COMMENTS OF:
Susan F. Clark
Florida Public Service Commission

TO THE
HARVARD
ELECTRICITY POLICY GROUP
MEETING
Palm Springs, California

The Movement Toward Electric Competition:
Who, What, Where, and Why
1994 Electricity Prices for Industry
(Current Dollars)

Where there is Restructuring, there are usually high prices.

<table>
<thead>
<tr>
<th>State Grouping</th>
<th>States In Group</th>
<th>Avg. Price*</th>
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<tbody>
<tr>
<td>I. Restructuring Plan adopted</td>
<td>CA</td>
<td>10.43</td>
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<tr>
<td>II. Utilities ordered to file Restructuring Plans</td>
<td>NY, MA, VT</td>
<td>10.15</td>
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<tr>
<td>III. Active Restructuring Proposals underway</td>
<td>NH, RI, ME, IL, MI, TX, IA, WI, MN</td>
<td>7.72</td>
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<tr>
<td>IV. Restructuring fact-finding or discussions underway</td>
<td>CT, NJ, AZ, PA, DC, NM, OH, DE, NV, KS, NC, VA, LA, WA, OK, IN, AL, UT, MT, WY, ID</td>
<td>6.40</td>
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<tr>
<td>V. Little or no activity at this time</td>
<td>MD, AR, FL, GA, MS, MO, SD, CO, SC, WV, OR, KY, TN</td>
<td>5.90</td>
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</tbody>
</table>

* The average price for each group is the mean of the average prices for states in the group.

Source: Unlocking the Grid, Sally Hunt & Graham Shuttleworth, July 1996, Spectrum
Representative Shafer's Electricity Consumers Power to Choose Act of 1996

- All consumers to select electric provider by the year 2000.
- Electric providers not subject to rate regulation.
- Allows for recovery of stranded cost.
- Requires percentage of new generation to come from renewables.
- Abolishes Federal oversight of regional holding companies.
Florida
Average Price Per 1000 KWH
(Nominal and Real 1978 - 1995)
Concluding Themes:

- Existing system is not broken - just not optimal.
- There may be losers - efficiency programs, low income, and renewables.
- There must be real competition.
- Competitive markets offer long-term savings and lower rates than a regulated market.