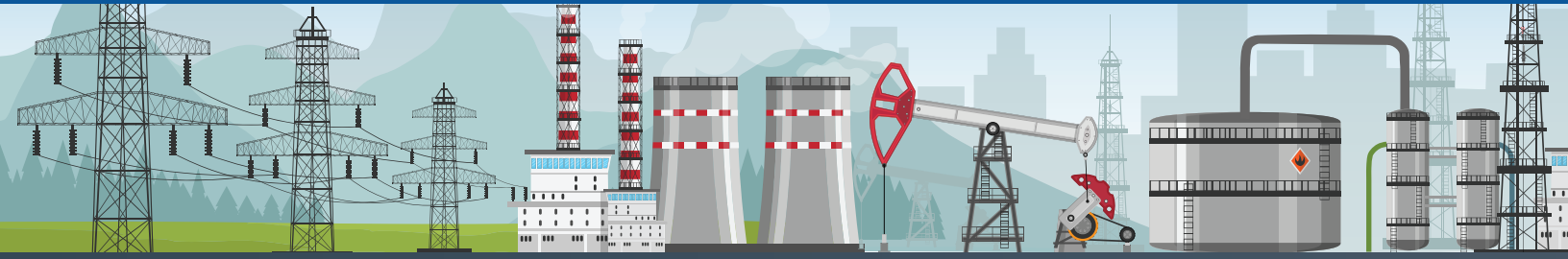


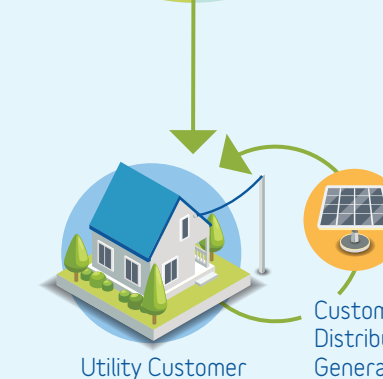
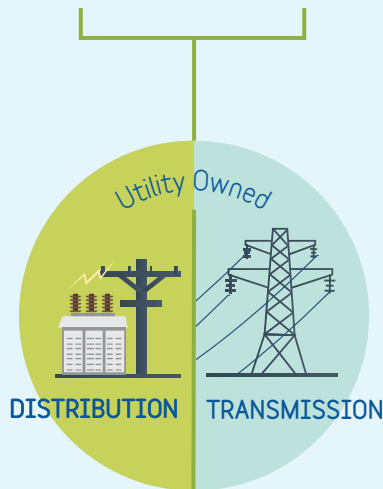
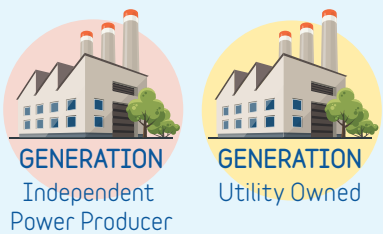
# Types of Utility MARKET STRUCTURES

Each state, through its Legislature and Public Utility Commission, has developed an approach to regulating investor-owned electric utilities.

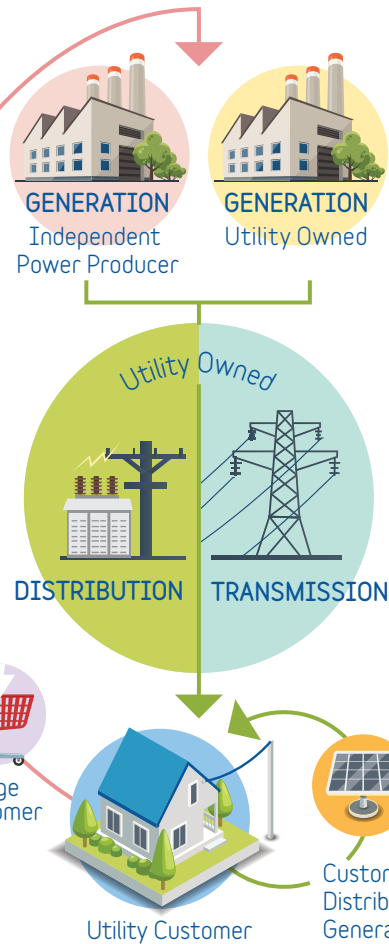


## VERTICAL INTEGRATION

In some states, electric utilities can own all aspects of providing electric service to customers. This is known as being a vertically integrated state.



## PARTIAL DEREGULATION



In these states, electric utilities can own all aspects of providing utility service, but non-utility power producers can sell energy to customers using the utility delivery (transmission and distribution) system.

In Oregon, for example, large customers can directly contract with electricity service suppliers to provide energy, but they still receive distribution and transmission services directly from their utility.

## DEREGULATION

A third approach is total deregulation. In these states, utilities act as distribution and transmission utilities.

Customers can select an electricity supplier based on any number of factors, including price or whether it is emissions free.

