electric with the ACC. The restructuring settlements previously filed by APS and Tucson Electric with the ACC, were withdrawn.</p>

<p style="text-align: center;">Arkansas</p>	
<p>Schedule</p>	<p>5/99: Legislation sets retail competition to begin by January 1, 2002. Implementation of retail competition can be delayed by the PSC, but no later than June 30, 2003.</p>
<p>Rates</p>	<p>5/99: Rates for consumers of utilities seeking to recover stranded costs will be frozen for 3 years, and for those not seeking to recover any stranded costs, 1 year.</p>
<p>Utility Plans</p>	<p>12/97: Arkansas PSC agreed to Entergy's restructuring plan. The plan includes rate reductions of about \$217 million over 2 years; debt reduction of \$165 million over 5 years on the Grand Gulf Nuclear Station; and creation of a special Transition Cost Account to be used to collect funds for stranded costs recovery.</p>

California

Schedule

10/01: On September 20, 2001, the CPUC suspended direct access for all customers, but contracts will continue until their expiration.

1/00: As of January 15, 2000, the CPUC reports 209,752 direct access customers (2.1 percent) out of 10,157,716 possible utility distribution customers. The direct access customers represent 13.8 percent of the total load. Almost one-third of the demand by large industrial customers is being served by competitive companies, whereas only about 2.1 percent of residential load is on direct access.

6/99: As of May 31, 1999, the CPUC reports that 135,493 California consumers (about 1.3 percent) have switched electricity providers. The breakdown by customer class is: 92,904 residential consumers or about 1.1 percent; 26,942 small commercial (2.8 percent); 11,652 large commercial (5.9 percent); 1,002 large industrial (20.6 percent); 2,977 agricultural (2.5 percent); and 16 unknown. About half of the consumers who have switched suppliers have opted for "green" power, electricity generated from environmentally acceptable methods, such as wind, solar, and geothermal.

10/98: Based on the California PUC's data, New Energy Ventures, a retail electricity marketer, calculated it has won about 40 percent of the 13,648-GWh load being served by nonutility energy service providers.

4/98: The CPUC issued the final order to open the retail market on March 31, 1998; all consumers in investor-owned territories could choose alternative electricity suppliers.

Rates

11/02: According to a PUC [press release](#), direct access customers, those who held contracts prior to September 20, 2001, will be charged "Cost Responsibility Surcharges (CRS) with an interim overall cap of 2.7 cents/kWh" for the costs incurred by the State and utilities during the energy crisis. The surcharge applies to direct access customers of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company. Each surcharge will be based on each customer's portfolio or their share of the Department of Water Resources and utilities' procurement costs.

11/02: According to a PUC [press release](#), the Public Utilities Commission ruled that revenues from the permanent \$0.01 per kilowatthour and the \$0.03 per kilowatthour surcharges may be used "to return the utilities to reasonable financial health." The Commission has to determine how the utilities can use the revenues if at all. Decisions on this matter will be forthcoming.

12/00: Southern California Edison, Pacific Gas & Electric, and San Diego Gas & Electric have requested rate increases to recover the increasing costs of purchased power. In response to the CPUC's refusal to increase rates, both SoCal and PG&E requested the Federal Court "to affirm the utility's right to pass on the increased costs of wholesale power to its retail customers." The CPUC held hearings in late December, and announced that it will allow rate increases, ending the rate freeze in effect since March 1998 when competition began. The CPUC said it will take actions necessary to avoid the continuing conditions that may jeopardize utilities' ability to procure power for their customers. The amount of increases should be announced at the January 4, 2001 meeting of the Commission.

	<p>8/00: At an emergency CPUC meeting called by Governor Davis, the CPUC approved a rate stabilization plan for SDG&E customers on August 21. The CPUC rejected a price freeze, saying it was unclear who would have to pay the difference in wholesale energy costs. The plan, which is retroactive to June 1, 2000, states that consumers who use 500 kWh or less per month will pay no more than \$68/month for electricity through the end of January 2001. The rates for those customers will then increase to \$75/month through the end of December 2001. Any additional power consumed beyond 500 kWh would be charged at market-based rates. Caps were also outlined for small commercial customers.</p> <p>6/99: The CPUC ended the mandatory 10 percent rate reduction for SDG&E since the transition period for SDG&E ended with recovery of all stranded costs and the end of the CTC for consumers. Rates in SDG&E territory are now unregulated and likely could be more volatile. The utility expects rates may rise during the summer months.</p> <p>5/99: San Diego Gas & Electric's consumers may see lower bills as the transition period for SDG&E ends in July when their stranded costs will have been completely recovered (see stranded costs table). The accelerated pay off of stranded costs has left most of the monies raised through securitization to finance the 10-percent rate reduction with bonds needed. SDG&E plans to return some of the funds to small consumers. SDG&E also asked the PUC to end the rate cap, with should allow a more competitive market to develop.</p> <p>4/98: California's restructuring legislation included a 10 percent rate reduction for residential consumers.</p>
Utility Plans	<p>6/99: Los Angeles Department of Water and Power is offering a "green power" option to its customers.</p> <p>5/99: Sacramento Municipal Utility District approved a direct access program to replace their pilot program. The program will offer 300 MW of load to competitive suppliers and is less expensive and simpler for suppliers than the pilot program was.</p>
Additional Information	<p>7/99: To date, over 90 percent of customers who switch their electricity providers are receiving green power. The CPUC reports show customer requests for green power are up 90 percent from earlier in the year. A statewide credit for renewable energy purchases allows green power providers to offer renewable-based electricity at a price below that offered by the three major IOU's.</p>

Connecticut	
Schedule	<p>6/99: The DPUC is concerned that no suppliers have yet applied for licensing to serve the market when it opens January 2000. Part of the lack of interest may be due to the rules for standard offer service and estimated stranded cost recovery not yet finalized by the Attorney General and the state General Assembly.</p> <p>4/99: The DPUC ordered generation charges to be shown as a separate charge beginning July 1999. Bills will be completely unbundled as of January 2000. Suppliers will begin licensing as early as July and soliciting of customers will begin.</p>

	<p>4/98: Restructuring legislation requires retail competition for 35 percent of consumers by January 2000, and all consumers by July 2000.</p>
Rates	<p>9/02: The Department of Public Utility Control reduced The United Illuminating Company's Standard Offer Service rates by 3 percent, which brings the total rate reduction to 13 percent. Standard Offer Service will end December 31, 2003.</p> <p>9/02: The Connecticut Department of Public Utility Control lists the current Standard Offer Rates for Connecticut Light and Power and The United Illuminating Company.</p> <p>4/98: Restructuring legislation requires a 10-percent rate reduction beginning January 2000. Rates will be capped until January 1, 2000, and each distribution company must provide "Standard Offer Service" (SOS) rates until December 31, 2003.</p>
Utility Plans	<p>8/02: According to a Department of Public Utility Control press release, The Connecticut Energy Cooperative "can no longer serve its 11,000 customers with competitive electric supply." Depending on their location, customers will be transferred to either The Connecticut Light & Power Company (CL&P) or The United Illuminating Company (UI). UI will return their customers directly to Standard Offer service that ends December 31, 2003. CL&P customers can contact the utility to return to Standard Offer service, but customers will automatically be placed on "Back-up" service.</p> <p>8/99: The DPUC gave a preliminary order for stranded cost recovery of \$726 million instead of the requested \$916 million to United Illuminating (UI).</p> <p>6/99: United Illuminating's plan for unbundling its generation assets was approved by the DPUC. UI plans to place its nuclear assets in a separate division from until they are divested through public auction.</p> <p>10/98: United Illuminating filed its divestiture plan with the DPUC to sell its non-nuclear generating assets. Plants being sold include the 590 MW Bridgeport Harbor and the 466 MW New Haven Harbor. Also in filing are plans on how to unbundle the generation business from the wires or distribution business. United Illuminating will become a "wires" company responsible for power delivery.</p>

Delaware	
Schedule	<p>8/99: The PUC issued final rules for restructuring in Delaware. Start date for competition is October 1, 2000 for residential customers, October 1, 1999 for large customers, and January 15, 2000 for medium-sized customers.</p> <p>Conectiv (DP&L)</p> <p>Phase-in of retail access for consumers in Conectiv's territory is for large industrial consumers on October 1, 1999; other consumers with over 300 kW demand by February 2000; and small consumers by August 2000. Conectiv will be the default supplier during the 4-year transition period.</p> <p>Delaware Electric Cooperative</p> <p>Consumers in Delaware Electric Cooperative territory will have a similar schedule with a 6-month delay.</p> <p>Municipals in Delaware may choose whether or not to allow retail access.</p>

Rates	<p>Conectiv (DP&L)</p> <p>Residential consumers will receive a 7.5-percent rate reduction and a 4-year rate freeze at the 9/30/99 level from 10/1/99 to 9/30/03. Nonresidential rates will be frozen at the 9/30/99 level from 10/1/99 to 9/30/02.</p> <p>Delaware Electric Cooperative</p> <p>Consumers will receive no further rate reduction (having received a recent 5-percent cut) but rates will be frozen during the transition period from 4/1/00 to 3/31/05.</p>
Utility Plans	<p>1/00: Delaware Electric Cooperative's restructuring plan was approved on January 27, 2000 with Order No. 5424.</p> <p>9/99: Delaware Electric Cooperative filed its restructuring plan on September 15, 1999, see Order No. 5228.</p> <p>8/99: Conectiv's restructuring plan was approved on August 31, 1999 with Order No. 5206.</p> <p>4/99: Conectiv filed its restructuring plan on April 15, 1999, see Order No. 5066.</p>

District of Columbia	
Schedule	<p>12/01: According to the Commission's latest status report, 8 electricity suppliers and 3 aggregators (brokers for large groups of customers/communities) have been certified, but only 2 suppliers, Washington Gas Energy Services and Pepco Energy Services, and 1 aggregator are providing service. As of November 2001, these companies were supplying 3.1 percent of customers, representing 43.2 percent of MW demand, and 42.7 percent of MWh energy usage. The PSC provides information on the status of retail competition on its website.</p>
Rates	<p>9/01: Order 12186 provided the guidelines and procedures for posting the price-to-compare information on the Commission's website. Consumers can calculate their savings on the Commission's website.</p> <p>12/99: According to the PSC's website, order No. 11576 authorized a 7-percent reduction in rates for residential customers and a 6.5-percent reduction in rates for commercial customers, to be implemented in three phases. The first rate reduction occurred on January 1, 2000 and reflected the elimination of the Demand-Side Management surcharge. This represented a 2-percent rate reduction for residential customers and a 3.5-percent rate reduction for commercial customers. The second rate reduction occurred on July 1, 2000, and it reflected a 1.5 percent across the board base rate reduction for both residential and commercial customers. The third rate reduction occurred on February 8, 2001. Residential ratepayers received another 3.5-percent rate reduction and commercial ratepayers received another 1.5-percent reduction. Order No. 11576 also capped rates after all of the rate reductions are implemented. The caps are effective until January 1, 2007 for low and moderate-income Residential Aid Discount customers; for all other residential and commercial customers, rates will be capped until January 1, 2005.</p>
Utility Plans	<p>3/99: Potomac Electric Power Co plans to sell its power plants and purchase power contracts. PEPCO intends to become a "wires" company, concentrating on power delivery, retailing power, cable TV, and Internet services.</p>

Georgia	
Utility Plans	6/98: Georgia Power submitted a 3-year plan to reduce rates by about \$300 million. Georgia Power advocates a slow approach to restructuring.
Additional Information	New customers with loads greater or equal to 900 kW have had the option to pursue private contracts for power since 1973 under the Georgia Territorial Electric Service Act.

Illinois	
Schedule	<p>5/02: As of May 1, 2002, residential customers are allowed to choose their own electric supplier.</p> <p>5/00: Commonwealth Edison has decided to offer retail access to all industrial consumers on June 1, rather than hold a lottery to select a second third of the estimated 24,000 manufacturing customers. This will give all ComEd's manufacturing customers retail access 4 months earlier than planned. As planned, all remaining non-residential customers will gain retail access by December 31, 2000, and all residential consumers by May 1, 2002.</p> <p>11/99: Direct access began in October 1999 for many commercial and industrial consumers. Loads over 4 MW and multi-site (at least 10 sites) customers with aggregate loads over 9.5 MW are automatically included in this first phase to implement retail access. A lottery was held at each utility to choose consumers to allow about one-third of the remainder of commercial and industrial load to participate in the first phase. Media sources report that customers in Commonwealth Edison's service territory are realizing 5 to 15 percent savings from competitive companies.</p> <p>7/99: The General Assembly amended the 1997 restructuring law, accelerating the schedule for retail access: certain non-residential consumers will begin retail access by October 1999. Government customers will have direct access by October 1, 2000; All remaining nonresidential customers by December 31, 2000; and all residential customers by May 1, 2002.</p> <p>4/99: The sign up process for eligibility to choose is underway at each utility. Loads over 4 MW and multi-site (at least 10 sites) customers with aggregate loads over 9.5 MW are automatically included. Interested consumers will sign up and a lottery will be held to determine the 1/3 of nonresidential load (excluding the 4 MW and 9.5 MW aggregated loads) that will have retail choice by October 1999. The remainder of commercial and industrial consumers not chosen in this lottery will get retail choice on December 31, 2000, and residential consumers will have retail access by May 1, 2002.</p> <p>12/97: The restructuring legislation in Illinois will allow retail access for some commercial and industrial consumers by October 1999 and all consumers by May 2002. Transition charges will be collected from consumers who choose alternative suppliers until 2006.</p>
Rates	3/99: ComEd's residential customers have saved approximately \$170 million as a result of the 15-percent rate reduction on August 1, 1998.

	<p>10/98: As required by the restructuring law in Illinois, a 15-percent rate reduction went into effect in August 1998. To date, Illinois Power customers have saved about \$12.5 million.</p> <p>8/98: The phase-in of rate cuts took effect. The State's largest utilities, Illinova and Commonwealth Edison, cut rates 15 percent; another 5-percent reduction is due May 2002. Smaller utilities will phase-in 5-percent reductions by May 2002.</p>
Utility Plans	<p>8/99: Ameren and Cilco both held lotteries to choose the one-third of eligible customers that will receive retail access. All customers over 4 MW are automatically eligible, and one-third on the load for non-residential customers will be available to competitive suppliers beginning October 1, 1999. Lotteries were held because more than a third of the customers expressed the desire to be included in this first phase of retail access in Illinois. Those customers not selected in these lotteries will have retail choice in 2000. Residential customers will have retail choice in May 2002.</p> <p>7/99: ComEd held three lotteries (one for single-site consumers; one for commercial consumers with at least 10 sites and an aggregated demand of at least 9.5 MW; and one for non-residential consumers with 2 or more sites. Customers with loads 4 MW and more are automatically included) to choose the 1/3 of consumers to have retail access by October. Over half of the commercial and industrial consumers in ComEd's territory are registered for retail choice. ComEd announced the resultant energy freed for competition will be over 30 billion kWh. In Illinois Power's service territory, all commercial and industrial customers who registered will begin retail access October 1st. Only about 75 percent of those eligible in Illinois' territory registered.</p>
Additional Information	<p>1/01: Customers in Commonwealth Edison's territory who choose competitive suppliers for electricity (nonresidential at this time) may also choose among competitive suppliers for metering service. Metering service providers may install, read, and service meters.</p>

Indiana

Utility Plans	<p>11/00: Indianapolis Power & Light is extending an experimental pricing program for an additional two-plus years. The pricing option program initiated in 1998 was to expire on October 18, 2001, but was extended to December 31, 2003.</p> <p>7/98: Consumers of Indianapolis Power & Light were offered 3 billing options. Consumers can choose a fixed rate, a fixed monthly bill based on last years average bill, or a "green power" rate under an alternative pricing plan approved in March by the Indiana Utilities Regulatory Commission.</p>
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Maine

Schedule	<p>9/00: Statistics from the Maine Public Service Commission (PSC) show that 26 percent of all electricity delivered by the State's three major utilities is being purchased from alternative suppliers. However, industrial customers are purchasing the bulk of that load. In contrast, 6 percent of residential and small commercial customers have switched providers, bringing the total number of residential and small commercial customers served by competitive providers to about 1,500 customers.</p>
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	<p>1/99: Maine consumers will begin seeing itemized bills in January 1999 that separate the costs of power generation from delivery. The restructuring law requires unbundled billing by January 1, 1999.</p> <p>5/97: Restructuring legislation requires retail competition by March 2000. IOU's are limited to 33 percent of the market in their territories.</p>
Rates	<p>10/00: The Maine Public Service Commission (PSC) approved a 33 percent rate increase for the 107,000 customers who use Bangor Hydro's standard offer. The rate increase was requested by Bangor Hydro to pay for rising oil and natural gas costs. The average residential customer will pay about 6.1 cents/kWh compared to the 4.6 cents/kWh they were paying before the increase. The Commission said that it is possible that another increase will be needed if fuel costs continue to increase, but that increase would most likely be deferred until after winter.</p> <p>7/00: The PUC increased standard offer rates for Bangor-Hydro customers to 4.6 cents/kWh.</p>
Utility Plans	<p>5/98: The PUC approved Central Maine Power's corporate reorganization into a holding company, CMP Group, Inc., and 10 subsidiaries as it prepare for retail competition. Central Maine Power will remain the core business group offering distribution and transmission services. A new unit, Maine Power, will market electricity.</p>
Additional Information	<p>8/00: The PUC approved a transmission/distribution rate scheme for restructuring submitted by Maine Public Service Company and the Maine Office of the Public Advocate. The order separates MPS's overall T&D revenue requirements into a transmission component (T) under FERC jurisdiction and a distribution component (D) under PUC jurisdiction.</p>

