

State Electric Price Comparison

Review of Energy Information Administration (EIA) Historical Price Data

Commission Staff presents a review of state level electric price data as a supplement to its 2009 Residential Bill Survey. The Bill Survey presents retail rates at an electric utility level for a snapshot in time, namely July 1st of each year. *The rate data herein is a state level view which allows for comparison on a state-to-state basis.* The data is summed across the entire year which also serves to dampen any short-term volatility.

We present our review on a total price as well as a general rate classification- residential, commercial and industrial- basis to provide a comparison for various cross-sections of customers. The Price Ranking is such that the lowest rank (1) represents the lowest price. Figure 1 shows Indiana's rank by each rate classification as well as total for each of the previous 10 years. Figure 2 depicts the US and Indiana price levels since 1990. The remainder of the comparisons will focus on our neighboring states- Illinois, Kentucky, Michigan, Ohio- with West Virginia included because of their similar fuel and regulatory characteristics. Table 1 shows the cumulative % change in price over the given time span. Figures 3 - 6 plot the change in price for the included states on a total and rate classification basis. Figure 7 depicts the price advantage of Indiana compared to Ohio (negative values indicate Indiana price is lower) and the disadvantage of Indiana to Kentucky (positive values indicate Indiana price is higher) over the reviewed time period.

The base data used in this analysis is from EIA's *Electric Power Annual 2007 – State Data Tables, Average Price by State by Provider (Total Electric Industry)* supplemented by the *Electric Power Monthly, Table 5.6.B, Average Retail Price of Electricity to Ultimate Customers by End-Use Sector, by State, Year-to-Date through December 2008 and 2007*, to capture the 2008 data.

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Figure 1
State Price Ranking, Indiana

