

# EconOne

INSIDE

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## THE RETAIL POWER INDEX. CHANGE IS GOOD.

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One truism about the power industry is that it changes—in ways both subtle and not-so-subtle. To adapt to these changes, Econ One's Energy Marketing Group will enhance the Retail Power Index, the widely published report that monitors retail power prices across the country. Soon, this industry standard will more accurately measure the viability of regional retail power markets by depicting the difference between regional retail and wholesale power prices using enhanced market data and by including a new customer segment.

Currently, the RPI calculates four retail electricity market statistics for a typical small commercial customer in 10 cities nationwide (Boston, Chicago, Cincinnati, Dallas, Detroit, Houston, New York, Philadelphia, Pittsburgh and Washington, D.C.). The statistics calculated for each city include the regulated generation price, the competitive generation price and the retail power spread (which is the difference between retail and wholesale prices) for a typical small commercial customer. While the regulated generation price will remain unchanged, the competitive generation price will be replaced with a wholesale market price that will

account for the unique requirements associated with serving retail load. The market data used to construct this column will be provided directly from Platts exclusively to Econ One. The retail power spread will likewise be modified—reflecting the difference between the regulated price and the new wholesale market price.

For nearly two years, the RPI has reflected only small commercial customers. But beginning in October 2004, we will add medium industrial customers with the goal of providing 1) more diversity in retail loads, and 2) an additional data point for understanding the viability of retail markets across the country.

After almost two years of being published, the RPI remains the only publication of its kind and the only publicly available index that provides transparency in regional retail electricity markets across the United States. The RPI will continue to be published monthly in Platts' Megawatt Daily and Power Markets Week publications.