Maryland

Schedule	<p>9/00: A Baltimore City Circuit Court Judge has issued an order and opinion upholding the Maryland Public Service Commission's (PSC) approval of Baltimore Gas & Electric's (BGE) electric restructuring settlement and generation asset transfers. The decision follows an August 23 hearing in which the Mid-Atlantic Power Supply Association (MAPSA) and Shell Energy LLC challenged the PSC deregulation settlement and generation asset transfer orders.</p> <p>8/00: In a hearing on August 4, 2000, the Baltimore City Circuit Court allowed Baltimore Gas and Electric (BG&E) to implement a 6.5-percent rate reduction and stranded cost recovery plan, lifting a stay imposed in July. BG&E will provide retroactive savings from July 1, when customer choice began in Maryland. BG&E must still defend the restructuring agreement in court at an upcoming hearing.</p> <p>8/00: The Maryland Court of Appeals remanded the case back to the Circuit Court in Baltimore on July 20, reversing the stay issued earlier. The Circuit Court, however, issued an interim 2-week stay on the restructuring order, scheduling a hearing on August 4. Meanwhile, BG&E's consumers will not begin receiving the rate reductions or the ability to choose generation supplier that were to go into effect July 1.</p>
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	<p>7/00: The Maryland Court of Appeals ruled to delay the beginning of retail access in Baltimore Gas & Electric's territory. The Court issued the stay on the Maryland PUC's November 1999 order that approved BG&E's restructuring settlement at the request of MAPSA, a trade organization representing a group of competitive generation suppliers. MAPSA has complained that the standard offer rate set in BG&E's territory is too low to attract competitive suppliers. Retail access and a 6.5-percent rate reduction for residential consumers would have gone into effect July 1 in BG&E's territory. The other utility territories in the State are not affected by the court ruling.</p> <p>4/99: Restructuring legislation allows retail access over a 3-year phase-in period beginning July 2000 with a third of consumers, another third by July 2001, and all by July 2002.</p>
<p>Rates</p>	<p>For detailed rate information by utility, please go to the Maryland Attorney General's Electricity Supplier Rate and Service Information web page.</p> <p>7/00: Standard offer rates at the four investor-owned utilities in Maryland went into effect July 1, with the opening of retail access across the State. Standard offer rates for residential consumers at Allegheny Power are 4.34 cents/kWh; Conectiv's are 4.92 cents/kWh; Potomac Electric Power's are 4.99 cents/kWh; and BG&E's are 4.06 cents/kWh, rising to 4.28 cents/kWh by May 2003.</p> <p>7/00: Rate reductions went into effect July 1, as approved in the settlement plans for the investor-owned utilities.</p> <p>9/99: PEPCO is seeking approval of its deregulation plan that will include a 3-percent rate reduction over 4 years beginning in July 2000, and another 4-percent reduction by eliminating a surcharge that has funded energy conservation programs over the last decade.</p> <p>4/99: Restructuring legislation requires at least a 3-percent rate reduction for residential consumers.</p>
<p>Utility Plans</p>	<p>9/01: BG&E awarded contracts for its wholesale power supplies over the final three years of the transition period. Constellation Energy Source will supply 90 percent and Allegheny Energy Supply Company will supply 10 percent of BG&E's power needs, from July 1, 2003, to June 30, 2006. The contracts were awarded through a competitive bidding process. BG&E stated that the wholesale contract prices do not exceed the frozen retail rates in effect through the transition period.</p> <p>7/00: As planned in the restructuring settlement, BGE froze retail rates at a level approximately 6.5 percent below current rates. The rate freeze will be in effect until June 2006.</p> <p>1/00: Allegheny Energy Inc.'s settlement plan for restructuring was approved by the PSC in December 1999. Highlights of the plan include: Retail direct access for almost all Maryland customers by July 1, 2000; a 7-percent residential rate reduction, effective January 1, 2002, through Dec. 31, 2008; a cap on residential generation rates from Jan. 1, 2002, through January 1, 2008; a cap on non-residential rates through Jan. 1, 2004; a cap on transmission and distribution rates for all customers from January 1, 2002, through January 1, 2004; authorization to transfer all generation assets to Allegheny's unregulated affiliate company, Allegheny Energy Supply Company, LLC, at book value; the recovery of purchased power costs incurred as the result of contracts with PURPA QF</p>

facilities; and establishment of a fund for the development and use of energy-efficient technologies.

1/00: PEPCO's restructuring plan was approved by the PSC. The plan will allow retail direct access by July 2000; the sale of PEPCO's power plants; a 7-percent residential rate reduction; and a 4-percent non-residential rate reduction.

12/99: PEPCO began a consumer education program, PEPCO Answers, to provide information to Maryland consumers on electricity competition. Consumers are told that they may begin "shopping" for power in the spring of 2000, and begin receiving power from competitive companies by July 2000. PEPCO has filed proposals with the Maryland and DC PSC's to sell its power plants.

11/99: BG&E's restructuring settlement was approved. All consumers will have retail choice on July 1, 2000. Residential consumers will receive a 6.5-percent rate reduction.

9/99: Under its pending restructuring plan, BG&E's shopping credit for residential consumers would be 4.224 cents per kilowatt-hour and rise to 5.02 cents in 6 years, too low according to competitive companies seeking to enter the retail electricity market in Maryland. The Mid-Atlantic Power Supply Association suggests the credit be set at 5.7 cents. BG&E says the low credit reflects its low prices.

6/99: The restructuring legislation prompted Maryland utilities to revise their restructuring proposals. BG&E submitted its new plan to the PSC: all customers will have retail access beginning July 2000; residential rates will be decreased 6.5 percent beginning July 2000; \$528 million in transition costs will be recovered over 6 years from customers; rates will be unbundled and generation assets transferred to an affiliate company; and BG&E will provide the initial funding of a low-income assistance fund and act as default supplier for customers deciding not to switch suppliers.

4/99: PEPCO reached an agreement for restructuring. It will open retail competition to all of its consumers on July 1, 2000. PEPCO is selling its generation assets and will use the profits to offset stranded costs. Remaining stranded costs will be collected from consumers paying a transition charge. Rates will be capped for 3 years at the July 1, 2000, level.

2/99: PEPCO signed an agreement with the Maryland PUC for a plan to bring retail choice to its Maryland consumers as early as next year. The plan requires Maryland legislation and concurrence with the District of Columbia PUC for the sale of PEPCO's power plants.

Additional Information

3/02: The Public Service Commission has updated its [Electric Choice Enrollment Monthly Report](#), which tracks how direct access is faring in the state of Maryland.

4/99: The restructuring legislation gives municipalities the option to implement retail direct access.

Massachusetts

Schedule

3/02: According the [March 2002](#) monthly edition of DOER's Electric Power Customer Migration Data, 25,053 customers are using competitive suppliers. Massachusetts has 1,798,141 Standard Offer Service customers and 697,726 default service customers.

9/00: Customer migration statistics show that real retail competition has yet to take hold in Massachusetts. The [Massachusetts Division of Energy Resources \(DOER\)](#) reports that 5,176 customers bought power from competitive generators in July 2000 as compared to 2.5 million customers who received power from their incumbent utility. This low switching rate was expected in the State since competitive generators cannot offer better deals than the incumbent utilities until the standard offer price rises over a seven-year transition period.

11/97: Restructuring legislation requires retail access by March 1, 1998.

Rates

5/02: Standard offer service rates ([SOS](#)) have been set for the NSTAR electric companies at 4.95 cents/kWh for Boston Edison Company, 4.2 cents/kWh for Cambridge Electric Light and Commonwealth Electric from April 2002 to December 2002. SOS rates have been set at 5.626 cents/kWh for Fitchburg Gas and Electric and 4.841 cents/kWh for Western Massachusetts Electric for all of 2002. SOS rates for Massachusetts Electric are set at 5.626 cents/kWh from January 2002 to June 2002, but rates will decrease to 4.2 cents/kWh from July 2002 to December 2002. By March 2005, SOS will end and all customers are expected to take competitive generation service.

5/01: After viewing the results of Massachusetts Electric Company's solicitation for power, the DTE approved increases in default service rates. Default service is taken by all new customers and returning customers in MECO territory. Default rates will increase beginning May 1 to keep in line with market costs for wholesale power. SOS rates will not increase at this time. SOS is taken by customers who have remained with MECO since choice of electric service providers began in 1998.

12/00: In response to the rising costs of wholesale power purchases driven by the increasing prices of natural gas and petroleum, the DTE raised standard offer rates for the Boston Edison Company to 5.821 cents/kWh from 4.5 cents/kWh. Cambridge Electric Light Company and Commonwealth Electric Company's rates will raise its rates to 5.121 cents/kWh from 3.8 cents/kWh. Massachusetts Electric Company's new rates will be 5.26 cents/kWh from 3.8 cents/kWh. Fitchburg Gas and Electric Company's new rates will be 5.121 cents/kWh from 3.8 cents/kWh. Finally, Western Massachusetts Electric Company will raise its rates to 7.383 cents/kWh from 4.557 cents/kWh. The standard offer rates of these companies were raised in order to compensate them for their losses on wholesale power purchases due to rising fuel costs. The rates will take effect on January 1, 2001. Regulators also hope the SOS rate increases will stimulate the lethargic retail market in the New England States.

11/00: The Department of Telecommunications and Energy raised the default service rates for all Massachusetts utilities due to rising fuel costs, effective December 1, 2000. Fitchburg Gas and Electric Company rates were increased to 5.206 cents for residential customers, 5.216 cents for commercial customers and 5.059 cents for industrial customers. Boston Edison, Commonwealth Electric,

	<p>and Cambridge Electric received an increase in their default service rates to 6.28 cents for all customers. Massachusetts Electric Company's default rates were raised to 6.37 cents for residential customers, 6.08 cents for commercial customers, and 5.36 cents for industrial customers.</p> <p>1/00: Unital/Fitchburg Gas and Electric Light Company, received approval from the DTE for a rate increase of 2.53 percent, effective January 2000. The increase is the result of inflation adjustments allowed by Massachusetts' restructuring legislation. The SOS rate will increase from 3.5 cents to 3.8 cents per kilowatt-hour. The increase should stimulate the competitive retail electricity market.</p> <p>10/98: NEES subsidiaries, Massachusetts Electric and Nantucket Electric, reported savings for their consumers of \$67.5 million due to the 10-percent rate reduction mandated by the state's restructuring law and the recent sale of NEES' generating assets. The sale allowed additional rate reductions prior to the law's next scheduled rate reduction.</p> <p>11/97: Restructuring legislation requires rate reductions of 10 percent by March 1998 and another 5 percent 18 months later.</p>
<p>Additional Information</p>	<p>1/01: The DTE recommended to the legislature that competitive metering and billing not be implemented at this time. Instead, they will investigate how to encourage regulated distribution companies to offer advanced metering options.</p> <p>10/99: By the first quarter of 1999, about 1.3 percent of retail sales were supplied by competitive suppliers, representing about 0.13 percent of customers, most of which are large industrial consumers.</p> <p>9/98: PG & E Corporation's subsidiary, PG & E Energy Services has secured a multi-year contract with the Massachusetts High Technology Council (with over 200 members) to provide electricity to its members. This is the largest aggregation of customers in the U.S., representing about 1.2 million megawatt-hours annually.</p>

<p style="text-align: center;">Michigan</p>	
<p>Schedule</p>	<p>2/02: The Michigan Public Service Commission released its Status of Electric Competition in Michigan Report on February 1, 2002. Retail open access is now fully implemented in the state of Michigan with 3,200 customers and 15 licensed alternative suppliers participating. Michigan has three open access programs to date, two in Detroit Edison's service territory and one in Consumers Energy's service territory. Detroit Edison's Experimental Retail Access Program began on December 6, 1999, and will end on June 30, 2004. Alternative suppliers are currently providing 82 megawatts (MW) out of the program's 90 MW limit. Detroit Edison's industrial and large commercial customers are mostly utilizing the main Electric Choice Program offered to all customers. The program has served a total load of 497 MW as of January 2, 2002. Consumer Energy's Electric Choice Program has followed the same trend with mostly industrial and large commercial customers participating. As of January 28, 2002, alternative suppliers were serving a total load of 238 MW. Overall, the programs grew 30 percent in 2001.</p> <p>12/00: Detroit Edison completed the fifth and final bidding phase in its Electric Choice Program. As in the previous bidding, the demand for capacity exceeded</p>

	<p>the amount available. So far, about 1,125 MW, or 12 percent, of DE's capacity is available to alternative suppliers.</p> <p>6/00: As provided by restructuring legislation, all consumers of DE and CE, as well as cooperative consumers with a peak load of 1 MW or more, will have retail access to alternative suppliers by December 31, 2002.</p> <p>3/00: The third and fourth bidding phase took place in Michigan January 20 and March 20, respectively. Together, Consumers Energy and Detroit Edison have a cumulative total of 1,875 MW electric load under competitive bidding. In all four phases Consumers Energy offered 150 MW each time, and Detroit Edison offered 225 MW for bid. Demand for capacity exceeded the amount available in all four bidding processes.</p> <p>1/00: The second phase in Consumers Power's plan to gradually implement retail direct access now allows 300 MW of load to be served by alternative suppliers. As in the first round of bids for 150 MW, the second set of bids exceeded the 150 MW of allotted capacity. Three more blocks of 150 MW each are scheduled to be offered for direct access on December 27, 1999, February 28, 2000, and October 30, 2000. By January 1, 2002, all consumers will have direct access to retail electric power.</p> <p>1/00: Detroit Edison customers participating in Phase I of the customer choice program began taking power from alternative suppliers in December 1999.</p> <p>12/99: The first phase of retail access was implemented in September 1999 with full participation in Detroit Edison's territory. The second phase began in November. Each of five phases will make 225 MW of capacity available for all classes of consumers, until beginning in January 2002, when all consumers will have retail direct access to competitive generation provider companies.</p> <p>5/99: Seven large consumers of Detroit Edison can begin buying power from competitive suppliers on June 1, 1999. Choice will be phased in for all DE consumers by January 2002.</p> <p>3/99: The PSC plan is for 2.5 percent of consumers of Detroit Edison and Consumers Energy to choose electric suppliers beginning September 1999, and adding an incremental 2.5 percent every six months until January 1, 2002, when all consumers of Detroit Edison and Consumers Energy will gain retail access.</p>
Rates	<p>6/00: Detroit Edison and Consumers Energy residential consumers will receive an immediate 5-percent rate reduction. The reduced rates will then be frozen at least until December 31, 2003. Rates for large commercial and industrial consumers will also be capped through 2003, and small business consumers' rates will be capped at current levels through 2004. Securitization of utilities' debt is authorized to finance the rate reductions.</p>
Utility Plans	<p>6/00: As ordered by the PSC to implement restructuring law, investor-owned utilities, other than DE and CE, and cooperatives with any customers having a load of 1 MW or more, must file restructuring plans with the PSC to implement retail access.</p> <p>3/99: The PSC gave final approval to the retail choice implementation plans for Detroit Edison and Consumers Energy. A phase-in period for retail access will begin on September 20, 1999.</p>

	<p>6/98: Detroit Edison and Consumers Energy filed revisions of draft plans that address comments from the PSC staff, customers, suppliers, and other interested parties. Both plans will phase-in retail competition over the next 4 years beginning with large industrial consumers by November 1998 and full retail access by January 1, 2002.</p>
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Montana	
Schedule	<p>3/98: Montana Power accelerated its schedule for residential and commercial customers pilot program. All customers will have retail access by April 2000, 2 years earlier than the law requires.</p> <p>4/97: SB 390, the Electric Utility Industry Restructuring and Customer Choice Act, was enacted allowing large industrial consumers retail access by July 1998 and all consumers by July 2002.</p>
Rates	<p>4/97: The restructuring law includes a 2-year rate freeze beginning July 1998.</p>
Utility Plans	<p>11/98: The PSC reached an agreement with PacifiCorp to proceed with the sale of its service territory in the State to Flathead Electric Cooperative. Pacific Power (PacifiCorp's Montana division) has about 34,500 customers.</p>

Nevada	
Schedule	<p>7/01: AB 369 returned electric utilities to regulation, but AB 661 allows eligible large customers, those using 1MW and above, to choose an alternative supplier for power with permission from the State PUC.</p> <p>10/00: Nevada Governor Kenny Guinn has extended the deadline for the start of competition for the second time this year. The market, which was most recently scheduled to open up for large commercial customers on November 1, 2000, will now open on September 1, 2001, for all customer classes in the State. The Governor cites soaring power prices amid strong demand and short supplies as the reason for delaying competition.</p> <p>8/00: The Nevada PUC set a schedule for opening the retail market. The market will open November 1, 2000, for the largest commercial customers, in April 2001 for medium commercial customers, and in June 2001 for small commercial customers. Residential customers will be phased in from September 1 through December 31, 2001.</p> <p>6/99: AB 366 delays the opening of the retail market to March 2000, and gives the Governor, rather than the PUC, the authority to select another date if he deems it in the best interest of consumers.</p> <p>4/99: The Senate committee approved a bill that would delay retail access until March 2000 and freeze rates until March 2003.</p> <p>7/97: Restructuring legislation directs the PUC of Nevada (formally the PSC) to establish a market in which customers have access to potentially competitive electric services from alternative suppliers no later than December 31, 1999.</p>
Rates	<p>10/00: The PUC approved a \$15-million rate increase for Nevada Power Co., which represents a 1.3-percent increase for residential customers. In a July</p>

	<p>agreement between regulators and utilities, Nevada Power increased rates by \$48 million, or 4.7 percent for the average residential customer. Collectively, the July increase and two monthly increases since have boosted residential rates by 7.5 percent, or \$5.64 per month for the typical residential customer. Nevada Power has requested the increases in an effort to recover increased costs of fuel and purchased power.</p> <p>7/00: An agreement between regulators and the utilities will allow Sierra Pacific and Nevada Power to recover the increased costs of fuel and purchased power. Nevada Power will be allowed to increase rates by about \$48 million or 4.7 percent for the average residential consumer. Even so, the prices for power in southern Nevada remain below that in neighboring States, such as Arizona and California. The agreement will move the State toward implementing retail access. This and other parts of the agreement will be heard and must be approved by Nevada District Court. The PUC will be hearing agreements to other issues in August.</p> <p>6/99: AB 366 freezes rates from March 2000 through March 2003.</p>
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New Hampshire	
<p>Schedule</p>	<p>5/01: The Public Service of New Hampshire implemented retail access on May 1, 2001, for a majority of its customers. The start date for retail access was delayed for one month because more time was needed to secure the bonds necessary to finance PSNH's deregulation plan. Customer rates were reduced by 10 percent for PSNH customers.</p> <p>10/98: Granite State will begin retail choice in its service territory upon the closing of the sale of NEP's non-nuclear generation assets or by July 1, 1998, whichever occurred first.</p> <p>4/98: Legislators are discussing a delay until January 31, 1999, for beginning retail choice in the State or authorizing the PUC to postpone the date indefinitely, due to the delay until November of the stranded costs case brought by PSNH.</p> <p>5/96: HB 1392 enacted requiring the PUC to implement retail choice for all customers of electric utilities under its jurisdiction by January 1, 1998, or at the earliest date which the Commission determines to be in the public interest, but no later than July 1, 1998.</p>
<p>Rates</p>	<p>12/00: Granite State Electric Company was granted permission to increase rates by the PUC due to the rising costs for natural gas and petroleum. The rate will rise from 3.8 cents/kWh to 5.6 cents/kWh, an average of 18.4 percent on a customer's bill.</p>
<p>Utility Plans</p>	<p>9/00: The New Hampshire Public Utilities Commission (PUC) approved a settlement that resolves a three-year long dispute over the restructuring of utility Public Service of New Hampshire (PSNH). The settlement, which was signed into law in June 2000, calls for the utility's residential customers to receive a 5-percent rate reduction on October 1, 2000. The full rate reduction will total 15.5 percent and will happen when "Competition Day" occurs. The actual start of competition, or Competition Day, is dependent on how soon financing of the rate reduction is completed, as well as possible legal challenges to the NHPUC orders</p>

by other parties. Residential rates will be capped for nearly three years, and businesses' rates for nearly 2 years. PSNH can now begin refinancing \$800 million in debt to be paid off over 12 to 14 years. PSNH will divest its generation assets by July 2001, and operate as a transmission and distribution utility, regulated by the State.