■ Total Rate ■ Residential ■ Industrial ■ Commercial

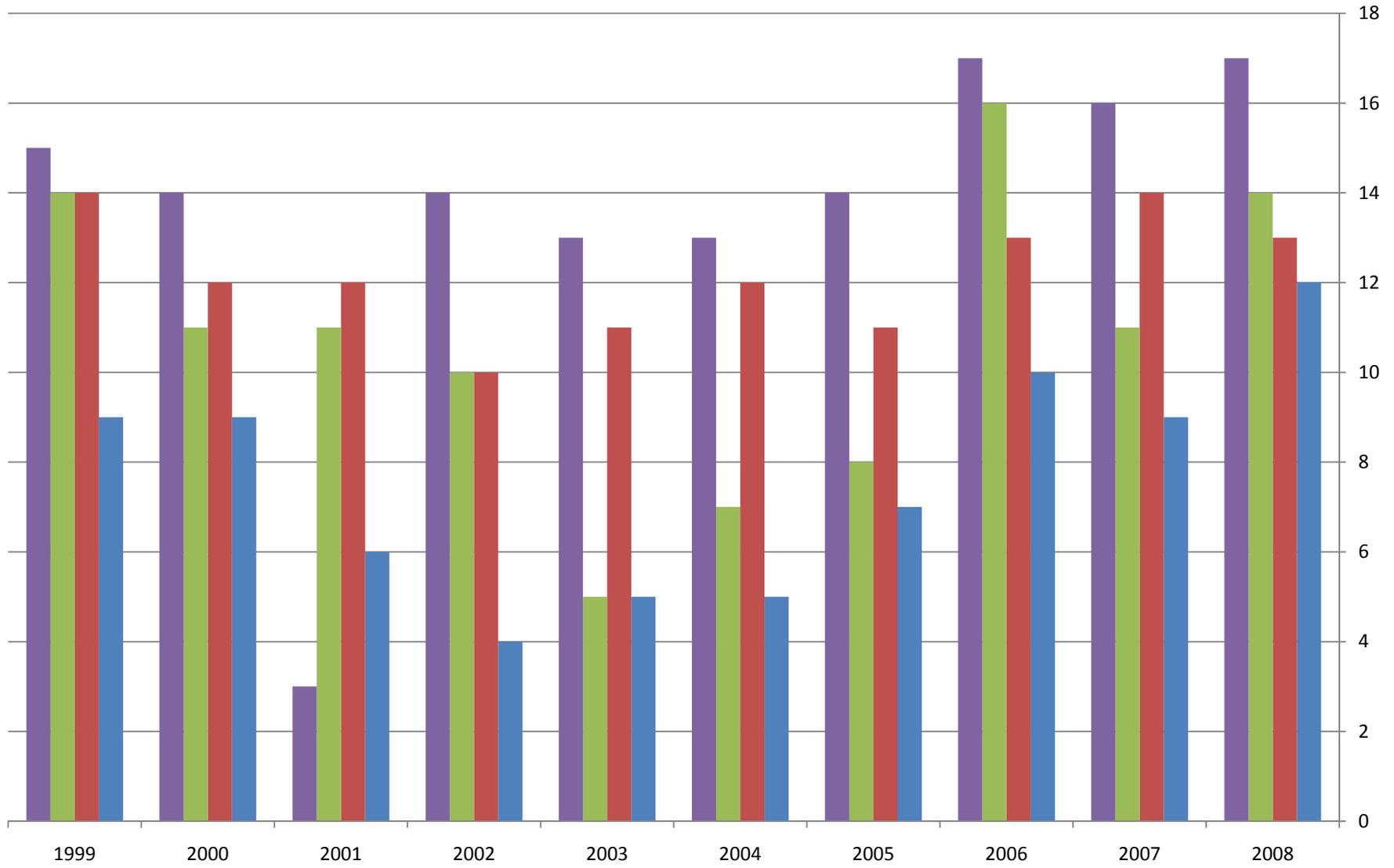


Figure 2
Indiana and US Price by Rate Classification (cents/kWh)

— IN Total — US Total ····· IN Residential ····· US Residential
- - - IN Industrial - - - US Industrial - - - IN Commercial - - - US Commercial

