



ELECTRIC POWER INDUSTRY

The Brattle Group

*Economic,
Environmental &
Management Counsel*





The electric power industry is undergoing a profound restructuring — vertical unbundling, liberalized generation markets, new mandates for transmission access, ***ELECTRIC*** emerging retail competition, and global ***POWER*** consolidation. *The Brattle Group* is highly ***INDUSTRY*** qualified to help companies understand and respond to the challenges created by these changes. We help clients shape the restructuring of power markets world-wide, assess market conditions, evaluate network access, value assets and contracts, design and implement innovative service offerings, and address every aspect of regulatory processes. We supplement our in-depth electric power expertise with lessons drawn from our experience in the restructuring and regulation of other industries, including natural gas, telecommunications, airlines, and railroads.





The Brattle Group

The Brattle Group provides consulting services and expert testimony on economic, regulatory, and strategic issues to corporations, law firms, and public agencies world-wide. We offer our clients in-depth industry experience and state-of-the-art analytical techniques to design and implement strategies for responding to changing market conditions or new opportunities. We provide expert testimony on economic damages, antitrust and competitive analyses, financial risk, regulatory economics, and environmental matters.

The Brattle Group is distinguished by its innovative solutions to complex problems, close affiliations with leading academic experts, and effective communication of analytic results.



Restructuring & Deregulation

MARKET DESIGN AND MONITORING

The Brattle Group identifies and evaluates the likely competitive outcomes and stakeholder impacts of alternative structural solutions and procedural rules for deregulated power markets. Our experience includes the assessment and design of restructuring efforts, codes of conduct, contracts for must-run generation, asset divestitures, congestion management, market simulations, market monitoring, and market power mitigation programs.

REGULATORY TRANSITIONS

We analyze the economics of stranded investments, re-value assets and financial exposures for business planning and regulatory purposes, and assess the recovery and securitization of transition costs. We also estimate unbundled costs of capital and evaluate standard offer and default services designed to provide customer protection.

NETWORK INSTITUTIONS

Restructuring is prompting the owners, operators, users, and regulators of transmission and distribution networks to examine new organization designs and strategies. *The Brattle Group* has helped clients analyze, design, and gain approval for regional transmission organizations, independent transmission companies, independent system operators, and for their planning processes and innovative regulatory mechanisms.

NETWORK ACCESS

The Brattle Group helps clients evaluate and design the provision of transmission access, ancillary services, distribution services, and unbundled metering, billing, and customer service functions. We have analyzed and designed rates, terms, and conditions for efficient, non-discriminatory network access in a variety of power markets and other network industries world-wide.

Legal & Public Policy Matters

MERGERS AND ACQUISITIONS

The Brattle Group provides economic assessments, strategic advice, and expert testimony for the review of mergers and acquisitions by regulatory and competition agencies world-wide. We have analyzed the horizontal and vertical market power implications and likely benefits of such transactions in the U.S. and a number of European countries.

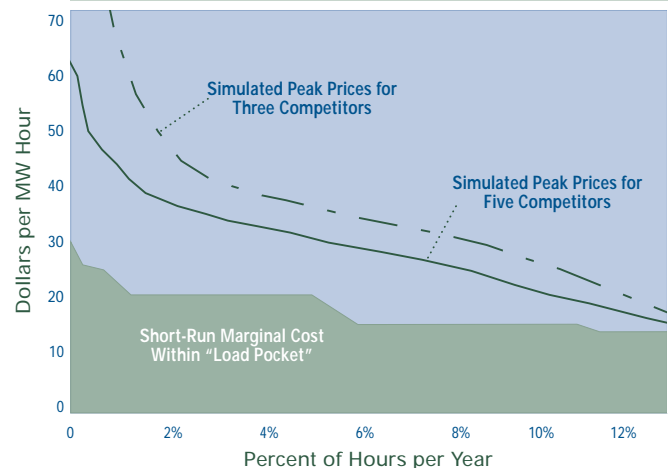
DAMAGES AND COMPETITION LAW

The Brattle Group analyzes and testifies on the economic and financial implications of alleged market foreclosure, other anti-competitive conduct, and contract non-performance. We have assisted clients with the assessment of liability and damages in the United States, Canada, Australia, New Zealand, and Europe.