8/99: The PSNH filed a settlement plan with the PUC that will give consumers an 18-percent rate cut, and allow retail competition to finally begin. Under the agreement, customers would pay \$1.9 billion in stranded costs (PSNH would write off about \$225 million in stranded costs, the largest disallowance of stranded cost recovery at a U.S. utility to date).

9/98: Unitil (subsidiaries include: Concord Electric, Exeter & Hampton Electric, and Fitchburg Gas & Electric) filed its restructuring settlement agreement with the PUC. In the agreement, Unitil will sell its New Hampshire power supply portfolio and be allowed to recover 100 percent of stranded costs over 12 years. Customer choice will be phased-in beginning March 1, 1999.

8/98: The PUC ruled that New Hampshire Electric Cooperative can offer customers choice if FERC approves the "interpretation of its contract" for power purchases with PSNH.

6/98: The PUC gave approval to a settlement, the first in the state, with Granite State Electric to bring retail competition to the electricity market. Under the settlement, Granite State customers could see a 17-percent rate cut and choose their generation supplier as early as July.

4/98: Granite State restructuring plan is approved by PUC and the governor. Retail choice will begin July 1998 regardless of other utilities in the State. A 10-percent rate reduction will go into effect and, after divestiture of generation assets, a 17-percent reduction. Stranded cost recovery is set at 2.8 cents/kWh, decreasing by 50 percent once divestiture is completed.

Additional Information

4/99: Restructuring is at a standstill due to Federal Court rulings concerning the PUC's efforts to set stranded costs and rates for PSNH. The continuing Federal Court cases could delay restructuring efforts in the State for years.

12/98: US Circuit Court of Appeals ruled in favor of a lower court ruling, preventing the New Hampshire PUC from implementing deregulation, advancing PSNH's lawsuit over the plan to trial. The trial is set for February 1999.

6/98: US District Court issued an order enjoining the PUC from implementing any restructuring plans until the court holds trial for the suit filed by PSNH, scheduled in November.

5/98: The New Hampshire Supreme Court heard arguments in the PSNH rate agreement case. A ruling is expected early in June.

1/98: The PUC formally delayed the January 1998 start of retail competition to July 1998 due to the continuing litigation between the PUC and Public Service of New Hampshire.

3/97: Public Service Company of New Hampshire filed a complaint with Federal District Court requesting the court enjoin the PUC restructuring plan, due to basing stranded cost recovery on market forces rather than utility costs. The court issued a stay on the plan as it applies to PSNH.

New Jersey

Schedule	<p>8/00: As of August 1, the 1-year anniversary of the start of customer choice in New Jersey, the Board of Public Utilities (BPU) reports that 73,133 of the State's 3.1 million residential customers have switched suppliers. About 410,886 commercial and industrial consumers have switched suppliers. Approximately 13.5 percent of the power load in the State is supplied by alternative retail suppliers.</p> <p>3/00: In New Jersey, 48,000 residential customers and 19,000 businesses representing about 12 percent of the load, have switched electricity suppliers according the BPU.</p> <p>12/99: Due to procedural delays, New Jersey consumers did not start receiving power from their suppliers of choice until November 14, 1999. Legislation was passed in February 1999, allowing retail choice for all consumers on August 1, 1999.</p> <p>3/99: New Jersey plans to launch its consumer education for electricity restructuring and retail choice program on June 1, 1999.</p>
Rates	<p>9/02: Under the Electric Discount and Energy Competition Act (EDECA), rates are capped during the 4 year transition period that ends August 1, 2003. According to a New Jersey Board of Public Utilities' press release, BPU has hired a two consulting firms to audit the deferred balance accounts of Conectiv, Jersey Central Power & Light, Public Service Electric & Gas, and Rockland Electric. "If the market price of electricity exceeds the rate caps, EDECA permits an electric utility to recover the difference or deferred costs, provided they were incurred in a prudent and reasonable manner." The utilities have stated that they have "nearly \$1 billion in deferred electric utility balances."</p> <p>9/01: The latest of scheduled rate reductions under New Jersey's law that restructured the electric power industry took effect for customers of PSE&G and GPU Energy. With the original reduction of 5 percent in August 1999, these reductions bring the total reductions to 9 percent for PSE&G customers and 8 percent for GPU customers. By 2003, rate reductions totaling 15 percent are scheduled for all New Jersey customers.</p> <p>1/01: As a result of the restructuring legislation, customers of PSE&G will receive a 2-percent rate reduction. The reduction is the result of PSE&G's sale of \$2.525 billion in securitization bonds. The law requires the savings from the bonds be passed on to PSE&G's customers. Customers received a 5-percent rate reduction in August 1999 and are scheduled for further reductions of 2 percent in August 2001 and 5 percent in August 2002.</p> <p>8/99: Retail rates were reduced 5 percent on August 1, 1999 as required by restructuring legislation. Further rate reductions will increase to 10 percent. The reductions must be sustained for 48 months from the start of direct access.</p>
Utility Plans	<p>12/00: The New Jersey Supreme Court upheld a decision upholding the BPU's restructuring and securitization orders for PSE&G. This decision will allow PSE&G to go forward with its implementing restructuring according to the orders issued by the BPU. Customers will receive an additional 2 percent rate reduction and securitization bonds will be sold, amounting to \$2.5 billion, the proceeds which will retire outstanding debt and/or equity.</p>

	<p>7/99: Conectiv has received final approval from the BPU for its restructuring plan. The plan will give consumers retail choice by November 14, 1999, as the BPU has extended the date for delivery of power from alternative suppliers to allow utilities more time to get their computer systems ready for the change. Rates will be cut by 5 percent on August 1, 1999, increase to 7 percent on January 1, 2001, and increase to 10.2 percent on August 1, 2002. Conectiv's distribution rate will be 2.1384 cents/kWh. The company is allowed \$800 million in stranded costs recovery. Shopping credits, the rates which outside suppliers must compete, are set: residential credits will be 5.65 cents/kWh in 1999, 5.7 in 2000, 5.75 in 2001, 5.8 in 2002, and increase to 5.85 in 2003; commercial rates will begin at 5.18 cents/kWh and eventually increase to 5.7 cents; industrial rates range from 4.95 cents/kWh and go up to 5.65, depending on voltage and time-of-day usage.</p> <p>6/99: GPU's restructuring plan for offering customers retail choice as of August 1, 1999, was accepted by the BPU. The settlement includes rate reductions in addition to the 5 percent due August 1 as required by the restructuring legislation. Customers of GPU subsidiary Jersey Central Power & Light will also receive another 1 percent reduction in 2000, 2 percent in 2001, and 3 percent in 2002. Average shopping credits (actual credits depend on consumer class) were increased to 5.13 cents/kWh for August 1999, 5.27 cents in 2000, 5.31 cents in 2001, 5.36 cents in 2002, and 5.40 cents in 2003. GPU will be allowed to recover \$400 million in stranded costs. Originally they asked for \$525 million.</p> <p>3/99: Public Service Electric & Gas proposed a deregulation plan to the BPU that would determine how PSE&G would operate in a deregulated environment, which is scheduled to begin in New Jersey on August 1, 1999.</p>
Additional Information	<p>3/00: About 2 percent of the retail market in New Jersey have taken advantage of retail choice and switched their electricity suppliers, including over 50,000 residential consumers. All consumers in the State received a 5 percent rate reduction at the onset of retail choice. Some of those who have switched are seeing reductions up to 10 percent over last year's rates.</p>

New Mexico	
Schedule	<p>5/01: SB 266 delays the opening the retail electricity market to competition until January 2007 for residential customers and until July 2008 for nonresidential customers.</p> <p>5/00: The PRC ruled that the schools', small businesses', and residential consumers' retail access date is delayed one year to January 1, 2002. The delay provides utilities additional time to prepare their customer information and billing systems to accommodate customer choice.</p> <p>Legislation passed in April 1999 will allow direct access to be phased-in over the next 3 to 4 years.</p>
Rates	<p>9/99: The Public Service Company of New Mexico (PSNM) reached an agreement with the PRC to reduce its rates by over \$34 million, a 6.7-percent decrease. These new rates will remain in effect until competition begins or until January 1, 2003, whichever is first.</p>

Utility Plans	<p>6/00: El Paso Electric filed its transition plan with the PRC, as required by June 1, 2000, under the New Mexico restructuring law. This filing details EPE's operational plans for the restructured industry when customer choice will be implemented (January 2002 for schools and businesses, and July 2002 for residential customers). The plan includes estimates of transition costs, \$18.2 million out of \$99 million in stranded costs.</p> <p>9/97: Public Service of New Mexico submitted a restructuring plan to the PUC. The plan proposes open access for all consumers by January 2001, unbundling of services, and recovery of stranded costs using nonbypassable wires charges, exit fees, and securitization.</p>
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New York	
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Schedule	<p>The PSC keeps track of customer switching behavior with its mitigation reports.</p> <p>Central Hudson Gas & Electric Phase I - September 1, 1998, includes 8 percent of load by December 31, 1998. Phase II - January 1, 1999, includes 8 percent additional load by December 31, 1999. Phase III - January 1, 2000, includes 8 percent additional load each year. Full Retail Access - July 1, 2001.</p> <p>Consolidated Edison Phase I - June 1, 1998, includes 1,042 MW (116 MW small loads and 926 MW large loads). Phase II - April 1, 1999, includes an additional 1,000 MW from all customer classes. Phase III - April 1, 2000, includes an additional 1,000 MW each year from all customer classes. Full Retail Access - November 1, 2000.</p> <p>Long Island Power Authority 1/02: LIPA opened up the Long Island electricity market completely on January 17, 2002, seven years ahead of schedule. 8/99: Numerous large business customers in LIPA's Choice Program began receiving power in August from an alternative supplier, ConEdison Solutions. ConEd Solutions is supplying about 20 MW of power to over 100 facilities on Long Island.</p> <p>New York State Electric & Gas Phase I - August 1, 1998, includes all customers in Norwich and Lockport Division and all small industrial customers throughout service territory. Full Retail Access - August 1, 1999.</p> <p>Niagara Mohawk Power Phase I - September 1, 1998, includes transmission level customers >60KV Phase II - September 1, 1998, includes all remaining customers with peak demands >2MW. Phase III - May 1, 1999, includes all remaining transmission and subtransmission customers >22KV. Phase IV - April 2, 1999, includes all residential customers. Phase V - August 1, 1999, includes all remaining non-residential customers. Full Retail Access - August 1, 1999.</p>
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	<p>Orange and Rockland Utilities Phase I - May 1, 1998 includes expanding the pilot program, PowerPick, to all customers (energy only). Full Retail Access - May 1, 1999 includes energy and capacity.</p> <p>Rochester Gas & Electric Phase I - July 1, 1998, includes all customer classes, energy only, limited to 670 GWH annual energy total. Phase II - July 1, 1999, includes all classes, energy and capacity, limited to 1,300 GWH annual energy total. Phase III - July 1, 2000, includes all classes, energy and capacity, limited to 2,000 GWH annual energy total. Full Retail Access - July 1, 2001, includes all customers, energy and capacity. Note: The limits noted above for RG&E were to be increased to correspond with any load growth in the service area.</p>
<p>Rates</p>	<p>5/01: The New York Public Service Commission approved Consolidated Edison Company's rate reduction plan. Beginning April 1, delivery rates will be reduced by \$208 million for all Con Edison customers. Phase 4 of Con Edison's Retail Electricity Choice program was also approved by the PSC, beginning May 1. Con Edison's competitors may implement small credits as part of their marketing strategy to attract customers. The credit is based on the amount Con Edison saves by not having to provide electricity to customers who switch to alternative suppliers. Also, ConEd will provide a one-time \$65 incentive for each new customer that switches to a competitive supplier. In order to be eligible, the supplier must share the payment with the customer, and the customer must be with the supplier for at least three consecutive billing cycles.</p> <p>8/00: The PSC approved Niagara Mohawk's plans to reduce delivery prices for the third year as part of its 5-year price reduction and restructuring plan of September 1998. The delivery price reduction, which will be implemented on September 1, 2000, will total nearly \$19 million. Residential and small commercial customers will see average delivery price reductions of about 1.5 percent when compared to September 1, 1999 pricing, and the largest industrial customers will see reductions of about 1.9 percent.</p> <p>8/99: Niagara Mohawk received approval to reduce prices for the second consecutive year, beginning September 1, 1999. The price reductions are part of NIMO's PowerChoice Plan. Average reductions for residential and small commercial consumers should be about 1 percent in addition to the approximate .8 percent affected last year. Another reduction scheduled for September 1, 2000, will achieve overall reductions of about 3.2 percent. Industrial customers will receive larger reductions. Total savings for all customer classes under the three-year Power Choice Plan will be about \$600 million.</p>
<p>Utility Plans</p>	<p>Consolidated Edison 4/00: The PSC approved a "floating shopping credit" proposed by ConEd. The shopping credit will reflect prices published by the NYISO. Differences between actual and market-based costs would be shared 90/10 between the ratepayers and the stockholders.</p> <p>4/99: Phase II of ConEd's retail choice program began in April. Nearly 22,000 new customers are now enrolled, bringing the total customers in the programs to more that 68,000.</p>

12/98: ConEd began Phase II of its customer choice program. Enrollment of customers to exercise retail choice begins January 1999. The program will continue phasing in customers until all ConEd's customers have retail access in 2001.

5/98: Due to over-subscription of ConEd's Phase I for retail competition, the load for residential and small commercial customers was doubled to 1000 MW; a lottery will be conducted for large customers. Customers will begin receiving power from their suppliers of choice among more than 20 registered ESCO's on June 1.

9/97: PSC approved ConEd's restructuring plan. The plan calls for rate cuts, retail competition to phase-in beginning June 1998, and full retail access by December 2001. In addition, ConEd will file by January 1998 unbundled tariffs for all classes of customers, to become effective April 1998. The plan calls for divestiture of at least 50 percent of ConEd's New York City fossil-fueled generation by the end of 2002.

Central Hudson Gas & Electric

2/98: The PSC approved restructuring plan for Central Hudson Gas & Electric. The plan requires divestiture of fossil-fueled plants, a rate freeze until June 30, 2001, rate reductions, and transition to full retail competition by July 2001.

Long Island Power Authority

1/02: Retail competition is now fully implemented in Long Island and seven years ahead of schedule. According to the Public Authorities Control Board buyout, Long Island Power Authority was required to phase-in retail competition by 2008. The LIPA purchased Long Island Lighting Company's transmission and distribution system and electric retail operations in May 1998, and reduced electricity rates by an average of 20 percent. In 1999, 400 MW was open to retail access and another 400 MW in 2000. The "shopping credit," used for comparing retail marketers' prices, was increased from 3.5 to 4.5 cents/kWh, giving energy supply companies more incentive to participate in LIChoice. To date, retail marketers are supplying 220.4 MW to 38,039 residential and commercial customers.

11/98: Long Island Power Authority began retail access for 400 MW of load in January 1999 with a target of August for delivery of power from competitive providers. The first phase of direct access is split between residential (180 MW), commercial, and government consumers. Phase II will open another 800 MW in May 2000. All customers of LIPA will have retail choice by January 2003.

New York State Electric and Gas

1/98: The PSC approved New York State Electric & Gas restructuring plan. The plan includes phase-in of retail competition for small industrials beginning August 1998, full retail competition by August 1999, a rate freeze and rate cuts, and divestiture of its coal plants by August 1999.

Niagara Mohawk

12/99: A competitive supplier, NYSEG Solutions, is offering NIMO residential customers a choice in generation supplier.

2/98: PSC approved Niagara Mohawk plan for rate restructuring, a nonbypassable CTC to fund \$3.6 billion in debt for settlement with 16 independent power producers to restructure uneconomic contracts, and divestiture of fossil-fueled and hydroelectric plants. Retail competition will begin in 1998 for large customers and be available to all customers by January 1, 2000.

Orange and Rockland

12/97: PSC settled Orange and Rockland's proposal for restructuring. O&R will phase-in retail competition beginning May 1998, allow full retail competitive by May 1999, provide rate cuts, and require divestiture of generation assets by May 1999.

5/98: Orange and Rockland became the first utility in New York to offer retail choice to through its Power Pick program as customers began to receive power from their suppliers of choice on May 1, 1998.

Rochester Gas & Electric

1/98: The PUC approved Rochester Gas & Electric's restructuring plan. RG&E; will begin in July 1998 with open access for 10 percent of its customers and phase-in full retail access by July 2001. Divestiture of fossil-fueled and hydro plants and rate cuts are included in the plan.

Ohio**Schedule**

1/03: The Ohio Consumers' Counsel published its [2002 End-of-Year Update On Ohio's Electric Market](#) that reviewed the past two years of competition in Ohio. According to the report, "813,000 residential consumers statewide – or about 20 percent of those who are eligible to participate in electric choice-actually switched electric suppliers." Most of those customers participated in community aggregation groups. Cleveland Electric Illuminating had the highest percentage of customers switch to an alternative supplier.

4/02: The Public Utilities Commission of Ohio (PUCO) released [The Ohio Retail Electric Choice Programs Report of Market Activity for the Year 2001](#) to the Ohio General Assembly. The report summarizes "the market activity during the first year of Ohio's retail electric choice program." According to the report, the Cleveland Electric Illuminating Company had 50 percent of its customers switch to alternative suppliers. 15 percent of Ohio Edison's customers switched, and over 4 percent of Toledo Edison's customers chose another electric supplier. While Cincinnati Gas and Electric, Columbus Southern Power, Dayton Power and Light had less than 1 percent of its customers switch. No Monongahela Power or Ohio Power customers switched during 2001.

1/02: The Ohio Consumers' Counsel released the first [report card](#) for Ohio's electric choice program. Overall, the OCC said electric customers were "better off than they were before electric choice." About 15 percent of eligible customers switched electric suppliers in 2001, mainly former customers of the three FirstEnergy companies. In Northern Ohio, 158 communities aggregated their load and chose an alternative supplier. The counsel recommended that the state work out a plan to attract more alternative suppliers in less competitive areas of the state; issue competitive bidding rules at the end of the transition period; develop more conservation and energy efficiency programs and policies; and implement a regional transmission organization. On the federal level, the counsel recommended monitoring mechanisms to curb market power and guaranteeing adequate wholesale power reserves.