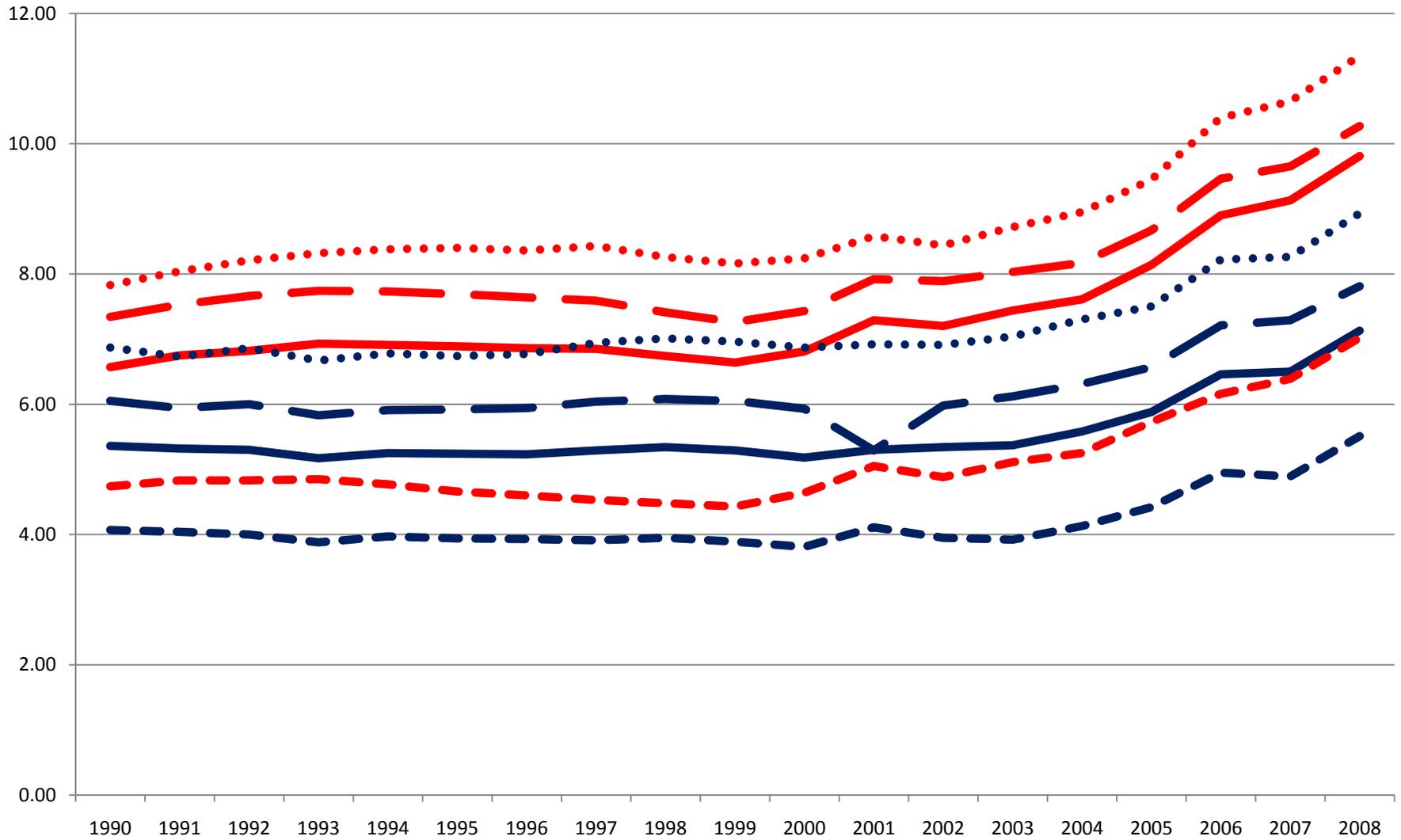


Table 1. Percent Change in Price

	Res	Com	Ind	Total
1990 thru 2008				
West Virginia	19.2%	13.1%	18.0%	18.2%
Illinois	11.6%	9.8%	45.0%	23.0%
Michigan	39.7%	15.8%	17.3%	28.7%
Indiana	30.0%	29.1%	35.4%	33.0%
Kentucky	40.1%	35.0%	34.4%	39.5%
Ohio	25.8%	24.6%	54.6%	43.3%
US	45.0%	39.9%	48.1%	49.3%
1999 thru 2008				
West Virginia	12.1%	9.6%	10.5%	9.8%
Michigan	25.3%	20.1%	36.4%	28.4%
Ohio	16.7%	20.7%	43.9%	31.9%
Illinois	25.4%	15.6%	56.9%	32.3%
Indiana	28.3%	29.1%	41.6%	34.8%
US	39.1%	41.5%	58.5%	47.7%
Kentucky	42.8%	37.6%	60.9%	49.9%

Figure 3
Total Price by State (cents/kWh)

