

Public Power Costs Less

Across the country, publicly owned electric utilities continue to provide customers with low-cost energy for homes and businesses. The chart below compares the national average residential, commercial and industrial revenue per kilowatt-hour paid by customers of publicly owned, investor-owned and cooperative electric utilities in 2006, and the table on page 41 shows revenue per kilowatt-hour information by state and utility type. All of these rates are for full-service (bundled) sales.

Residential customers of investor-owned utilities paid average rates that were 14 percent above those paid by customers of publicly owned utilities during 2006. Public power customers paid an average of 9.2 cents per kilowatt-hour for residential electric service, compared to 10.5 cents per kilowatt-hour paid by residential customers of investor-owned utilities, and 9.5 cents per kilowatt-hour paid by residential customers of cooperative systems.

Commercial customers of investor-owned systems paid 9 percent more for electricity than public power customers in 2006. Public power commercial customers paid an average of 8.5 cents per kWh, compared to 9.3 cents per kWh paid by commercial customers of investor-owned utilities and 8.7 cents per kWh paid by commercial customers of cooperative utilities. Average rates for industrial customers were similar in 2006: 5.9 cents per kWh for customers of investor-owned utilities; 6.0 cents per kWh for cus-

tomers of public power utilities and 5.8 cents per kWh for customers of cooperative utilities.

The 2006 averages presented here are based on the Department of Energy, Energy Information Administration's data from Form EIA-861, "Annual Electric Utility Report." Data were reported by 2,010 publicly owned electric utilities, 217 investor-owned utilities and 882 cooperative utilities operating in the 50 states and District of Columbia.

These rate comparisons do not include sales in retail choice states to customers that are served by alternative suppliers. Typically, retail choice programs were enacted in high-cost states, so average rates for customers served by alternative suppliers are higher than the national average. In 2006, residential customers served by alternative suppliers paid an average of 14.4 cents per kWh, compared to the national average of 10.4 cents per kWh. Commercial customers served by alternative suppliers paid an average of 12.0 cents per kWh compared to the national average of 9.5 cents per kWh, and industrial customers served by alternative suppliers paid an average of 8.2 cents per kWh, compared to the national average of 6.2 cents per kWh. Retail choice sales (unbundled sales) represented 6 percent of total sales to consumers in 2006, and 99 percent of retail choice sales were to customers located in the service territory of investor-owned utilities. ■

Retail Electric Rates, 2006