1/01: Retail direct access to competitive electricity suppliers began on January 1, 2001, in the State. The first month saw about 97,622 customers in First Energy territories switch suppliers. Standard Offer Rates range from 3.6 to 4.9

	<p>cents/kWh in the three FirstEnergy subsidiary territories of Toledo Edison, Ohio Edison, and Cleveland Illuminating.</p> <p>6/99: The restructuring legislation will allow retail customers to choose their energy suppliers beginning January 1, 2001.</p>
Rates	<p>10/02: Dominion, a licensed retail electric supplier by the Public Utilities Commission of Ohio, is offering one-year contracts to residential customers of Cinergy's Cincinnati Gas and Electric Company's (CG&E). The contracts will end in December 2003, but the offer will expire on November 29, 2002. Dominion's limited time offer is for 4.70 cents per kilowatthour, which is approximately 10 percent below CG&E's current price to compare of 5.22 cents per kilowatthour.</p> <p>6/99: The restructuring legislation requires 5 percent residential rate reductions and a rate freeze for 5 years.</p>
Utility Plans	<p>Cinergy (Cincinnati Gas & Electric)</p> <p>9/00: The PUCO approved a plan by Cincinnati Gas & Electric (CG&E) to offer electric choice in its service territory beginning January 1, 2001. The transition plan includes the unbundling of the price of electricity into its components (generation, transmission, distribution), and institutes a rate cap for five years for all residential customers. Additionally, residential customers who stay with their current supplier will receive a 5-percent rate reduction in the generation portion of their bill.</p> <p>1/00: Cincinnati Gas & Electric filed its transition plan with the PUCO. The plan includes: 5-percent residential rate reduction in the generation portion of rates, effective January 2001; rate unbundling into the generation, transmission, distribution, and transition costs components; recovery of \$927 million in transition and stranded costs; corporate separation of regulated and unregulated functions; participation in the Midwest ISO; and a consumer education plan. The PUCO is to rule on the plan before Oct. 31, 2000.</p> <p>FirstEnergy Corp. (Ohio Edison, Toledo Edison and Illuminating Company)</p> <p>7/00: FirstEnergy reached a settlement on its restructuring plan. The plan calls for recovery of costs through 2006 for Ohio Edison, mid-2007 for Toledo Edison, and 2008 for Illuminating Company.</p> <p>1/00: FirstEnergy (Ohio Edison, The Illuminating Company, Toledo Edison) refiled a transition plan with the PUCO to conform with the new rules established to comply with Ohio's restructuring law. The plan includes: requested recovery of \$7 billion for transition and stranded costs; operational and technical support changes to allow for retail direct access by January 1, 2001; plans to transfer control of transmission assets to the Alliance RTO; unbundled prices; corporate separation of regulated and unregulated business; and an education program for consumers.</p> <p>10/99: FirstEnergy filed a restructuring plan with the PUCO. The plan includes passing \$6.9 billion to customers over 8 years, but says bills will not increase over this transition period. Three separate plans were filed for its subsidiary utilities: Ohio Edison, Illuminating Co., and Toledo Edison.</p>

Allegheny Power (Monogahela Power)

7/00: Allegheny Energy reached a settlement on its transition plan. The plan calls for recovery of up to \$6.3 million in stranded costs, 5-percent rate reductions for residential consumers, and a 3-year rate freeze for industrial and commercial consumers.

7/00: Monongahela Power reached a settlement on its restructuring plan. The plan will shorten the development period for competition for large customers to end December 31, 2003, and for small customers, December 31, 2005. Residential customers will receive a 5-percent rate reduction, and rates will then be frozen for the remainder of the development period.

1/00: Monongahela Power filed its transition plan with the PUCO. Included is a request for \$13 million in stranded cost recovery.

AEP (Ohio Power and Columbus Southern Power)

7/00: An agreement was reached on AEP's transition plan. Transition costs recovery will be limited through 2007 for Ohio Power consumers and 2008 for Southern Power consumers. Distribution rates will be frozen for the recovery period for residential consumers.

1/00: AEP (Ohio Power and Columbus Southern Power) filed its transition plan with the PUCO. The plan includes requested recovery of \$974 million in regulatory assets.

Dayton Power & Light

1/00: Dayton Power & Light filed its transition plan with the PUCO. The plan includes a 5-percent residential rate reduction for generation; a cap on all prices through December 31, 2004; customer choice by January 1, 2001; recovery of \$441 million in transition costs; and a consumer education program. The PUCO will issue comments and recommendations to the plan within 90 days, a final order within 275 days.

Additional Information

9/02: The Ohio Consumers' Counsel along with the Industrial Energy Users - Ohio and the American Municipal Power - Ohio have filed a complaint against Dayton Power and Light for violating the Electric Choice Law. According an [OCC press release](#), "DP&L has failed to comply with a PUCO order to transfer operational control of its electric transmission facilities to a Federal Energy Regulatory Commission (FERC) - approved Regional Transmission Organization." These organizations filed a similar complaint against American Electric Power (AEP) in June.

7/02: The Ohio Consumers' Council (OCC) released its ["Summer 2002 Electric Market Update,"](#) which states that "progress towards meaningful electric choice for the state's residential consumers has begun to stall." In central and southern Ohio, two competitive residential suppliers existed until New Power declared bankruptcy. The other supplier, an affiliate of FirstEnergy, "has restricted its activity to FirstEnergy's traditional service territory in northern Ohio." Many Ohio residential customers do not have the opportunity to participate in retail competition, and community aggregation has been the primary option.

6/02: The PUCO issued their first quarter ["switching statistics,"](#) summaries of electric customer choice switch rates in terms of sales and customers, for 2002. In terms of customers, 52.58 percent of residential Cleveland Electric

Illuminating Company customers switched to a certified retail electric supplier (CRES) while 18.36 percent of commercial and 24.34 percent of industrial customers switched. Toledo Edison Company had 45.84 percent of residential customers, 3.43 percent of commercial customers, and 20.66 percent of industrial customers switch to a CRES. Ohio Edison Company had 16.43 percent of residential customers, 8.54 percent of commercial customers, and 30.90 percent of industrial customers switch to a CRES. Cincinnati Gas and Electric Company, Columbus Southern Power Company, and Dayton Power and Light Company had less than 1 percent switch to a CRES. No Monongahela Power Company or Ohio Power Company customers are participating in the Ohio Electric Choice program.

6/02: According to a [press release](#), Allegheny Energy Supply, a subsidiary of Allegheny Energy, Inc., sold "approximately 45,000 residential and commercial accounts in FirstEnergy's northern Ohio service territory" to Dominion Retail, Inc., a subsidiary of Dominion. Dominion Retail will replace Allegheny Energy Supply as the customers' certified retail electric supplier, but customers "will continue to receive one bill from their local utility."

9/01: The PUCO adopted rules for local government aggregation of electricity customers. Under Ohio's restructuring legislation passed in July 1999, local governments could serve as an aggregator for electricity customers. The new rules focus on three issues: Cooperation of the utilities in providing lists of the customers in the local government's jurisdiction, forming programs for customers to "opt-out" of the aggregation, and the requirements for providing customers with written notices of inclusion in the aggregation unless the customer specifically "opts-out."

12/00: Beginning January 1, 2001, Ohio residential, commercial, and industrial consumers will have access to retail markets for electricity. Consumer education programs are available on the [Ohio Electric Choice web site](#), through mass mailing by the PUCO, and by telephone.

6/98: The PUCO approved Monongahela's tariff for conjunctive electric service, the first tariff approved that will allow groups of consumers to aggregate and negotiate the price for electricity.

Oklahoma

Schedule

6/01: SB 440 will not allow retail competition to begin until after the task force has issued its report in late 2002.

6/98: New restructuring legislation speeds up the time line for restructuring the industry and requires that all studies be completed by October 1999. Some retail competition should begin as early as 1999.

4/97: The Electric Restructuring Act of 1997 allows retail competition by July 2002. The OCC is directed to study the issues and develop a framework to implement retail competition.

Oregon

Schedule	<p>3/02: According to Oregon's electric restructuring law, commercial and industrial Portland General Electric and PacifiCorp customers will be eligible for direct access on March 1, 2002. PGE and PacifiCorp customers will provide default service. Residential customers are not eligible for direct access, but they will have "a portfolio of energy options to choose from including electricity from a variety of renewable energy resources."</p> <p>9/00: Beginning October 1, 2001, large commercial and industrial customers will have the opportunity to choose alternative suppliers. Small commercial and residential customers will continue to be regulated. Electric utilities are required to file resource plans by November 1, 2000.</p> <p>7/99: The restructuring legislation will allow direct access for industrial and large commercial consumers beginning October 1, 2001. Residential consumers will not have direct access to suppliers under restructuring, but will be provided a portfolio of pricing options, including a "green" rate, a market-based rate, and a traditional regulated rate.</p>
Utility Plans	<p>2/98: Portland General Electric's deregulation plan, which could become a model for the State, faces opposition from The Oregon Intervenor Coalition that includes Pacificorp, Washington Water Power, and consumer groups. Portland's plan calls for selling all its generation and allowing all customers to choose competitive generation suppliers. The coalition prefers a "portfolio model" for customer choice. The portfolio model would allow large industrial customers to shop for power suppliers, but small customers would continue to be served by the incumbent utilities and be offered a menu of plans to choose from. Options would include current, market, or "green" rates.</p>
Additional Information	<p>6/02: The Oregon PUC issued its monthly status report for June 2002 that tracks what portfolio options residential customers have chosen based on service territory. Also the report tracks what percentage of nonresidential customers has chosen cost of service, market options or direct access based on load. No nonresidential customers have chosen direct access as of June 1, 2002. Nonresidential customers are the only customers allowed to choose a certified electricity service supplier.</p>

Pennsylvania

Schedule	<p>1/00: As of January 1, 2000, all consumers in Pennsylvania have retail access to competitive electricity suppliers. The Office of Consumer Advocate reports just over 507,000 consumers have switched to competitive suppliers.</p> <p>1/99: Retail access is now available for two-thirds of the State's customers.</p> <p>9/98: About 1.8 million customers have registered to choose their electric generation supplier. The customers have received a "How to Shop" guide and a list of competitive suppliers and are now in the process of making choices. Two-thirds of the state's consumers are eligible to begin receiving power from their supplier of choice in January 1999. All residential customers will receive an 8-percent rate reduction, and so far competitive suppliers will provide customers about 14 percent savings. Also, 4 "Green-e" products (a product with the Green-e</p>
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	<p>logo is certified to be produced with 50 percent or 100 percent generation from renewables; see California) are being offered to Pennsylvania customers.</p> <p>8/98: The Electric Choice Program has enrolled 1.75 million customers and 70 electric service providers as of August 1, 1998. In September, consumers will receive information on shopping for an electric service provider and the "shopping phase" will begin. Retail access is set to begin on January 1, 1999.</p> <p>7/98: Pennsylvania consumers began signing up to participate in the first phase-in of competition, two-thirds of consumers. In the first week, over 1.1 million consumers signed up for the Electric Choice Program.</p>
Rates	<p>7/00: The PUC approved a change in default service rates. Consumers were "gaming" the system by returning to the incumbent utility for the summer when prices typically rise, making default service rates more attractive. Utilities may now charge market-based rates for default service, and customers may return to competitive suppliers after 60 to 90 days, rather than 12 months. GPU Energy's consumers may return to competitive service whenever they choose.</p> <p>8/99: Rates for PP&L customers will be dropped by about 1 percent. The rate reduction is the result of PP&L's securitization of a portion of its competition-related transition costs.</p> <p>1/99: The 8-percent rate reduction in PECO's restructuring plan took effect for the 1.5 million residential customers in PECO's service territory.</p>
Utility Plans	<p>Allegheny Power (West Penn)</p> <p>11/98: The PUC and Allegheny have reached a compromise agreement. Allegheny will implement a 2.5-percent rate reduction in 1999, and will follow the schedule consistent with the rest of the State (two-thirds by January 1999 and all consumers by January 2000). \$670 million can be recovered in stranded costs over 10 years. The PUC set the "price to compare" at 3.16 cents per kWh.</p> <p>Citizens Electric Company</p> <p>6/98: The PUC approved Citizens' Electric Company's restructuring plan, allowing a 4.13 cents per kWh shopping credit and "any stranded costs imposed on it by Pennsylvania Power & Light, its wholesale power supplier." Citizens' will allow two-thirds of its customers to participate in the Electric Choice program on February 1, 1999, and all Citizens' customers will be able to choose their electric supplier by January 2, 2000.</p> <p>Duquesne Light</p> <p>12/00: DQE completed the first phase in its restructuring by selling its generation plants for \$1.7 billion, extending its provider of last resort arrangement through 2004 thereby resulting in a 21-percent decrease in rates for its residential customers in 2002, and assuring complete recovery of stranded costs in 15 months.</p> <p>5/98: The PUC approved Duquesne Light's restructuring plan. Stranded cost recovery is set at \$1.331 billion over 7 years beginning January 1999. Consumers should expect to save about 12 percent. Retail competition will be phased-in beginning January 1999 and be complete by January 2000.</p> <p>Metropolitan Edison (Met-Ed), a FirstEnergy Company</p> <p>9/98: Met-Ed customers will receive a 2.5-percent rate reduction regardless if they participate in the retail choice program. The "price to compare" or shopping credit is 4.35 cents per kWh. All Met-Ed customers will be able to participate in</p>

the retail choice program on January 1, 1999. Stranded cost recovery is set at \$658.14 million over 12 years.

Pennsylvania Electric Company (Penelec), a FirstEnergy company

9/98: Penelec customers will receive a 3-percent rate reduction, and the "price to compare" is 4.404 cents per kWh. All Penelec customers will be able to participate in the retail choice program on January 1, 1999. Stranded cost recovery is set at \$332.16 million over 11 years.

Pennsylvania Power Company (Penn Power), a FirstEnergy company

6/98: The PUC approved Penn Power's restructuring plan with a shopping credit of 3.73 cents per kWh and stranded cost recovery of \$234 million over 7 years. Customers will be phased in starting with two-thirds by January 2, 1999 and the final third by January 2, 2000. Open enrollment begins July 1, 1998.

Pennsylvania Power & Light (PP&L)

10/98: As of January 2, 1999, all PP&L residential customers will be able to switch to an alternative electric supplier. Also, the PUC and PP&L reached an agreement on capacity prices; PP&L agreed to sell installed capacity at \$19.72/kW-year through 1999.

8/98: PP&L's restructuring plan was given final approval by the PUC. In the plan, PP&L will provide a 4-percent rate reduction in 1999 for all customers, and a shopping credit of 3.81 cents per kWh. Customers will be allowed to participate in retail competition in thirds, beginning with two-thirds on January 2, 1999 and all by January 2000. The amount of recoverable stranded costs allowed is \$2.97 billion over 11 years.

PECO Energy, an Exelon company

4/02: PECO Energy will take over The New Power Company's 180,000 customers, which it left behind when it exited Pennsylvania's retail market in February 2001. Rates will remain discounted until February 1, 2004, and the switch will take approximately 30 days, starting on April 25. According to a PUC [press release](#), "PECO's restructuring agreement requires PECO to have 50 percent of its residential and commercial customers served by alternative suppliers by January 2003."

5/98: The PUC gave final approval to PECO's restructuring plan in a compromise agreement. Under the plan, PECO customers will receive an 8 percent rate reduction next year, 6 percent in 2000, with 20 percent savings expected for those willing to shop for power. PECO will be allowed to recover \$5.26 billion in stranded costs over a period of 12 years. Two-thirds of customers will be phased in to retail competition by January 1999 and all customers by January 2000.

Pike County Light and Power

7/98: All Pike County customers will be able to choose their electric supplier on May 1, 1999. A shopping credit or "price to compare" rate was set at 3.4 cents per kWh. The PUC has not determined the amount of stranded costs Pike County can recover, but it can recover these costs until December 31, 2005.

UGI Utilities

6/98: The PUC approved restructuring plans for UGI Utilities, allowing a shopping credit of 3.67 cents per kWh until 2000 and 4.3 cents per kWh in 2001. Also, the Commission approved \$32.5 million in stranded cost recovery. All UGI customers will be able to choose their electric supplier on January 1, 1999.

	<p>Wellsboro Electric Company 7/98: The PUC approved Wellsboro Electric Company's restructuring plan, allowing a 3.9 cents per kWh shopping credit. Wellsboro did not claim any stranded cost recovery. Two-thirds of Wellsboro's customers will have retail access by January 2, 1999 and all customers by January 2, 2000. Open enrollment began on July 1, 1998, for the State's retail choice program.</p>
<p>Additional Information</p>	<p>7/02: The Pennsylvania Office of Consumer Advocate posted its Electric Shopping Statistics for July 1, 2002. Competitive suppliers served 305,422 customers representing a load of 2,142 megawatts. This report "includes 34,399 residential customers assigned to Green Mountain's Competitive Discount Service (CDS)." Also, "174,279 CDS customers formerly served by New Power and not reported here, are now served by PECO but continue to receive the discounted CDS price." In the Consumer Advocate's last report (April 2002), 534,381 customers were being served by competitive suppliers.</p> <p>6/02: According to a press release, Allegheny Energy Supply, a subsidiary of Allegheny Energy, Inc., sold "approximately 105,000 residential and commercial accounts in the Duquesne Light service territory in southwestern Pennsylvania" to Dominion Retail, Inc., a subsidiary of Dominion. Dominion Retail will replace Allegheny Energy Supply as the retail electric service provider, but customers "will continue to receive one bill from their local utility."</p> <p>9/01: The Department of Revenue released the second of three required reports that are aimed at recommendations to maintain tax neutrality in Pennsylvania during the transition period to a competitive electricity industry. The report analyzes the dynamic effects of electricity generation competition on Pennsylvania's economy and tax revenues. Even though the report generally finds restructuring to have currently achieved positive benefits for Pennsylvania's economy, it states that "continued realization of lower electricity prices resulting in additional savings for consumers is essential for long-term benefits from electric competition."</p> <p>8/00: A Pennsylvania Department of Revenue report to Governor Ridge and the General Assembly projects that electric competition will create more than 36,000 new jobs in the state by 2004. The report states that the success of electric competition will lead to new jobs because related savings give customers more money to spend, creating a multiplier effect in the state economy, reducing business costs, and allowing employers more money to invest.</p> <p>9/99: Restructuring in Pennsylvania is the most successful in the Nation, in terms of the number of customers who have chosen alternative generation suppliers. About 450,000 customers in the state have switched suppliers, a majority of them in the Philadelphia area, PECO's service territory. PECO had some of the highest prices in the State prior to deregulation.</p>