--- IN total — KY total — OH total — IL total — MI total — WV total US

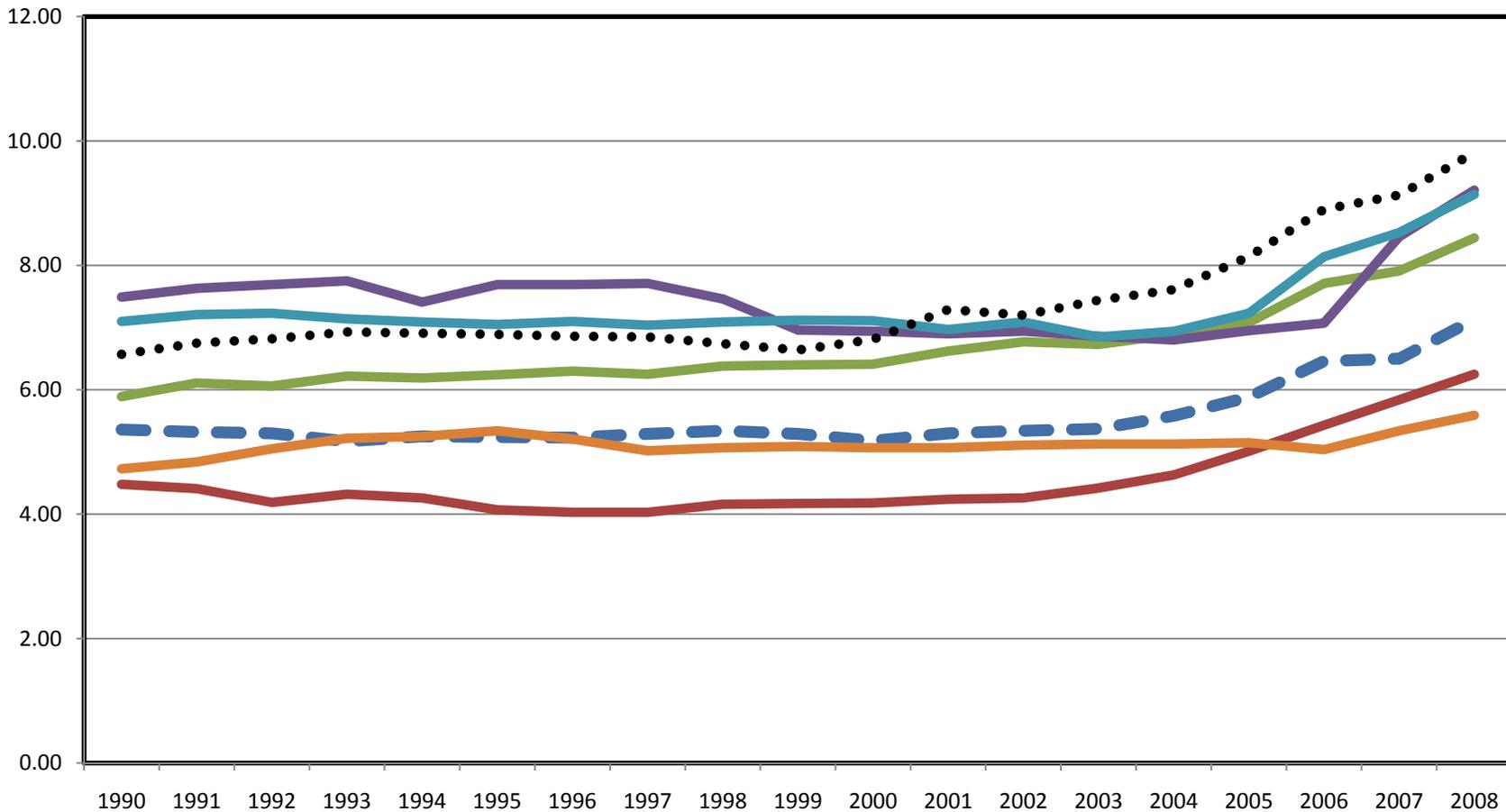


Figure 4
Industrial Classification Price by State (cents/kWh)

