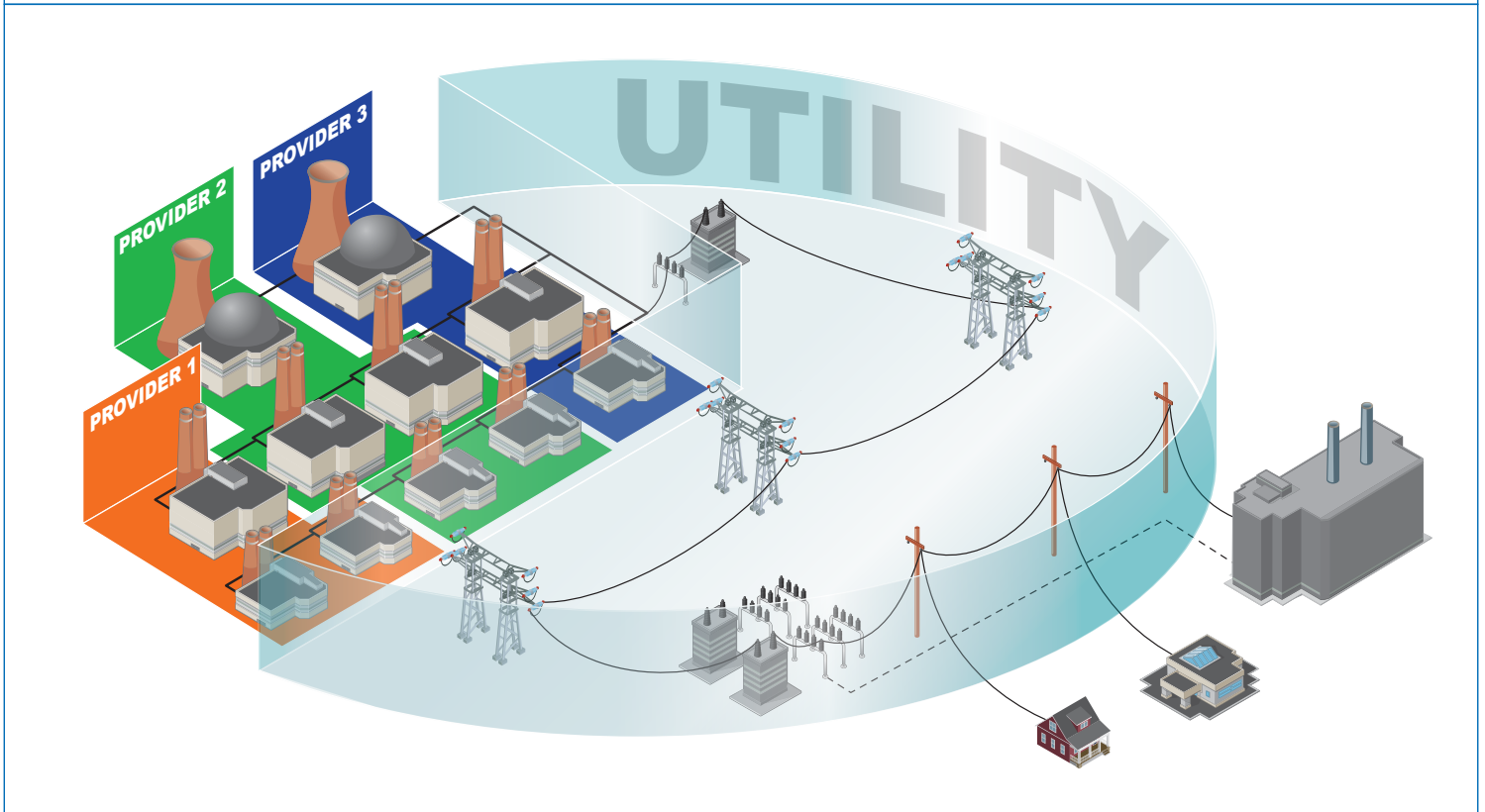
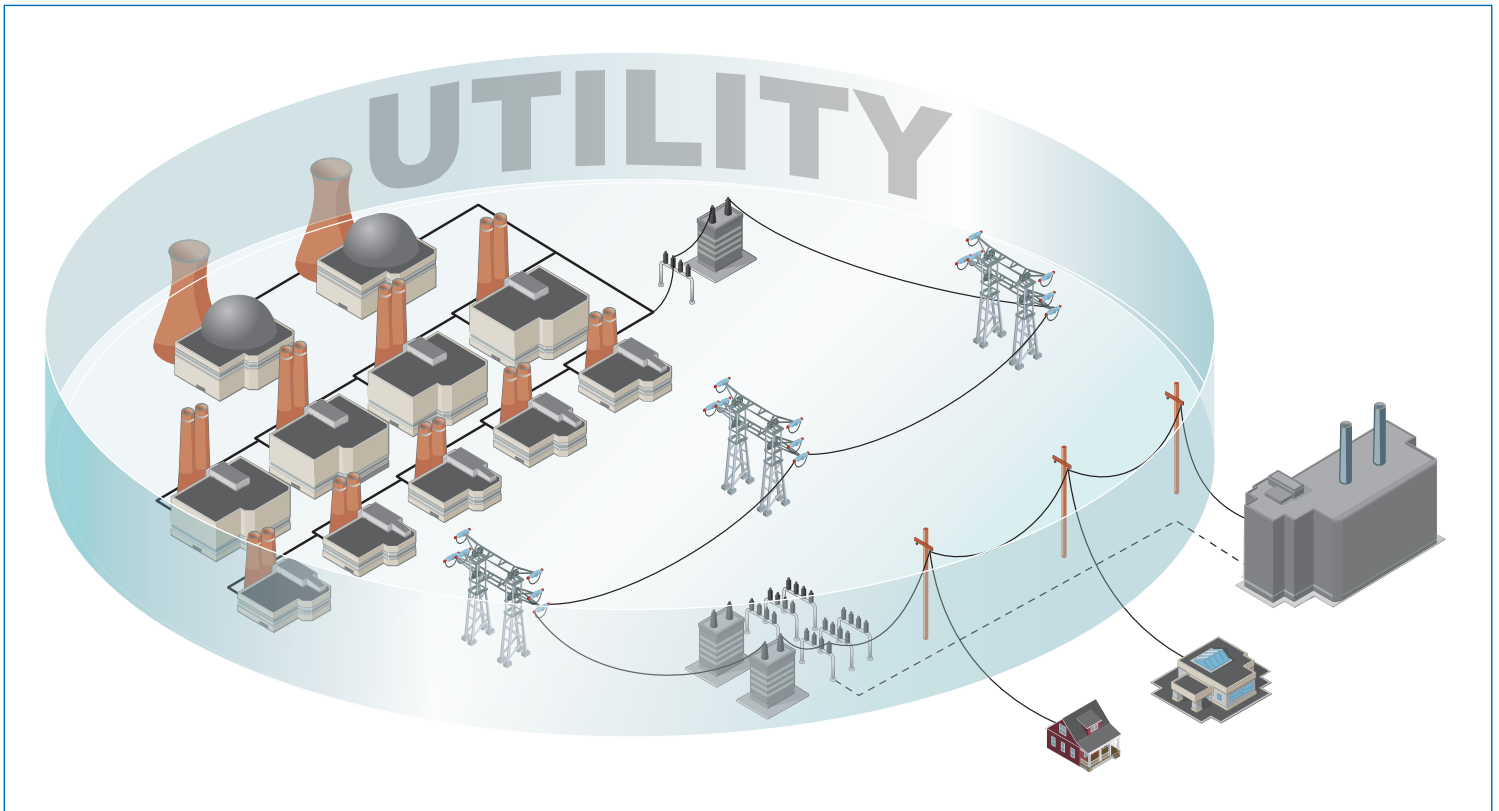


How Deregulation Works



Before deregulation, the Utility was responsible for all three steps in electric production: generation, where the electricity is produced, transmission, where electricity travels long distances on high-voltage lines, and distribution, where it steps down to individual users.

With deregulation, the Utility continues to oversee transmission and distribution, and charges everyone the same amount for this service. Generation is now provided by multiple, competing vendors. The idea is that competition will drive innovation and efficiency, and this will result in lower prices.