Rhode Island

Schedule	<p>9/99: As of June 1999, roughly about 2,000 customers out of the State's 456,000 have chosen alternative generation suppliers.</p> <p>1/98: Retail access was implemented with 25 registered generation suppliers, but the standard offer interim rates (3.2 cents/kWh) offered by the State's investor-owned utilities are low enough that no real competition has occurred.</p>
Rates	<p>7/02: The PUC will keep Standard Offer Services rates at 4.662 cents/KWh, but Last Resort Services rates will rise from 6.365 cents/KWh to 7.481 cents/KWh in July and 7.496 cents/KWh in August.</p> <p>4/01: The PUC approved an increase from 5.095 cents/kWh to 6.302 cents/kWh for standard offer rates for Narragansett Electric, beginning April 1, 2001.</p> <p>10/00: The PUC has approved a 10.6-percent increase request by Narragansett Electric. Standard offer rates were increased from 4.5 cents/kWh to 5.4 cents/kWh. A typical residential customer's bill will be increased by about \$4.50 per month. As part of its contract to purchase electricity for its customers, Narragansett must pay a fuel surcharge when oil and natural gas prices increase.</p> <p>9/00: The PUC has approved an immediate rate increase of 4 percent for Narragansett Electric's 460,000 customers. Narragansett Electric has filed an additional plan that would increase rates another 10 percent on October 1, 2000, if approved by the PUC. The requests have been made in response to rising fuel prices. As part of its contract to purchase electricity for its customers, Narragansett must pay a fuel surcharge when oil and gas prices reach high levels.</p> <p>7/00: The increasing cost of fuel and wholesale power prompted the PUC to increase the standard offer rates from 3.8 cents/kWh to 4.1 cents/kWh. Default service rates were also increased to 4.5 cents/kWh. After June, default (or last resort) service rates will be market-based.</p> <p>1/99: The standard offer rate increased from 3.2 cents per kilowatthour to 3.5 cents. The increase should spur some competition in the State's retail electricity market. The standard offer rate will increase again to 3.8 cents in January 2000.</p> <p>8/98: Narragansett is proposing to cut rates 12.4 percent as a result of selling its power plants for \$1.6 billion to US Generating.</p> <p>5/98: The PUC reluctantly approved a rate increase for Narragansett Electric Company for its standard offer rate from the current 3.2 cents/kWh to 7.1 cents/kWh by 2009. Similar increase were approved for Blackstone Valley and Newport Electric.</p>

Texas

Schedule	<p>3/02: The Federal Energy Regulatory Commission delayed deregulation in Southeast Texas from September 15, 2002 until 2003 because no consensus has been reached on the formation of a regional transmission organization.</p> <p>11/01: Exercising its option to delay retail access in regions where fair competitive service cannot be implemented, the PUC accepted a settlement to delay implementation of retail access in Southeast Texas. Affected are customers of Entergy within the Southeast Regional Reliability Council. The PUC cited a lack of an RTO in the region and the absence of marketing by retail electric service providers as the primary reasons for the decision.</p> <p>10/01: The PUC delayed retail choice in the area covered by the Southwest Power Pool in Texas (panhandle area). The delay will affect customers of Southwest Electric Power Company and a few customers of West Texas Utilities. Reasons cited include the lack of an RTO in that region, no retail electric suppliers, and wholesale electricity markets in the area are not yet competitive.</p> <p>6/99: Restructuring legislation enacted in June will open the retail market for electricity by January 2002, except for customers of cooperatives and municipals that do not opt for direct access.</p>
Rates	<p>Utilities can freeze rates through December 31, 2001. All customer classes will receive a 5-percent rate reduction on January 1, 2002.</p>
Utility Plans	<p>4/00: All utilities have submitted plans, due April 1, 2000, to the PUC to detail how each will implement retail competition and functional unbundling in accordance with the restructuring law passed in 1999.</p> <p>Southwest Public Service Company</p> <p>4/00: SPS announced a rate reduction of 7 percent for most of its consumers, beginning in 2001. Also, they are planning to sell about 2/3 of their generating capacity in order to meet the mandated requirement of owning no more than 20 percent of capacity in their territory in order to participate in retail competition.</p> <p>Texas Utilities</p> <p>3/98: The PUC approved Texas Utilities restructuring plan.</p> <p>Houston Power & Light</p> <p>10/97: Houston Light and Power presented its transition proposal for restructuring. Included is a 4-percent rate decrease over 2 years for residential customers.</p> <p>3/98: HP&L's restructuring plan was approved The HP&L plan provides a 4-percent rate cut this year and another 2 percent next year.</p> <p>Texas-New Mexico</p> <p>12/98: As part of Texas-New Mexico's transition to competition, the PUC approved a price reduction for their customers retroactive to January 1998, resulting in a credit on bills for customers. The price reduction is part of TNM's plan to reduce residential rates by 9 percent and commercial rates by 3 percent over a 5-year transition period.</p>

	<p>7/98: The PUC approved Texas-New Mexico's 5-year transition plan. Along with the rate reductions (described below) are a provision for a pilot program and plans to allow retail choice of generation providers to all retail consumers by 2003.</p> <p>5/98: An administrative law judge recommended the PUC reject Texas-New Mexico's restructuring plan. The plan would provide residential customers an immediate 3-percent rate reduction and another 3 percent in January 2000 and January 2001, totaling 9 percent over 3 years. Also, the plan provided for full recovery of stranded costs through a CTC. A final decision by the PUC is expected by July.</p> <p>12/97: Houston Light and Power, Texas Utilities Electric Co., and Texas-New Mexico Power Co. announced agreements with the PUC on proposed competition plans, although final approval by the PUC is still needed. All three contain rate reduction measures. Texas-New Mexico's plan offers a guaranteed date, 2003, for full retail choice beginning with a phase-in of customers as early as January 1998, and a plan for stranded cost recovery.</p>
<p>Additional Information</p>	<p>1/03: The Public Utility Commission of Texas issued its 2003 Scope of Competition in Electric Markets in Texas to the 78th Texas Legislature.</p> <p>8/02: The PUC approved a new rule that prohibits retail electric providers (REP) from transferring non-paying customers to the Provider of Last Resort (POLR). As of September 24, 2002, residential and small commercial customers who have switched to an REP will not be transferred to the POLR because they did not pay their electric bill. According to a PUC press release, "they will be switched to the affiliated REP and be charged the Price-to-Beat rate, which is lower than the current POLR rates." Also, current affiliated REP customers will not be switched to a POLR for non-payment. POLR customers must choose a REP before December 31, 2002 or they "will be served by the POLR's competitive affiliate at an unregulated rate."</p> <p>6/02: New Power Company customers will be switched to either TXU energy or Reliant Energy Retail Services based on the customer's location. The PUC struck an agreement with the two companies to prevent the customers from being switched to provider of last resort (POLR) service. According to a PUC press release, TXU will take on New Power customers in the Houston metropolitan area, and Reliant will take on New Power customers in the Dallas-Fort Worth area and areas in north and west Texas. Reliant and TXU will offer rates "significantly below POLR rates" and below each other's proposed "price to beat" rates, which will be reviewed by the PUC this month. Since the agreements provided for monthly service contracts, customers can switch to another service provider at any time "without a fee or penalty."</p> <p>7/01: Three companies were chosen by a competitive bidding process to be the POLR for Texas customers whose retail electricity providers (REP) cancel service. POLR service is designed as a safety net to provide continuity of service when a customer's REP does not continue service. POLR service is relatively high-priced and should only be used as a temporary service until a customer can choose another REP.</p>

Vermont

Utility Plans

3/99: Central Vermont Public Service and Green Mountain Power filed a joint restructuring plan with the PSB of Vermont. The plan would consolidate the two companies into one distribution company and would have both companies sell their generating assets and focus on distribution and retail sales.

Virginia

Schedule

11/01: The phase-in of retail access in Virginia was issued by the SCC earlier this year. As of January 1, 2002, all customers of AEP-Virginia, Allegheny Power (Potomac Edison), and Conectiv (Delmarva Power), as well as residential customers of Dominion Virginia Power (DVP) in Northern Virginia and 1/3 of DVP's non-residential load throughout its service territory, will receive retail access to competitive electricity suppliers. On September 1, 2002, DVP's residential customers in Central Virginia and another 1/3 of its non-residential load will have retail access. On January 1, 2003, DVP's customers in Eastern/Tidewater Virginia and the remaining 1/3 of non-residential customers will receive retail access. On January 1, 2004, Kentucky Utilities (Old Dominion Power Company) and the 13 electric cooperatives' customers will receive retail access.

8/00: The State Corporation Commission (SCC) has approved Rappahannock Electric Cooperative's plans for a pilot program. The program will allow 900 customers to choose an alternative power supplier beginning January 1, 2001.

7/00: AEP will begin its pilot program by offering about 8,000 customers retail choice by October 1, 2000. Another 8,000 AEP customers will be added on March 1, 2000. The SCC will establish a "price to compare" by considering the prices at 5 nearby trading hubs and calculating an average of the prices at the two hubs with the highest prices.

7/00: Phase I of Virginia Power's pilot program, Project Current Choice, has begun enrolling volunteers in the City of Richmond and Hanover, Henrico, and Chesterfield counties, and the Town of Ashland. Plan A of the pilot includes over 35,000 small consumers, residential and churches/synagogues in the above areas. Larger commercial and industrial consumers statewide are included in Plan B, which will allow over 250 million kilowatthours of power to be supplied by alternative suppliers. Pilot participants should begin receiving power from alternative suppliers by September 1, 2000. Phase II will enroll small and residential consumers in several Northern Virginia locations. Phase II participants are scheduled to begin volunteering in October 2000 and receive power from alternative providers by January 2001. Phase-in of the entire State is scheduled to begin by January 2002.

3/99: SB 1269, The Virginia Electric Utility Restructuring Act, will allow retail direct access beginning on and after January 1, 2002. The SCC will establish a phase-in schedule for customers by class. All customers will have direct access by January 1, 2004.

Rates

1/03: The Virginia State Corporation Commission released its [Electric Utility Residential Rate Comparison of Northern and Southern States for the Years 1998 – 2002](#).

	<p>12/02: The State Corporation Commission issued an order establishing an investigation into default service for electricity customers. According to an SCC press release, “the staff will develop recommendations for establishing one or more default service programs that will be available by January 1, 2004.”</p> <p>11/02: The Virginia State Corporation Commission (SCC) released its 2003 average “price to compare” for Dominion Virginia Power, American Electric Power-Virginia, Allegheny Power and Conectiv. Customers can use the “price to compare” as guide to evaluating offers made by competitive service providers. On January 1, 2003, the final phase of Dominion Virginia Power’s restructuring will take effect, opening retail access to the utility’s residential customers in the Tidewater region. With implementation of this next phase, all customers of Dominion Virginia Power, AEP Virginia, Allegheny Power and Conectiv will have access to competitive energy providers.</p> <p>1/02: The State Corporation Commission issued the average “price to compare” rates for each customer class. "The price to compare is the regulated price of generation and transmission of electricity, less any applicable competitive transition charge." Competitive service providers use these rates to determine what it must offer in order to attract customers. Eligible customers must contact their current supplier for the actual rates.</p> <p>8/98: The SCC approved more than \$700 million in refunds and rate reductions. A total of \$150 million in refunds will be provided by November 11, 1998. In return for the refund/rate cuts, Virginia Power will use \$220 million in revenue to reduce debt on generation assets.</p> <p>6/98: In an agreement between regulators, government, and business and Virginia Power, VEPCO will refund \$920 million, the biggest rate adjustment in Virginia history, in rate cuts and refunds over the next 5 years. The rate reduction refund agreement is subject to approval by the SCC. A public hearing is scheduled for July 21, 1998 on the proposed settlement.</p>
<p>Utility Plans</p>	<p>6/02: According to a SCC press release, the commission approved Northern Virginia Electric Cooperative's (NOVEC) retail choice plan; set to begin after July 1, 2002. NOVEC will be responsible for delivering power to Clarke, Fairfax, Fauquier, Loudoun, Prince William, and Stafford counties, and the city of Manassas Park. In Virginia, electric cooperatives have until January 1, 2004, to implement retail choice. NOVEC must file "price to compare" information with the SCC before the plan can take effect. Since cooperatives rely on the wholesale market, "price to compare" rates can differ from month to month.</p> <p>4/02: Dominion Retail is switching its 19,000 Virginia customers back to Dominion Virginia Power because it "has been unable to locate wholesale power at a competitive price." The company cites wire charges as its main obstacle because customers are required to pay this charge before leaving Dominion Virginia Power. Under Virginia's deregulation law, wire charges must be collected until 2007.</p>

Washington

Rates

10/01: Puget Sound's Time of Use Rate Plan, which was to expire in October 2001, has been extended through May 31, 2002. The program, originally for about 300,000 residential customers, also is being expanded to include about 20,000 nonresidential customers. Under the plan, customers' rates vary with on-peak and off-peak hours. The program has resulted in a shift of about 5 percent of load from peak to off-peak hours, creating savings for both the utility and the customers.

West Virginia

Utility Plans

9/00: The West Virginia Public Service Commission (PSC) has begun hearing testimony from electric utilities regarding their plans for unbundling electric rates. Monongahela Power Company and The Potomac Edison Company, both owned by parent company Allegheny Power, were the first to participate in the hearings. Hearings for the remaining West Virginia utilities are scheduled throughout the months of October and November.

Wisconsin

Rates

9/99: Wisconsin Electric Power Company requested that the PSC establish criteria for performance-based ratemaking. WEPC also submitted a request for a 3.1-percent rate increase.

Utility Plans

12/00: WPS Resources filed a restructuring plan with the PSC that would transfer WPS generating assets to a nonregulated subsidiary (genco) and transform Wisconsin Public Service Corporation into a regulated electric distribution company (disco). A power purchase agreement between the disco and genco would be executed, and ratepayers would retain the same rates as they have today. WPS sees this plan that would remove power plants and their construction from rate bases as a step toward a competitive market in Wisconsin, something they see as inevitable due to surrounding states restructuring status.

Status of State Electric Industry Restructuring Activity

Stranded Costs as of February 2003

Alabama	
Allowed Recovery	<p>1/97: Alabama Electricity Consumers Coalition and American Energy Solutions filed in Federal court a suit challenging the statute on stranded costs as unconstitutional. The suit was dismissed because the law has yet to be invoked. The suit could be reinstated if the law is used.</p> <p>5/96: SB 306 allows recovery of "reasonable" stranded costs through exit fees.</p>
Recovery Mechanisms	<p>SB 306 established a procedure for customers that wish to change from the incumbent utility to a private supplier for power. The PSC decides through review of the customer's contract if the utility can be reimbursed for any reasonable stranded costs associated with the departing customer. If stranded costs are found, the PSC then rules on requirements for payment of the stranded costs by the departing customer or the remaining customers.</p>
Arizona	
Allowed Recovery	<p>7/00: The ACC determined that Navopache Electric Cooperative's share of stranded costs recovery due to the sale of assets by Plains Electric Transmission and Generation are \$11.8 million to be collected over 10 years.</p> <p>11/99: The ACC approved TEP's restructuring agreement, allowing the recovery of \$450 million in stranded costs over a transition period lasting to 2008.</p> <p>9/99: The restructuring settlement agreement approved by the ACC will allow APS to recover \$350 million of its estimated \$533 million in stranded costs over a 5-year transition period.</p> <p>4/99: The ACC approved a new plan with 4 options for stranded cost recovery and will begin retail competition with 20 percent of consumers later this year and all consumers by January 1, 2001. Utilities must file their proposals for stranded cost recovery by June. The solar portfolio standard was eliminated as too costly. A hearing process will consider whether to adopt a renewable resource requirement that would include all renewables.</p> <p>8/98: The ACC order on stranded costs provides utilities two options: 1) divestiture of assets; the amount of recoverable stranded costs will be the difference between the value of generation assets under traditional regulation and their market value determined through an action process, and 2) a transition revenues methodology; the ACC "would provide sufficient revenues necessary to maintain financial integrity for a period of 10 years," allocating stranded costs among consumers and shareholders as deemed "to be in the public interest."</p>
Recovery Mechanisms	<p>11/99: TEP will use a competitive transition charge (CTC) of \$0.93/kWh to recover stranded costs. A "floating" CTC will also be employed to recover an additional \$183 million in stranded costs. The floating CTC will vary inversely with the market price of energy and would be adjusted quarterly.</p> <p>9/99: APS will use a CTC that decreases annually over a five year period to recover stranded costs.</p>

Divestiture of Assets	<p>11/99: The ACC agreement with TEP requires transfer of its generation assets to an affiliate company by the end of 2002.</p> <p>9/99: APS is required to transfer its generation assets to an affiliate company by the end of 2002 under the restructuring agreement approved by the ACC.</p>
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Arkansas	
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Allowed Recovery	<p>4/99: Legislation (Act 1556) provides for the recovery of unmitigated stranded costs through a CTC. Utilities must file a plan for mitigation of stranded costs and recovery of any unmitigated stranded costs with the PSC. The PSC issued guidelines for quantifying stranded costs and mitigation of the costs, including the sale of generation assets and securitization. Also, transition costs may be recovered over 3 years after the beginning of retail competition.</p> <p>12/97: In Entergy's restructuring plan, the Transition Cost Account to be used for funds for stranded costs will be funded by excess earnings above 11 percent return on equity during the rate freeze period (at new levels through 2001).</p>
Recovery Mechanisms	<p>12/99: Rules issued by the PSC will allow the utilities to use Competition Transition Charges (CTC) to recover unmitigatable stranded costs.</p>
Divestiture of Assets	<p>12/99: Divestiture of assets is not required in Arkansas. In guidelines issued by the PSC, the sale of generation assets is one way to quantify stranded costs and/or mitigate stranded costs. Also, the generation portion of the utilities must be functionally unbundled from the transmission and distribution functions.</p>

California	
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Allowed Recovery	<p>9/97: AB 360 allows utilities to issue \$7.3 billion in bonds (securitization) to pay off stranded investments.</p>
Recovery Mechanisms	<p>Stranded costs recovery is through a Competition Transition Charge on a kWh basis. On California consumer's bills there appears the CTC, and also another charge that finances the securitized assets that provided the 10 percent rate reduction.</p>
Divestiture of Assets	<p>9/99: PG&E plans to sell its hydroelectric assets in California, which includes 68 power plants and 94 dams, after failing to convince the legislature to allow them to move the plants to an unregulated subsidiary. However, PG&E may revisit the legislature with the idea of moving the plants to a subsidiary, since it claims this would reduce consumer rates by 10 percent for residential and 20 to 40 percent for large users. These assets have a book value of \$800 million and were recently valued by PG&E at \$3.3 billion.</p> <p>11/98: PG&E is selling 13 mostly gas-fired plants to Southern Company for \$801 million. PG&E will also sell The Geysers, the nation's largest geothermal power complex to FPL Energy for \$213 million. PG&E will use the money raised by these sales to reduce stranded costs that are being paid by its consumers.</p>
Additional Information	<p>6/99: The PUC ended the mandatory 10-percent rate reduction for SDG&E since the transition period for SDG&E ended with recovery of all stranded costs and the</p>

	<p>end of the CTC for consumers. Rates in SDG&E territory are now unregulated and likely could be more volatile. The utility expects rates may rise during the summer months.</p> <p>5/99: San Diego Gas & Electric’s consumers may see lower bills as the transition period for SDG&E ends in July when their stranded costs will have been completely recovered (see stranded costs table). The accelerated pay off of stranded costs has left most of the monies raised through securitization to finance the 10-percent rate reduction with bonds unneeded. SDG&E plans to return some of the funds to small consumers. SDG&E also asked the PUC to end the rate cap, with should allow a more competitive market to develop.</p>
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Connecticut	
Allowed Recovery	<p>8/99: The DPUC gave a preliminary order for stranded cost recovery of \$726 million instead of the requested \$916 million to United Illuminating.</p> <p>7/99: The DPUC issued a preliminary ruling allowing United Illuminating \$726 million in stranded costs claims. UI had requested \$916 million. The ruling should be final by July 30. Northeast Utilities was issued a final ruling allowing \$3.5 billion in stranded costs; however this amount should be cut by about a third due to the successful sale of generation capacity in July.</p> <p>4/98: To recover stranded costs, utilities must separate their transmission and distribution business and sell their non-nuclear generation by January 2000 and interests in nuclear generation by January 2004. Utilities will be allowed to sell bonds to cover stranded costs (securitization) up to the 10 percent rate reduction.</p>
Recovery Mechanisms	<p>7/99: Stranded costs will be collected by UI through a Competitive Transition Assessment (CTA) beginning January 1, 2000. The CTA charge is assessed on all consumers' bills, including those who do not use the services of UI.</p>
Divestiture of Assets	<p>8/00: Northeast Utilities announced that Dominion Resources will pay approximately \$1.3 billion for its three-unit Millstone nuclear station. The transaction is expected to be complete by April 2001, pending approval from several federal and state agencies.</p> <p>9/99: Northeast Utilities (NU) plans to auction its Millstone nuclear plant and its 40-percent share in the Seabrook nuclear plant. The Connecticut restructuring law requires the sale of nuclear assets by 2004. NU subsidiary, NU Generation Group, has decided not to bid on the plants.</p> <p>5/98: The United Illuminating Company announced its plan to divest its 3 fossil-fueled plants and power purchase agreements to comply with Connecticut's new restructuring law.</p>

Delaware

Allowed Recovery

1/00: According to [Order No. 5424](#), the PSC found that Delaware Electric Cooperative had no stranded costs either, and any attempts to recover such costs should be discontinued and refunded. Likewise, Conectiv cannot recover stranded costs through “Competitive Transition Charges.”