--- IN ind — KY ind — OH ind — IL ind — MI ind — WV ind US

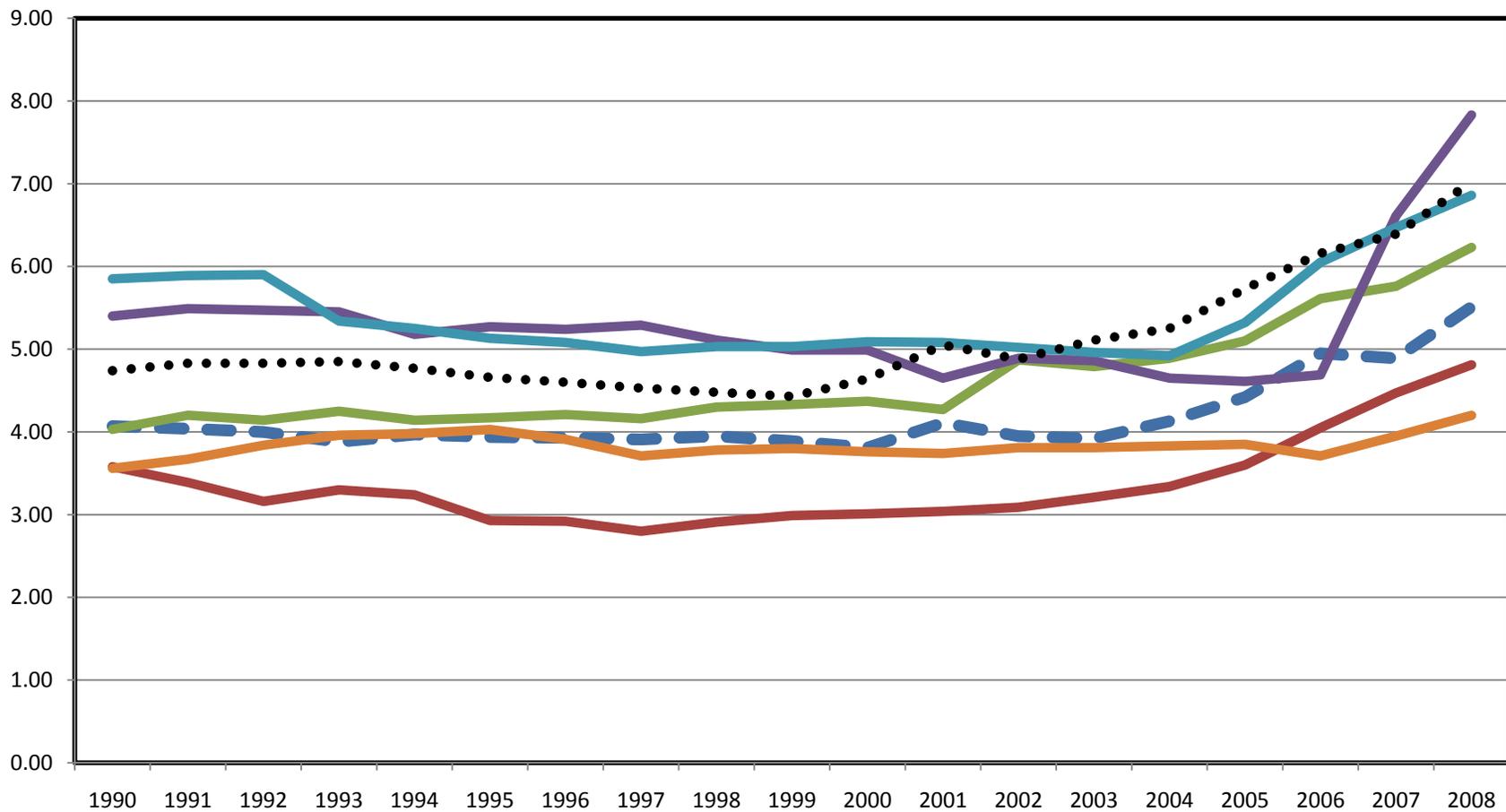


Figure 5
Residential Classification Price by State (cents/kWh)

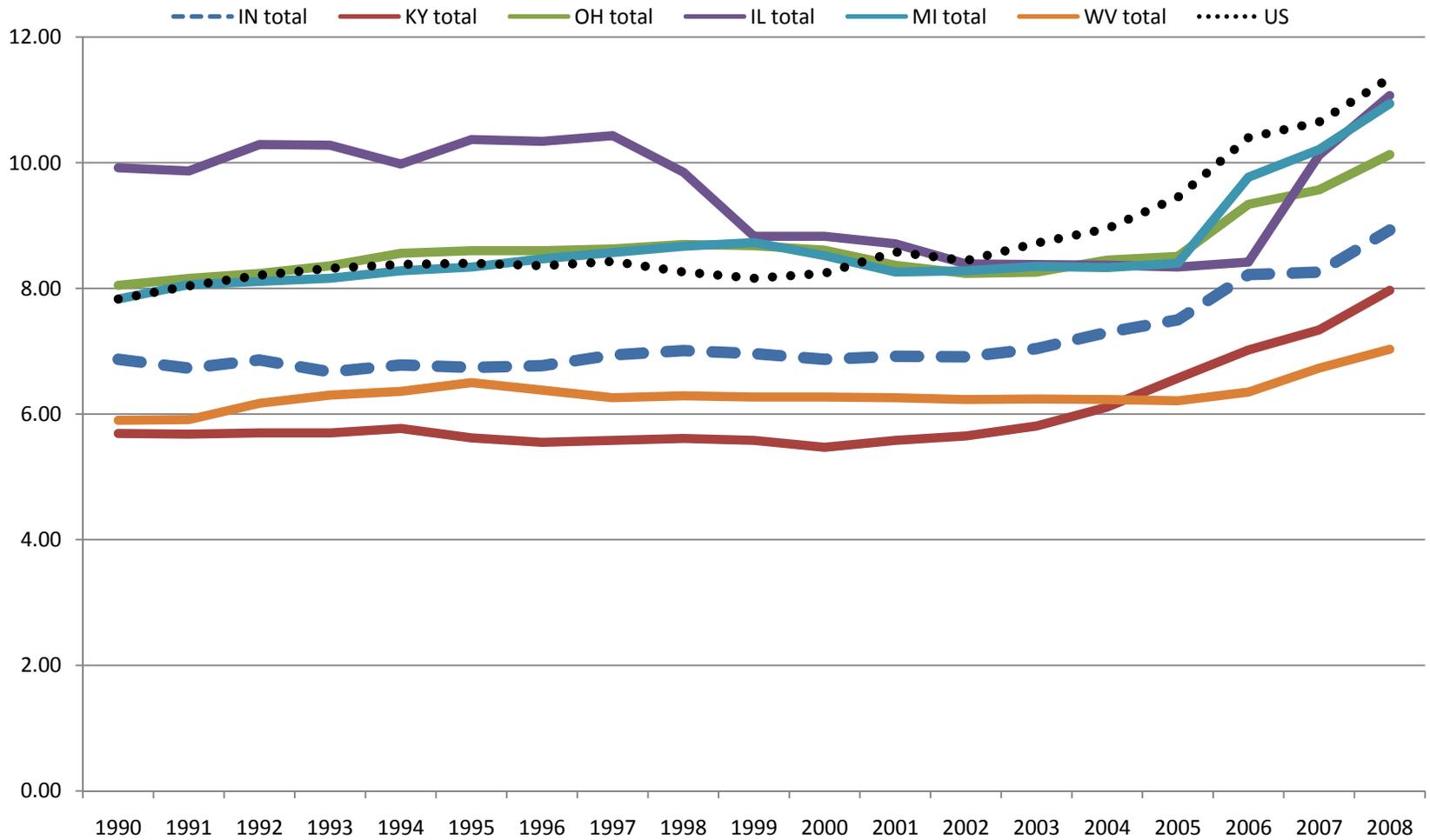


Figure 6
Commercial Classification Price by State (cents/kWh)