4/99: The legislation and restructuring orders provide no recovery of stranded costs for Conectiv.

1/98: The PSC’s final report recommends that utilities have an opportunity to recover stranded costs. The PSC is to determine the magnitude of reasonable stranded costs for each utility.

Georgia

Allowed Recovery

6/98: Georgia Power estimates stranded costs at between \$1 and \$3 billion. They feel that beginning to pay these stranded costs down will be a good idea due to eventual competition.

Idaho

Allowed Recovery

8/97: Public hearings were held on the issue of stranded costs.

Illinois

Allowed Recovery

5/98: Illinois Power withdrew its proposal for a securitized bond issue.

4/98: Enabled by the Restructuring Law enacted in 12/97, Commonwealth Edison is seeking ICC approval of a bond issue. By law, the proceeds from bonds will be used to refinance debt and equity in preparation for competition.

12/97: HB 362 allows for recovery of stranded costs based on a formula for lost revenue.

Recovery Mechanisms

12/97: Restructuring legislation will allow partial recovery of stranded costs through transition charges. Transition charges can be collected through the year 2006. Securitization of stranded costs is permitted under strict guidelines that do not allow for increases in consumer rates.

Divestiture of Assets

1/00: ComEd completed the sale of its fossil-fueled plants to MidWest Generation, a subsidiary of Edison International. The \$4.8 billion sale results in a \$1.5-billion gain after taxes and sales-related obligations. The gain will allow recovery of nuclear-related regulatory assets, as provided under Illinois restructuring legislation, and provide funding for reliability improvements to ComEd’s transmission and distribution systems. The sale includes 6 coal-fired plants representing 5,645 MW of capacity.

Maine

Allowed Recovery	5/97: LD 1804 allows recovery of stranded costs after reasonable mitigation efforts, but deferred detailed decisions to the 1998 legislative session.
Divestiture of Assets	<p>11/98: Central Maine Power's sale of its non-nuclear generating assets to FPL Group was approved by regulators.</p> <p>10/98: PP&L Global has reached an agreement with Bangor Hydro to purchase 100 percent of its hydro plants and its interest in an oil-fired plant, totaling 89.2 MW for \$89 million. PUC and FERC approvals are pending.</p> <p>5/98: Bangor Hydro announced the schedule for bids on its divestiture of generation assets. Final bids were due 8/7/98. Maine Yankee nuclear plant will also be offered for sale.</p> <p>4/98: Central Maine Power's plan to divest its hydro, fossil-fuel, and biomass generation was approved by the PUC.</p>

Maryland

Allowed Recovery	12/97: PSC order states that utilities be allowed recovery of stranded costs. Utilities must file plans for stranded cost recovery by March 1998. Competitive transition charges (CTC) and securitization are being considered.
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Massachusetts

Allowed Recovery	11/97: Legislation allows full recovery of stranded costs over a 10-year transition period; DTE has approved 2 utilities' plans for stranded cost recovery.
Divestiture of Assets	<p>11/98: Boston Edison Company is selling its Pilgrim nuclear plant to Entergy Corporation. In the deal, Entergy will pay between \$80 and \$90 million in cash. BEC will receive as much as \$466 million to cover cleaning up the plant when it ceases operations, scheduled for 2012. Book value for Pilgrim is about \$650 million</p> <p>10/98: Eastern Utilities (Montaup) plan to sell the Somerset Station for \$55 million to NRG Energy.</p> <p>5/98: Commonwealth Energy System and Eastern Utilities Montaup subsidiary will sell their fossil-fueled generating assets in Massachusetts to Southern Company for \$462 million, approximately 6 times the book value. The sale will allow the 10-percent rate cut that began March 1, 1998 to increase to a 15 percent cut beginning September 1, 1999.</p> <p>5/98: NEES sale of generating assets representing over 5,100 MW to U.S. Generating, a subsidiary of PG & E Corporation, is complete. 3 fossil-fueled and 15 hydro plants were included in the \$1.6 billion sale. Customers in NEES subsidiaries Massachusetts Electric and Nantucket Electric, should see significant rate reduction of about 19 percent.</p> <p>5/98: Boston Edison completed the sale of its entire portfolio of fossil-fueled generating assets to Sithe Energy.</p> <p>4/98: Boston Edison is seeking buyers for its Pilgrim nuclear plant. The company has already sold its non-nuclear generation to Sithe Energies.</p> <p>4/98: Eastern Utilities is selling generation assets and purchase power contracts.</p>

Michigan

Allowed Recovery

6/00: The restructuring legislation authorized recovery of stranded costs. The PSC is directed by the law to issue orders that "shall provide for full recovery of a utility's net stranded costs and implementation costs as determined by the commission."

Mississippi

Allowed Recovery

11/97: The PSC report recommends that the Commission have discretion in recovery of stranded costs, on a utility-by-utility basis, through a wires charge. Exit fees and securitization were deemed anti-competitive and would not be used.

Montana

Allowed Recovery

SB 390 allows recovery of stranded costs through nonbypassable customer transition charges. It also allows for securitization for financing certain transition costs.

Divestiture of Assets

1/00: PP&L completed its purchase of Montana Power's power plants: 11 hydroelectric plants and interests in 4 coal-fired plants. Purchase price was \$757 million. The sale represents Montana Power's exit from the regulated generation business.

11/98: Montana Power is selling 13 power plants, about 2,600 MW of capacity, for \$1.6 billion to PP&L Resources. The plants include 11 hydroelectric plants, 1 wholly owned coal plant, and Montana Power's controlling interest in Colstrip, a large 4-unit coal plant.

1/98: Montana Power's intention to sell its plants sets off concerns by deregulation critics that foretell higher rates; a move for a special legislative session to slow deregulation failed.

12/97: Montana Power announced that it will offer for sale all of its Montana electric generating facilities—13 dams and four coal-fired plants, as well as its leased interest in another coal-fired plant and its contracts for power purchased from independent producers.

Nevada

Allowed Recovery

The PUC is authorized in AB 366 to determine recoverable stranded costs and may impose a procedure for the direct and unavoidable recovery of allowable stranded costs from ratepayers. However, stranded cost recovery is not guaranteed.

New Hampshire

Allowed Recovery

9/00: The New Hampshire Public Utilities Commission (PUC) approved a settlement that resolves a three-year long dispute over the restructuring of utility Public Service of New Hampshire (PSNH). PSNH can now begin refinancing \$800 million in debt to be paid off over 12 to 14 years. PSNH agreed to absorb \$450 million of its \$2.3 billion in stranded costs as part of the settlement. PSNH will divest its generation assets by July 2001, and operate as a transmission and distribution utility, regulated by the State.

9/98: Unitil began the process to sell about 200 MW of entitlements under a portfolio of power purchase agreements and related transmission agreements.

9/98: NEES completed the sale of its 18 power plants and 23 power contracts to U.S. Generating. As a result, customers of Granite State, a NEES subsidiary, will see about a 17 percent rate reduction (including the 10 percent already realized in June).

HB 1392 states that utilities should be allowed to recover net unmitigated stranded costs, and are obligated to take reasonable measures to mitigate their stranded costs. Nonbypassable charges to consumers is recommended as the recovery mechanism (entry and exit fees are not preferred). The PUC Final Plan discusses stranded cost recovery through divestiture of generation assets and contracts and securitization of debts.

New Jersey

Allowed Recovery

8/98: In a ruling on PSE&G's restructuring plan, an Administrative Law Judge stated that PSE&G should recover from ratepayers most of its stranded costs and would have to cut rates by 10-12 percent. Another ALJ issued an initial decision on Atlantic City Electric Co.'s stranded costs and unbundling filings agreeing that stranded cost estimates are acceptable and should be recovered. Legislative and BPU approval are needed to implement utility restructuring plans.

4/97: The Energy Master Plan allows for the potential recovery of stranded costs, but does not guarantee it. Securitization is being considered.

7/97: Utilities submitted filings for stranded cost recovery. PSE&G plan estimates \$3.9 billion in stranded costs and includes recovery of \$2.5 billion through securitization; GPU estimated stranded costs at \$1.8 billion. An initial decision by the BPU is due by May 1998.

Divestiture of Assets

8/00: Public Service Electric and Gas (PSE&G) transferred about 10,200 MW of its electric generating facilities to PSEG Power, LLC, an unregulated power generation affiliate. The transfer was executed in compliance with a one-year time frame mandated by the BPU in its restructuring orders for the utility. The assets were transferred at \$2.443 billion.

New York

Allowed Recovery

11/98: Orange & Rockland and ConEd are selling 16 power plants (about 1,776 MW of gas, oil, and hydro capacity) in New York to Southern Company for \$480 million.

11/98: NYSEG is selling its fossil fuel-fired generation to AES (6 coal plants for \$950 million) and Edison International (Homer City Station for \$1.8 billion).

5/96: In the PUC order, it states that the PUC will determine each utility's allowable recovery of stranded costs. Utilities are expected to use creative means to reduce the amount of stranded costs prior to consideration. Utilities will include stranded cost recovery plans in their restructuring filings with the PUC.

Divestiture of Assets

8/00: Dynegy announced the intent to purchase two generating facilities totaling 1,700 MW for \$903 million. The facilities include a 500-MW plant owned by Central Hudson Gas & Electric and a 1,200-MW station jointly owned by Central Hudson Gas & Electric, Con Edison, and Niagara Mohawk. Both facilities are located in Newburgh, NY. The transaction is expected to close during the first quarter of 2001, pending federal and state regulatory approvals.

Ohio

Allowed Recovery

1/00: First Energy's transition plan, refiled with the PUCO in December 1999, includes recovery of \$2.97 billion in stranded costs, and \$6.97 billion in transition costs.

7/99: Restructuring legislation enacted in July 1999, makes the PUC responsible for settling stranded costs issues.

12/97: Stranded costs were addressed in the report issued by the co-chairs of the Legislative Joint Committee on Electric Deregulation. The plan allows for recovery of stranded costs using nonbypassable wires charges. Utilities would be allowed during the 5-year transition period beginning January 2000 and ending December 2004 to receive "transition revenues" or stranded costs under certain conditions, but likely expect less than 100 percent of recovery.

Oklahoma

Allowed Recovery

4/97: Under SB 500, each entity must propose a recovery plan for stranded costs. Transition charges can be collected over a 3- to 7-year period and must not cause the total price for electric power to exceed the cost per kWh paid by consumers when the law was enacted during the transition period.

Pennsylvania

Allowed Recovery

3/02: The Duquesne Light Company became the first Pennsylvania utility to eliminate its competitive transition charge (CTC), reducing customers' bills by about 16 percent. The CTC enabled the utility to recover costs associated with restructuring. When Duquesne sold its generation plants in April 2000, the profits helped the utility to eliminate the CTC.

11/98: GPU sold 23 plants to Sithe Energies for \$1.72 billion. GPU plans to focus on transmission, distribution, and diversifying into natural gas, water, and telecommunications. A large part of the money from the sale of the plants will go to paying GPU's stranded costs.

10/98: GPU announced an agreement with AmerGen Energy (jointly owned by PECO and British Energy) to buy Three Mile Island Unit 1 Generating Facility. If completed, this will be the first sale of a nuclear power plant in the U.S. Approvals must be sought from various Federal and State agencies, including the Nuclear Regulatory Commission.

10/98: Duquesne Light Co has struck an agreement with FirstEnergy Corp. to swap its interest in the Beaver Valley nuclear plant for three plants owned by FirstEnergy. The swap could reduce Duquesne's stranded costs and lower customer rates.

9/98: Duquesne Light filed a divestiture plan with the PUC, hoping to open an auction in early 1999 to sell 3,035 MW of coal and nuclear capacity. Approval is hoped for by December 1998.

12/97: HB 1509 allows stranded cost recovery through a competitive transition charge; however, the detailed decisions and amount of recoverable costs are left to the PUC. The legislation expects utilities to use reasonable mitigation measures, and securitization is allowed but not required.

Divestiture of Assets

9/99: Duquesne Light Co., a subsidiary of DQE Inc., will sell 7 power plants to Orion Power Holdings bringing the total investment in Northeastern power plants by Orion to \$2.7 billion, and its portfolio of plants to 5,200 MW. Duquesne will use proceeds from the sale toward its allowed \$1.9 billion in stranded cost recovery. DQE expects stranded cost recovery to end by 2001, rather than 2005, and Duquesne customers should see a 25-percent reduction in their bills.

Rhode Island

Allowed Recovery

9/98: The now completed sale of NEES's generation assets (see New Hampshire) will result in increasing rate reductions, already 7 percent under the restructuring act, to about 19 percent for Narragansett customers.

Stranded costs recovery is allowed through a customer transition charge of 2.8 cents per kilowatt-hour from July 1997 through December 2000, and at rates subsequently set by the PUC through 2009.

South Carolina

Allowed Recovery	<p>10/98: The PSC released a report on deregulation that stated the cost of deregulating the 3 large investor-owned utilities in the state would be about \$1.4 billion. Stranded costs for South Carolina Electric and Gas were estimated to be \$882 million; for Carolina Power & Light, \$410 million; and for Duke Energy, \$81 million. The Piedmont Municipal Power Agency, not regulated by the PUC, estimates its stranded costs (mostly associated with its part ownership in Catawba nuclear station) at \$2.8 billion. The PMPA wants recovery of its stranded costs to be spread across the State.</p> <p>2/98: In the proposed implementation plan submitted by the PSC, recovery of reasonable, verifiable stranded costs is allowed. Utilities would submit recovery plans for approval by the PSC.</p>
Additional Information	<p>9/98: The PSC estimated stranded costs for Duke Energy at \$81 million; for Carolina Power & Light at \$410 million; for South Carolina Electric and Gas at \$882 million; and for Lockhart Power Co, \$0.</p>

Texas

Allowed Recovery	<p>10/99: Central Power & Light (subsidiary of Central and South West Corp.) filed an application with the PUC to securitize or refinance their regulatory assets, as allowed in the recently passed restructuring legislation. If granted, CPL would securitize about \$1.27 billion of its retail generation-related regulatory assets and about \$47 million in other qualified costs.</p> <p>6/99: Restructuring legislation allow 100 percent stranded cost recovery.</p> <p>5/98: The PUC's revisions to their plan for deregulation would allow securitization of stranded assets, estimated to be \$4.5 billion if retail competition happens in 2001. Deferring full competition one more year would lessen stranded costs to \$3.3 billion, and delaying competition until 2003 would set stranded costs at approximately \$2.3 billion.</p>
Recovery Mechanisms	<p>The restructuring legislation (Senate Bill 7) passed in June 1999 authorizes securitization to recover stranded assets.</p>
Divestiture of Assets	<p>12/02: Central Power and Light, a subsidiary of American Electric Power, filed its divestiture plan with the Public Utility Commission of Texas. The utility proposes to sell its generating assets to determine the level of stranded costs that may be recovered, as provided for under Texas' restructuring law, SB 7. According to an AEP press release, "the assets to be sold have a nameplate generation capacity of 4,241 megawatts and a net book value just under \$1.9 billion." The proposed plan "does not include power plants owned by other AEP subsidiaries in Texas – West Texas Utilities (WTU) or Southwestern Electric Power Company (SWEPCO) – as AEP is not seeking stranded cost recovery for those generating assets."</p> <p>10/99: Southwestern Public Service Company filed its plan for evaluation of market dominance with the PUC, as required by the legislation passed in June. To alleviate market dominance, SPS plans to transfer ownership or control of 595 MW of generating capacity. Some entitlements to power will be auctioned, and some generation assets divested (by 2002).</p>

Virginia

Allowed Recovery

11/02: [The Legislative Transition Task Force](#) issued an order to examine utilities' stranded cost recovery mechanisms, and convene the Stranded Costs Task Force. The task Force released a stranded costs [summary](#), which includes information on how Virginia utilities currently collect stranded costs from customers. Customers fund stranded cost recovery through "a nonbypassable wires charge" until mid-2007. The task force is considering two new [proposals](#) that would eliminate the wire charges for industrial and commercial customers and halt minimum stay periods. The current rate cap would be lifted so retail customers could pay market-based rates.

6/99: Legislation passed in June 1999 proposes to allow recovery of stranded costs through utility rates that will be capped through mid-2007, and a special wires charge on customers who choose to leave their utility for a competitor.

Status of State Electric Industry Restructuring Activity

Public Benefits Programs as of February 2003

Alaska

Renewables	8/00: The U.S. Postal Service (USPS) and the Chugach Electric Association, Alaska's largest electric utility, announced that the nation's largest commercial fuel cell system began generating power at the Anchorage Mail Processing Center. The 1-MW system consists of five fuel cells manufactured by International Fuel Cells. The Chugach Electric Association, Inc. installed and will operate the system for the USPS.
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Arizona

Renewables	5/00: The ACC issued its final rulemaking for the Environmental Portfolio Standard that requires electricity providers to derive 1.1 percent of their total product from renewable energy sources between 2007 and 2012. Implementation will begin with 0.2 percent from renewables by January 1, 2001. Fifty percent of their renewable power must be derived from solar-generating facilities.
Other Programs	1/00: Tucson Electric Power is offering a new program, "GreenWatts," that allows the customers to purchase blocks of 20 kWh monthly for a price of \$2.00 and additional blocks for \$1.50. The power will be generated using landfill gas (methane) from Tucson's Los Reales Landfill in TEP's Irvington Generation Station. The proceeds of the program will be used exclusively to construct, maintain, and operate solar electric generating facilities in Arizona.

Arkansas

Renewables	5/01: The Arkansas Renewable Energy Development Act of 2001 will allow net energy metering in Arkansas beginning October 2001. Facilities must use wind, solar, hydroelectric, geothermal, biomass, or fuel cells and microturbines using renewable energy sources, and not have peak capacities over 25 kW for residential and 100 kW for nonresidential.
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California

Renewables	9/00: AB 970, signed into law by the governor on September 6, provides \$57.5 million to various state energy and resource agencies to implement cost effective energy efficiency and conservation programs. The Energy Resources Conservation and Development Commission receives \$50 million of the allotted funds. 8/00: Los Angeles Department of Water and Power (DWP) received approval from the Board of Water and Power Commissioners to purchase new renewable wind energy. The new wind energy will go to the DWP's Green Power for a Green L.A. program, which offers green power to all DWP customers. The program is the largest effort of its kind by a local utility, with more than 55,000 participants. 9/99: The first commercial solar plant is planned to be owned and operated by GPU International in California. Once completed, the 132-kilowatt plant will sell power to Green Mountain.com, a leading brand of "green" electric power.
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	<p>7/99: To date, over 90 percent of customers who switch their electricity providers are receiving green power. The CPUC reports show customer requests for green power are up 90 percent from earlier in the year. A statewide credit for renewable energy purchases allows green power providers to offer renewable-based electricity at a price below that offered by the three major IOU's.</p> <p>10/98: Green Mountain Energy Resources, California's leading retail marketer of "green" energy, announced the ground breaking for 2 new wind turbines, the first renewable generation to be constructed directly as a result of having customers sign up for "green" energy in the competitive California electricity market.</p> <p>9/97: SB 90 was enacted to provide administrative guidelines for the renewables program under AB 1890. The California Energy Commission is given authority to administer the funds collected for renewable energy technologies support.</p> <p>9/96: California's restructuring legislation, AB1890, provided a new method for funding public interest programs, previously funded by electric utilities via the public goods surcharge. CPUC oversees administration of the public interest funds raised by a charge on customers bills per kilowatthour used (about 3.7 to 4.5 mills per kWh). The CPUC appointed a board, the California Board for Energy Efficiency (CBEE), to develop and oversee energy efficiency programs.</p>
<p>Other Programs</p>	<p>8/00: Supermarket chain Safeway announced that all 520 of its California Safeway, Pak 'n Save, Vons and Pavilions stores are participating in an energy conservation program unveiled by the governor and the California Grocers Association (CGA). The program was created to save energy during the current power shortages of this summer.</p> <p>7/00: San Diego Gas & Electric requested from the CPUC \$16 million over the next 2 years for energy efficiency and low-income customer assistance programs.</p>
<p>Funding Mechanisms</p>	<p>Public Interest Programs are funded with a per kwh charge on customers bills at the rate of about 3.7 to 4.5 mills/kWh, depending on the class rate schedule.</p>
<p>Additional Information</p>	<p>8/00: On August 23, President Clinton directed the Dept. of Health and Human Services to release \$2.6 million in Low Income Energy Assistance Program (LIHEAP) emergency funds for low-income households in the San Diego area. The funds are intended to help low-income customers who have faced substantially higher electricity rates this summer. President Clinton also directed the Small Business Administration (SBA) to urge its lending partners to use SBA credit programs and technical assistance to help small businesses hurt by high electricity prices.</p> <p>9/99: In 1998, \$201 million was spent on energy efficiency programs. The 1999 budget was approximately \$254 million. Funding is authorized through 2000, at which time the CBEE will review the programs and decide whether additional funding is warranted.</p>

Delaware

Renewables	4/99: Restructuring legislation created a funds for environmental incentive programs for conservation and energy efficiency and for low-income fuel assistance and weatherization programs.
Other Programs	4/99: Conectiv & Delaware Electric Cooperative will charge a fee based on 1998 kWh retail sales to fund the \$250,000 consumer education program.
Funding Mechanisms	4/99: A charge of approximately \$0.000178/kWh per month will fund the environmental incentive programs with \$1.5 million annually. A charge of about \$0.000095/kWh will fund the low-income programs with about \$800,000 annually.

District of Columbia

Other Programs	The Commission approved three Reliability Energy Trust Fund (RETF) programs: low-income aggregation; low-income discounts; and low-income weatherization.
Funding Mechanisms	12/00: Order No. 11876 set up the Reliability Energy Trust Fund to pay for low-income, energy efficiency, and renewable energy programs.

Illinois

Renewables	9/00: Chicago Mayor Richard M. Daley has announced that the City of Chicago and 47 other local government bodies plan to buy electric power as a group, requiring that 20 percent of the purchase (80 MW) come from renewable energy. The City has issued a request for proposals to the 13 licensed power providers in Illinois. This is the first opportunity that government agencies have had to purchase power competitively since Illinois passed its restructuring law. 10/99: Commonwealth Edison will allocate \$250 million to a special fund to support environmental initiatives and energy-efficiency programs throughout the State.
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Maine

Renewables	5/97: Maine's restructuring legislation contains the nation's most aggressive renewables portfolio, requiring 30 percent of generation to be from renewable energy sources (including hydroelectric).
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Maryland

Other Programs	The State-mandated universal service program will be funded by a charge on consumers bills that will raise about \$24.4 million during the next three years. Residential consumers will pay about \$5 each per year amounting to a share of \$9.6 million.
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Massachusetts

Renewables	<p>1/03: The Massachusetts Renewable Portfolio Standards takes effect on January 1, 2003. The standards require that all retail electric suppliers obtain at least one percent of their electricity from energy generated by renewable resources.</p> <p>11/97: House Bill 5117, Massachusetts' restructuring legislation, included a renewable portfolio requirement and established a renewable energy fund, funded via a system benefits charge. The Renewable Energy Trust is being administered by the Massachusetts Technology Collaborative. Funds are used to administer the utility-sponsored DSM programs consistent with the manner in which DSM programs have previously been administered in Massachusetts. Funds will also be used to create initiatives to increase the supply of and demand for renewable energy.</p>
Funding Mechanisms	<p>The renewable benefits fund is funded by a system benefits charge paid by consumers of investor-owned utilities in Massachusetts. Between 1998 and 2003, the charge will raise about \$200 million, and about \$20 million a year after that.</p>

Michigan

Funding Mechanisms	<p>2/02: The Michigan Public Service Commission (PSC) issued an order authorizing \$27.4 million in grants from Low-Income and Energy Efficiency Fund to various organizations. According to the PSC press release, the Fund is administered by the PSC and funded from the "securitization savings that exceeded the amount needed to achieve a 5- percent rate reduction for residential and business customers." The grants were given to the Family Independence Agency, the Michigan Community Action Agency Association, the Salvation Army, the Heat and Warmth Fund, Newaygo County Community Service, Wayne Metropolitan Community Action Agency, and Leslie Outreach Inc.</p>
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Nevada

Renewables	<p>11/02: The Public Utilities Commission of Nevada (PUC) passed a temporary regulation that implements a Renewable Energy Credit (REC) trading program. The program will provide retail energy suppliers in Nevada with an economically efficient means to comply with the State's Renewable Portfolio Standard (RPS). One renewable energy credit will be given for each kilowatt-hour of electricity produced from a renewable energy source. Suppliers will be able to shop for the least costly credits to meet the RPS requirements.</p> <p>5/01: The Nevada Legislature passed SB 372, a bill that revises the renewable portfolio standard. SB 372 sets up a tiered renewable energy portfolio standard that increases by 2 percent every 2 years. Every electricity provider must acquire or generate 5 percent of its electricity from renewable energy systems in 2003, and 15 percent by the year 2013.</p> <p>6/99: AB 366 provides that the PUC establish portfolio standards for renewable energy. The standard will phase-in a requirement (beginning with 0.2 percent by January 2001 and adding 0.2 percent biannually) that 1 percent of energy consumed be from renewable energy resources.</p>
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New Hampshire

Other Programs

6/98: House Bill 485 allows customers with 25 kW or less renewable generation to utilize net metering.

New Jersey

Renewables

12/02: Upon receipt of the Davies Associates' report, the New Jersey Board of Public Utilities (BPU) revised the Comprehensive Resource Analysis (CRA) program, established in March 2001. The state's energy utilities administered the CRA program for one year with oversight from the Board. Davies Associates' report analyzed the program's first year progress and issued its recommendation to the Board. After considering the report, the BPU established a thirteen-member "Clean Energy Council" and "a pilot senior weatherization program starting with Monroe Township."

12/02: According to a Board of Public Utilities' [press release](#), Governor McGreevey announced at this month's Energy Summit that he will establish a Renewable Energy Task Force to promote the use of renewable energy in New Jersey. The Task Force will report to the Governor no later than March 1, 2003 with recommendations on how to strengthen and expand the renewable energy requirements the state imposes on energy suppliers.

8/00: The Board of Public Utilities (BPU) delayed a decision on a \$130 million program that would increase the number of renewable energy projects in the state. BPU is wary that utilities may seek rate increases to pay for the programs once the rate price cap is lifted in New Jersey in 2003. For now, the BPU has directed the utilities in the state to further research the potential price impact on ratepayers.

New Jersey restructuring legislation requires spending \$230 million for home weatherization, renewable energy and other programs, and increases spending on new energy conservation programs.

Also, generation companies must disclose a set of environmental characteristics, including power plant fuels and emissions.

Funding Mechanisms

10/00: The New Jersey restructuring legislation authorizes the Board of Public Utilities to implement details of programs to finance energy efficiency, renewable energy, and energy conservation projects. The financing fund is collected from ratepayers, amounting to \$2 to \$4 a month on residential bills. As of October 2000, no decisions had been made due to conflicts among renewable energy advocates, the utilities in the State, and the BPU concerning the creation and administration of the fund.

New Mexico

Renewables	<p>12/02: The New Mexico Public Regulation Commission issued an order to adopt the Renewable Energy as a Source of Electricity rule or renewable portfolio standard that takes effect on July 1, 2003. According to the renewable rule, utilities would be required to obtain at least five percent of their generation from renewable energy sources by January 1, 2006. The standard would increase one percent each year until it reaches 10 percent on January 1, 2011.</p>
Other Programs	<p>9/99: The Public Regulation Commission approved rules allowing net metering for homes and businesses. The rules take effect September 30, 1999.</p>

New York

Renewables	<p>10/00: The second wind power plant was officially dedicated in New York. The plant located in Wethersfield in Wyoming County, consists of 10 660 kilowatt wind turbines.</p> <p>9/00: PG&E Corporation's National Energy Group has begun commercial operation of the largest wind power plant in the eastern U.S., an 11.5-MW facility in Madison County, New York, near the town of Hamilton. Cost sharing and performance incentives available from the New York State Energy Research and Development Authority (NYSERDA) in recent years have succeeded in attracting at least 30 MW of wind energy generation to western New York (of which the Madison County project is the first.) The NYSERDA funds are from the New York Public Service Commission (PSC) order establishing a system benefits charge (SBC) on electricity sales to support energy conservation and renewable energy.</p>
Other Programs	<p>8/00: Con Edison has launched EnergyShare, an energy fund to assist low-income residential customers who are experiencing financial difficulties and possible termination of electrical service. Qualifying homeowners or renters will receive one-time grants of up to \$200. The program will be administered by the human services agency HeartShare Human Services of New York.</p> <p>In Opinion 96-12, the PSC directed that a non-bypassable system benefits charge be established to support investments in energy efficiency, research, development and demonstration, low-income programs and environmental monitoring that might not be fully supported in a competitive market.</p>
Funding Mechanisms	<p>1/01: The System Benefit Charge that funds Public Benefit Programs is continued and expanded for five years from July 2001 to July 2006. Funding is increased from the original \$78.1 million to \$150 million.</p> <p>Statewide, about \$233 million in SBC funds will be collected through wires charges over the three-year period.</p>

Ohio

Renewables

Restructuring legislation includes a provision for a \$110 million revolving load fund for residential and small commercial energy efficiency and renewable energy projects.

Also, electricity marketers must disclose environmental information to consumers.

Other Programs

9/00: A \$33 million electric choice education campaign was launched by PUCO, the Ohio Consumers Council, and several utilities. The campaign will include television, radio, billboard, and print advertising, a 12-page consumer guide, a toll-free hotline, and an educational website.

1/00: The PUCO issued a RFP for its consumer education program. The restructuring law directs the State's IOU's to spend up to \$16 million for consumer education during the first year of competition, and up to \$17 million during the remainder of the transition period. The consumer education for retail choice program objectives include: raising consumer awareness; generating consumer interest in retail choice; building consumer knowledge; providing accurate information; minimizing confusion; and reaching special interest groups.

Oregon

Renewables

8/00: The largest solar photovoltaic project in the northwestern U.S. was dedicated in Ashland, Oregon. The 25-kilowatt renewable energy project will produce enough energy to fully power the Ashland police station and parts of Southern Oregon University and the Oregon Shakespearean Festival. The project is being funded by the City of Ashland, the Bonneville Power Administration, Avista Energy, the Bonneville Environmental Foundation, Southern Oregon University, the Oregon Shakespearean Festival, and the State of Oregon Office of Energy.

1/00: The Oregon PUC approved Portland General Electric to offer a choice of renewable energy products to customers. For \$5 a month, a customer can purchase a 100 kWh block of "green" energy, either "Clean Wind Power" or "Salmon-Friendly Power." Half of the funds collected from the sale of these products will go directly to new wind facility construction or salmon habitat restoration.

Other Programs

3/02: Utilities will spend \$10 million a year on low-income assistance in their territories. SB 1149 provides for a low-income assistance fund through the 3 percent public purpose fee each utility collects from its customer. Residential customers will be charged 35 cents a month, and nonresidential customers will be charged .035 cent/kWh for low-income assistance starting March 1, 2002. The Oregon Housing and Community Services Agency will work with community action agencies to distribute the money.

9/99: Ashland, Oregon's net metering program, "progressive solar panel push," encourages installation of solar panels and the ability to sell excess power back to the local utility.

Funding Mechanisms

3/02: As of March 1, 2002, a 3-percent public purpose fee will be added to each customer bill to fund conservation, renewable energy, and low-income assistance programs.

	<p>11/01: The Energy Trust of Oregon's Board of Directors signed the PUC's final grant agreement on November 28, 2001. The Energy Trust of Oregon will administer funds collected for conservation and renewable energy. All customers will be assessed a 3 percent public benefits charge starting March 1, 2002.</p> <p>10/00: The Oregon PUC has approved a plan to establish a non-profit organization to oversee money collected from Portland General Electric and PacifiCorp for conservation and renewable energy projects. The 1999 Oregon restructuring law requires the two utilities to collect a 3-percent public benefits charge from all customers starting October 1, 2001, when competition begins in the State.</p>
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Pennsylvania	
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<p>Renewables</p>	<p>9/00: A \$21 million Green Energy Fund was created by the PUC to be used for investment in green energy projects such as wind, solar, and biomass. The fund, which currently has \$5 million, is expected to grow to more than \$20 million over the next six years. The fund was created as part of a negotiated settlement between the PUC and PPL in the utility's restructuring case two years ago. Businesses and nonprofit organizations that wish to invest in green energy within PPL's territory may apply for the funds.</p> <p>1/00: The Pennsylvania Dept. of General Services agreed with Green Mountain.com to supply about half a dozen state government offices with electricity generated with renewable energy sources. Part of the electricity will be generated at the 10.4 MW Green Mountain Wind Farm currently under construction in Garrett, Pennsylvania.</p> <p>1/00: Currently, six companies are offering Green-e certified electricity in Pennsylvania's retail market.</p>
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<p>Other Programs</p>	<p>7/98: Pike County Power and Light created a Neighbor Fund, administered by the Salvation Army, that gives grants to customers who cannot pay their bills. The Low income Pilot Program forgives \$250 of past due payments "if the customer goes on budget billing and makes timely and full payments." Also, Pike County plans to implement energy conservation measures of \$500 per customer.</p>
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Texas	
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<p>Renewables</p>	<p>9/00: Texas' renewables portfolio standard requires that the State's utilities install or contract to buy power from 2,000 MW of renewable generating capacity by January 1, 2009. Cielo Wind Power of Austin, Texas and England-based Renewable Energy Systems are developing a 200 MW wind project in King Mountain, Texas. The 160-turbine project is the largest one in the U.S. In addition, Dallas-based TXU Electric and Gas recently announced that it would purchase electricity from a 160 MW wind farm slated for construction in 2001 by developer FPL Energy LLC.</p> <p>12/99: The PUC adopted rules to implement renewable energy generation requirements of Senate Bill 7. The purpose of the rules is to encourage construction of renewable energy projects, reduce air pollution from fossil fuel generation, respond to Texans' willingness to pay more for clean energy, increase the</p>
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	<p>renewable energy supply in Texas, and achieve these goals at a modest cost for Texans.</p> <p>6/99: Restructuring legislation provisions state that by January 1, 2009, an additional 2,000 MW of generating capacity from renewable technologies will have been installed.</p>
Other Programs	<p>1/2: Under the LITE-UP program, low-income customers can receive a ten percent reduction if their income is at or below 125 percent of federal poverty level guidelines. Customers, who already receive Department of Human Services benefits, automatically qualify. The PUC has set up an electronic enrollment system for them, but customers can call the program administrator or their retail electric provider to confirm their enrollment. Customers should see the reduction on their bills by the end of March.</p> <p>8/00: The Texas PUC released its Consumer Education Plan. The 4-year plan designed to prepare residential and small business consumers for retail competition, includes strategies to ensure Texas consumers have the information needed to make decisions about the purchase of electricity. The entire plan over 4 years will cost about \$34 million.</p>

Wisconsin	
Renewables	<p>7/02: Based on utility service area, eligible Wisconsin consumers may participate in the Focus on Energy program which promotes energy efficiency and renewable energy. The Wisconsin Department of Administration's Division of Energy contracts services from various organizations, the Wisconsin Energy Conservation Corporation (residential and renewable energy programs), the Milwaukee School of Engineering (business and industrial programs), the Energy Center of Wisconsin (environmental research, education and training programs), PA Consulting (independent evaluation), and Hoffman York (program marketing). The Focus on Energy Renewable Energy Program offers financial incentives and grants to residential, commercial and industrial consumers, such as low-interest rate loans, cash-back rewards, a technical feasibility grant, a demonstration grant, a business and marketing grant, and an ad hoc grant.</p>

Status of State Electric Industry Restructuring Activity

Pilot Programs as of February 2003

California	
Utilities	<p>6/98: Sacramento Municipal Utility District opened a portion of its service territory to competition with a pilot project and plans to allow all its customers retail access over the next few years.</p>
Idaho	
Utilities	<p>2/98: PUC approved Washington Water Power Company pilot program, MOPS II, for approximately 6,000 consumers. The pilot will offer customers a portfolio consisting of four rate options: Traditional Energy Service, Monthly Market Rate, Annual Market Rate, and Standard Offer Service.</p> <p>4/97: 2-year pilot program began for residential and commercial customers of WWPC in ID.</p> <p>4/97: Idaho Power's pilot program for 900 customers will begin 7/97 and go through 6/99.</p>
Illinois	
Utilities	<p>11/98: CILCO has requested that the ICC terminate its pilot program for retail choice, "Power Quest." CILCO is saying that the program has served the purpose of showing that retail choice works in Illinois.</p> <p>2/96: CILCO and IL Power conducted retail wheeling pilot programs in 1995-1996. IL pilot included only large customers; only in IL pilot; CILCO pilot included all classes of customers.</p>
Iowa	
Utilities	<p>11/98: MidAmerican Energy and the IUB chose the community of Council Bluffs to participate in MidAmerican's pilot program. The program will allow about 15,000 residential and 2,000 small business consumers to have retail choice.</p> <p>8/98: IUB approved MidAmerican's pilot, the first major electric choice pilot program in the State, expected to include about 15 large consumers. The following residential pilot, proposed in 5/98, is yet to be approved.</p> <p>5/98: MidAmerican filed a proposal with the IUB for a pilot program to allow 15,000 residential and 2,000 small commercial customers (approximately 3 percent) to choose their power supplier competitively.</p> <p>9/97: MidAmerican Energy proposed a wheeling pilot for commercial and industrial customers for 60 MW of load in first year and an additional 15 MW each following year.</p>
Schedule	<p>2/99: The IUB announced MidAmerican will offer a 2-year pilot program in Council Bluffs, IA. An education program is beginning and customer sign-up for the pilot should begin 4/99, and delivery of power by 5/99.</p>

Massachusetts

Utilities

5/98: The Massachusetts Electric Company's pilot has saved \$1.3 million for about 5,000 small commercial and residential customers. Also, \$3.8 million has been saved by the 14 customers in the Massachusetts High Technology Council pilot.