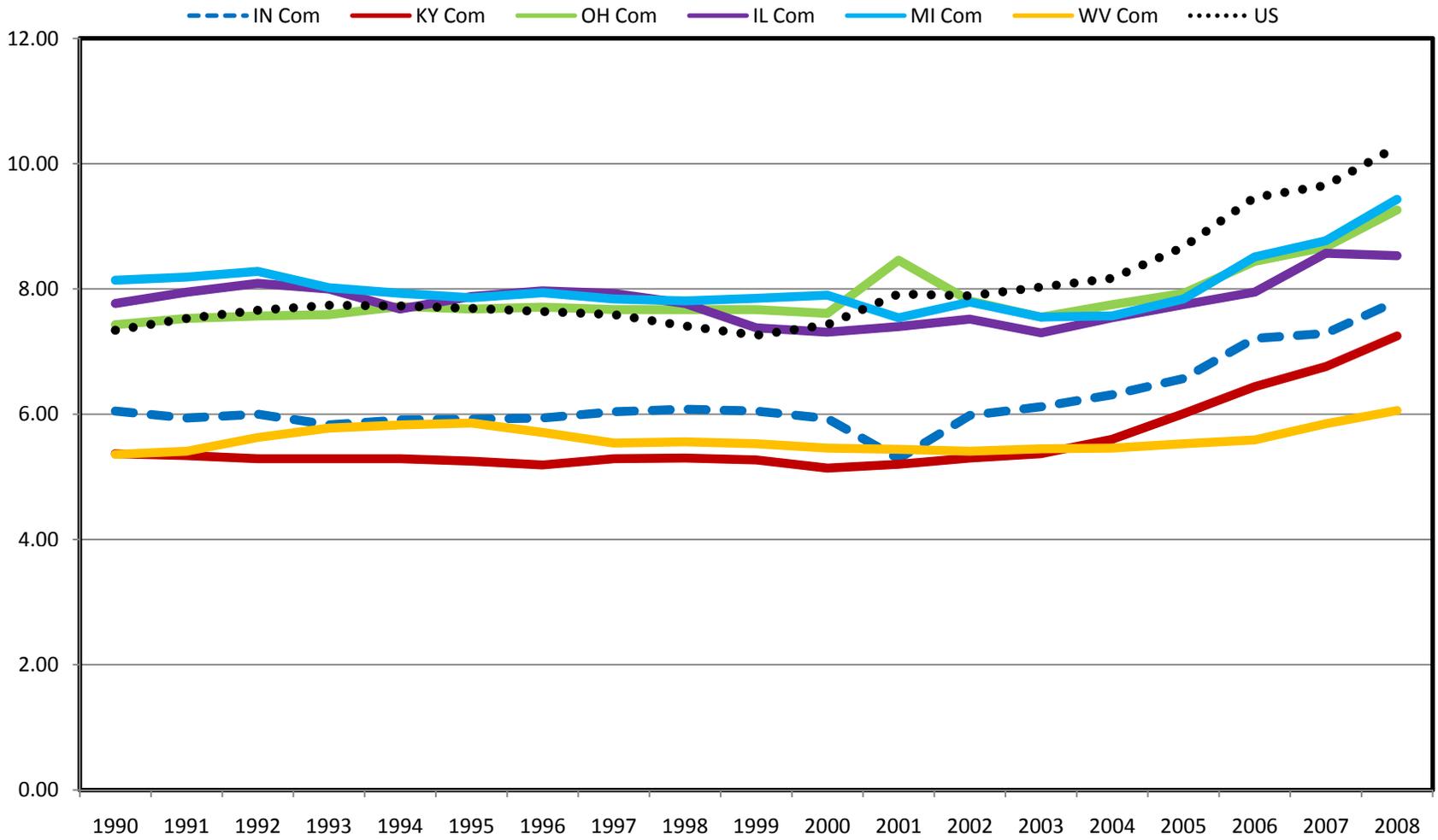


Figure 7

Price compare; Indiana to Ohio and Kentucky (cents/kWh)