1/97: Massachusetts Electric began a 1-year pilot program in four communities. Of the pilot participants, 96 percent of the business and 66 percent of the residential consumers chose supplier based on price, 31 percent of residential consumers choose supplier based on "green power."

10/96: Commonwealth Electric implemented a retail choice pilot program.

7/96: Massachusetts Electric began its pilot program for members of the High Technology Council; another 10,000 consumers will be added later.

1/96: Boston Edison began a pilot program.

Missouri

Utilities

9/97: As part of the settlement for merger of Union Electric and Central Illinois Public Service, UE will implement a pilot program for 100 MW and about 5,000 customers.

A Utilicorp (Aquila) 2-year pilot is limited to 10 customers with a demand of at least 2.5 MW.

Montana

Utilities

3/98: Montana Power accelerated its schedule for residential and commercial customers pilot program. All customers will have retail access by April 2000, 2 years earlier than the law requires.

7/97: SB 390 requires utilities to conduct pilot programs for small commercial and residential customers beginning July 1998. Montana Power and PacifiCorp have submitted plans.

New Hampshire

Utilities

7/98: The competition pilot program was extended beyond its original ending date in 5/98 until PSNH's legal disputes are settled and retail competition begins.

2/97: Results of pilot program available. Results indicate a 15 to 20 percent savings was achieved.

5/96: PUC began a 2-year state-wide pilot program covering approximately 3 percent of the load served by 6 utilities.

6/95: Legislation directed the PUC to establish a statewide pilot program for retail competition for about 17,000 customers (approximately 3 percent of the State's consumers).

Schedule

10/00: Public Service of New Hampshire (PSNH) will end its pilot program on November 30, 2000. About 3,000 customers are currently part of the program.

New Jersey

Utilities

10/98: Jersey Central Power & Light began a pilot program in September 1997 for customers in the Monroe township.

New Mexico

Utilities

9/98: The Public Service of New Mexico, under order of the PUC, will conduct a pilot program with its Albuquerque customers. About 16 MW of PSNM's load will open to competition in December 1998. PSMN opposes the order.

3/97: PSC approved Texas-N.M. Power's "Community Choice" plan to introduce customer choice by 1998 through a pilot program. The program is scheduled to begin in May 1998.

New York

Utilities

6/97: PUC approved a pilot program for more than 17,600 qualified farmers and food processors, beginning in 11/97.

7/96: PUC approved O&R's pilot program, "Power Pick," that will allow industrial consumers retail access to competitive generation suppliers. The program will begin 5/98.

Ohio

Utilities

8/98: A lawsuit aimed at blocking conjunctive service regulations was thrown out of court. The PUCO can now move ahead with the plans for conjunctive billing service.

12/96: The PUCO adopted guidelines for Conjunctive Electric Services. The 2-year pilot program would allow ratepayers to band together for collective billing under rates designed for the group. (This pilot is an experiment in innovative pricing, and does not allow retail wheeling.)

Oregon

Utilities

7/98: Pacific Power has filed a proposal with the PUC for a "portfolio" pilot program for residential and small commercial consumers and direct access for large industrial consumers.

7/98: Portland General Electric's pilot program involving four Oregon cities will end as the two participating energy companies, Enron and Electric Lite, both discontinued marketing to consumers.

1/98: Pacificorp filed a pilot program plan for residential and small commercial customers in Klamath County, Oregon. The pilot program would allow customers to select from a "portfolio" of pricing options for electricity and would go through June 1999. Another proposed pilot program will allow schools and customers with demands greater than 5 MW in Pacificorp's service territory to choose alternative generation suppliers for up to 50 percent of their load. Additionally, all of their large customers in Klamath County would be allowed retail access.

	<p>10/97: PUC approved Portland General Electric pilot program which will allow 50,000 customers in four cities to choose alternative generation suppliers. Large industrial customers could begin to choose immediately, and residential customers by December 1997.</p>
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Pennsylvania	
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<p>Utilities</p>	<p>4/98: The Pennsylvania pilot program is called "the most successful in the United States" with about 230,000 customers and many energy suppliers.</p> <p>3/98: Pilot programs are fully subscribed with more than 72,000 participants, making it the largest pilot program nationally.</p> <p>2/98: Pilot programs complete lotteries to select final pilot participants. The first portion of the State's customers, chosen earlier, are actively participating in retail access pilot programs since November 1997.</p> <p>8/97: As required by HB 1509, PUC approved statewide pilot programs for 5 percent of each utility's load, beginning 11/97.</p>
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Texas	
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<p>Utilities</p>	<p>10/98: Texas-New Mexico Power Co. named 2 communities, Gatesville and Olney City, in which to initiate its pilot program, "Community Choice," for retail access to generation suppliers of choice.</p> <p>10/97: West Texas Utilities announced a pilot program to allow about 1,000 customers in San Angelo to support the development of renewable energy resources by adding certain amounts to monthly bills and receiving increments of power from renewable energy sources (not a retail wheeling pilot).</p>
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<p>Schedule</p>	<p>5/01: The Texas retail pilot program has 12,723 residential participants in the TXU service territory, but can admit as many as 113,295 customers. However, more commercial and industrial customers signed up than are allowed under the 5 percent rule, and a lottery was conducted to determine participants.</p> <p>3/01: A high level of interest in participating in the retail choice pilot program by nonresidential customers is requiring most of the investor-owned utilities to conduct lotteries to choose the allowed 5 percent of their customers who will be allowed to choose their electricity supplier. Beginning in June, 5 percent of each customer class in each of the investor-owned utilities will be allowed to choose their supplier of electricity. The residential participants are being selected on a first-come, first-serve basis.</p> <p>3/01: The PUC is overseeing the pilot program set to begin retail competition by June 1, 2001. The pilot program will be open to customers in the State's IOU service territories. Enrollment began in February 2001, and if over 5 percent of customers choose to enroll, a lottery will be held to choose participants.</p> <p>7/00: Pilot programs involving 5 percent of each utility's load are scheduled to begin June 1, 2001. Proposed rules have been issued by the PUC. Retail electric providers must register with the PUC, and affiliate companies may not operate in the incumbent utility's territory. Customer class participation will be determined by the share of load each class represents in a utility territory, and apportioned accordingly. Full implementation of retail access is scheduled to begin January 1, 2002, in Texas.</p>
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	<p>12/99: TNMP's pilot programs in Gatesville and Olney City began November 1, when customers began receiving power from Bryan Texas Utilities. Prices are between 7 and 10.5 percent lower than other TNMP customers. The pilot programs are required by the Texas restructuring legislation. All utilities must conduct pilots by June 2001. TNMP is ahead of schedule with the implementation of these two programs.</p> <p>9/99: Gatesville, TX, will begin one of the largest pilot programs in the Nation. The city banded together all its customers and sought bids from competitive suppliers. Bryan Texas Utilities will supply all Gatesville's consumers with power, and Texas-New Mexico will continue to provide the distribution services. Individual customers may opt out of the program. The program is scheduled to begin 11/1/99, and expected to provide 8- to 10-percent savings.</p>
Additional Information	<p>6/99: The restructuring legislation directs the utilities to implement pilot programs amounting to 5 percent of the utility's load beginning June 1, 2001. The pilot programs will allow the PUC to evaluate the ability of each power region and utility to implement direct access.</p>

Virginia	
Utilities	<p>8/00: The State Corporation Commission (SCC) has approved Rappahannock Electric Cooperative's plans for a pilot program. The program will allow 900 customers to choose an alternative power supplier beginning January 1, 2001.</p> <p>7/00: Phase I of Virginia Power's pilot program, Project Current Choice, has begun enrolling volunteers in the City of Richmond and Hanover, Henrico, and Chesterfield counties, and the Town of Ashland. Plan A of the pilot includes over 35,000 small consumers, residential and churches/synagogues in the above areas. Larger commercial and industrial consumers statewide are included in Plan B, which will allow over 250 million kilowatthours of power to be supplied by alternative suppliers. Pilot participants should begin receiving power from alternative suppliers by September 1, 2000. Phase II will enroll small and residential consumers in several Northern Virginia locations. Phase II participants are scheduled to begin volunteering in October 2000 and receive power from alternative providers by January 2001. Phase-in of the entire State is scheduled to begin by January 2002.</p> <p>2/00: The SCC issued rules for the pilot programs, requesting comments by February 24, 2000. Rappahanock Electric Cooperative filed a plan for a pilot program with the SCC. And, AEP may expand its planned pilot program to include as many as 8,000 customers initially. Pilot programs are expected to begin in AEP and VA Power territories by spring 2000.</p> <p>12/99: Virginia Power's website includes a new page on its forthcoming pilot program for a competitive electricity market. The program, Project Current Choice, will be one of the largest in the Nation, allowing about 700,000 consumers, or 400 MW of load, retail direct access. The pilot program is expected to begin by mid-2000.</p> <p>9/99: Virginia Power reached a compromise with the SCC that will expand VEPCO's pilot project by about 3 times the original plan. The pilot program will include customers from both Northern Virginia and Richmond.</p>

	<p>9/99: AEP filed an outline for its pilot program with the SCC. AEP proposes to allow about 17,500 participants in a pilot program beginning in March 2001.</p> <p>6/99: The SCC is working on formulating rules for pilot programs in the State. A task force is discussing rules that will ensure that utilities do not take advantage as distribution companies to assist an affiliated competitive power supplier, or use their transmission and distribution business to subsidize an affiliate competitive energy supplier.</p> <p>6/99: Two cooperatives, Mecklenburg and Rappahanock Electric Cooperatives, are proposing to develop retail access pilot programs. Cooperatives are not required, as investor-owned utilities are by the restructuring legislation, to develop pilot programs.</p> <p>11/98: Virginia Power and American Electric Power have proposed pilot programs to the SCC. VP's Plan I program will involve about 17,000 residential and 1,700 small commercial customers in the Greater Richmond area; Plan II will be for large industrial customers. AEP's plan will involve about 2 percent (3,200) of its Virginia customers.</p> <p>3/98: The SCC ordered investor-owned utilities in the State to begin working on plans for pilot programs, as required by HB 1172, recently passed by the legislature and expected to be signed by the Governor. Detailed plans are due to the SCC by August 1998.</p>
Schedule	<p>12/00: Pilot programs in Virginia have fallen short of full participation, but regulators feel there are enough participants to provide information and experience needed for expanding the projects and eventual beginning of retail competition statewide in January 2002. About 18,000 out of 33,000 eligible participants have switched to competitive suppliers in the Richmond area pilot program. The Northern Virginia area will begin its pilot program on January 1, 2001.</p>

Washington

Washington	
Utilities	<p>6/98: The MOPS II pilot that will allow WWPC's customers to choose the type of electric power they want to buy will begin 7/1/98.</p> <p>2/98: WWPC is selling blocks of wood and wind powered electricity in its pilot program.</p> <p>12/97: Washington Water Power filed a new pilot program with the WTUC, "More Options for Power Service II," to replace their previous one. The pilot will allow about 7,800 customers in WA and ID to choose among five energy service alternatives without changing energy service providers. The portfolio of options includes traditional energy service, 2 variable market rate options, a "standard rate offer" based on BPA's preference rate, and a renewable resource rate. The pilot is scheduled to begin in 1998 and go through 5/2000.</p> <p>8/97: PUC approved 2-year Pilot program submitted by Puget Sound Energy for 10,000 customers. The pilot will begin 11/1/97 and go through 12/99.</p>

Status of State Electric Industry Restructuring Activity

Additional Information as of February 2003

California

12/00: A regional "Energy Summit" was requested by Oregon governor John Kitzhaber because of concerns that CA's electricity markets could threaten NW power markets. The governors from five western states, the Secretary of Energy Richardson, and the FERC chairman met to discuss the energy situation in California and the possible effects on the western region. Governors from Oregon, Colorado, Utah, Washington, and Wyoming attended. The use of price caps is one of the issues that was discussed, with the governors and the Secretary advocating their use and the FERC chair arguing that caps will suppress new power supply needed in the region.

Massachusetts

10/98: There is an increasing interest in building new capacity, almost all natural gas, in the Northeast. Some gas plants are already begun and experts predict between 7,000 and 14,000 MW will be built, replacing older coal and oil plants. The Conservation Law Foundation recently released a report predicting a drop of as much as 95 percent in major air pollutants from power plants.

5/98: Commercial customers will get an unexpected 50 percent cut in sales tax paid on electric bills as a result of deregulation. Businesses will not be taxed on the now unbundled delivery (distribution and transmission) costs (residential and industrial customers are already exempt from this sales tax).

4/98: Competition and a 10 percent rate reduction began as scheduled March 1998. However, the standard offer rate of 2.8 cents/kWh is low enough that competitors cannot offer better rates, effectively stifling competition until the standard offer rate rises in 1999 and is phased out by 2005. Recently, Enron announced it would not market to the residential sector in California, Massachusetts, or Rhode Island because it was proving to be unprofitable.

9/97: The Massachusetts Supreme Court upheld the DPU's (now DTE's) jurisdiction in the MIT case, but did not confirm the amount of stranded cost recovery, initially set at 75 percent. MIT exited the Cambridge Electric system in 1995. The company plans to seek 100 percent recovery.

Nebraska

All electric utilities in Nebraska are publicly owned, with rates, schedules, and tariffs regulated by the various entities' Board of Directors. There has been little interest in competition due to the low rates enjoyed by the State's consumers.

New Hampshire

12/02: The Public Service of New Hampshire (PSNH), the state's largest electric utility, has agreed to buy Connecticut Valley Electric Company's (CVEC) franchise and electric system. The Federal Energy Regulatory Commission, the New Hampshire Public Utilities Commission, and the Securities and Exchange Commission must approve the sale. If approved, the sale would take effect on January 1, 2004, and CVEC's customer rates would be reduced by about 15 percent to PSNH's current rate schedule.

4/98: The case brought by the PSNH was delayed by a Federal judge until November, possibly delaying the scheduled beginning of retail choice until next year. Legislators are discussing a delay to January 31, 1999, or authorizing the PUC to postpone retail choice indefinitely beyond July 1998.

Public Service Company of New Hampshire sued the state to block statewide competition centering on stranded cost recovery using market-based calculation rather than cost-based. Litigation continues.

2/98: Granite State's restructuring plan was approved; it will offer customer choice to 36,000 customers and rate cuts up to 17 percent beginning July 1998.

New Mexico

10/02: Public Service of New Mexico (PNM) has submitted a [stipulated agreement](#) to the New Mexico Public Regulation Commission. The agreement would lower rates by 6.5 percent, repeal Senate Bill 428, the Electric Utility Restructuring Act of 1999, increase electric generation in the state, and allow PNM to offer green power to its customers. Starting September 1, 2003, rates would be cut by 4 percent, and another 2.5 percent by September 1, 2005.

New York

9/00 U.K. based National Grid Group PLC has announced that it will purchase Niagara Mohawk, New York's second largest electric and gas utility, for \$3 billion in stock and cash and the assumption of \$5 billion in debt. The deal will require approval from New York regulators, the Securities and Exchange Commission (SEC), the Federal Energy Regulatory Commission (FERC), and several other regulatory bodies.

Ohio

9/02: The Ohio Consumers' Counsel along with the Industrial Energy Users - Ohio and the American Municipal Power - Ohio have filed a complaint against Dayton Power and Light for violating the Electric Choice Law. According an [OCC press release](#), "DP&L has failed to comply with a PUCO order to transfer operational control of its electric transmission facilities to a Federal Energy Regulatory Commission (FERC) - approved Regional Transmission Organization." These organizations filed a similar complaint against American Electric Power (AEP) in June.

FERC and SEC approved the merger of Ohio Edison and Centerior (Toledo Edison and Cleveland Illuminating) to form First Energy, which began operations in November 1997.

In December 1997, AEP and CSW proposed a merger. This merger would make AEP the largest supplier of electricity in the U.S. Approval by stakeholders and regulators, and likely the Dept. of Justice and Federal Trade Commission, is required.

In 1997, First Energy wrote off \$3.3 billion in assets, mostly from Centerior's nuclear plants.

Tennessee

4/98: TVA's distribution company customers with 10-year contracts can vary the amount of purchased power and TVA will be allowed to recover any stranded costs associated with the lost load. The distribution companies can buy power from competitive wholesale suppliers, and TVA can sell outside its traditional service territory.

2/98: TVA offered its 159 municipal and cooperative wholesale customers new power-purchase contracts. To date, 86 were interested, and 18 signed on. Under the new contracts, distributors could give TVA five years (instead of the current 10) notice of intent to end power-purchase agreements.

Major cities currently served by TVA are investigating alternate wholesale providers.

Washington

12/00: Two publicly owned utilities have had to raise their rates due to high wholesale prices in the western states. Snohomish Public Utility increased rates by 35 percent, effective in January 2001. Tacoma Power is considering a surcharge on bills of 86 percent, an unprecedented increase of between \$70 and \$100 monthly in the cost of electricity for Tacoma's residential consumers.

12/96: Regional study entitled Comprehensive Review of the Pacific Northwest Energy System is completed and accepted by four Northwest governors.

Wisconsin

4/98: IES Inc., Interstate Power Co., and WPL Holdings, Inc. merged and began operation as a new company named Alliant.