REGULATORY PROCEEDINGS

The Brattle Group frequently provides expert testimony before courts and regulatory agencies on the economic, financial, and public policy issues affecting all segments of the electric power industry. We often play critical roles with advanced analysis and responsive litigation support at every stage of the regulatory process.

Market Simulation Informs the Design of Competitive Power Markets



Valuation & Risk Management



ASSET VALUATION

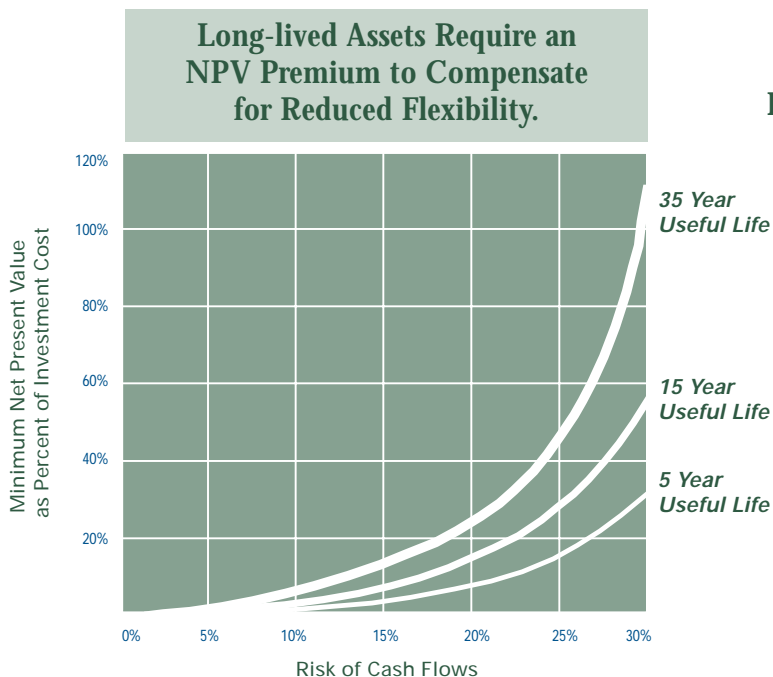
The Brattle Group is a leader in the valuation of domestic and international energy investments, including options embedded in physical and contractual assets exposed to the volatility of electricity and fuel markets.

MARKET PRICE ANALYSIS

The Brattle Group assists clients with a variety of analytical tools and market data to forecast prices in energy markets under relevant market structure scenarios. The derived forward price curves and volatilities often form the basis for our analyses of energy trading, service pricing, and asset management.

RISK MANAGEMENT

The Brattle Group helps clients measure and manage the risk of their business portfolios, and evaluate strategic and tactical alternatives for risk management. We have developed analytical methods and software tools to manage the risks embedded in companies' portfolios of physical and contractual resources.



Planning

BUSINESS STRATEGY

The Brattle Group works closely with clients to develop and refine their business and regulatory strategies. We assess the opportunities, risks, and payoffs of acquisitions and spin-offs, expansion into new services and geographic markets, distributed generation and other new technologies, R&D projects, and regulatory initiatives such as innovative rate design and performance-based ratemaking. We also assist companies in their efforts to improve planning tools and decision processes.

CAPITAL PROJECTS

The Brattle Group applies state-of-the-art financial techniques to help clients evaluate investment projects such as capacity expansion, modification, environmental compliance, life extension, and retirement of generation, transmission, and distribution plants. We also identify capital projects and operational decision rules that enhance the value of fossil, hydro and nuclear resources.

POWER & FUEL PROCUREMENT

The Brattle Group helps clients evaluate alternatives for acquiring fuel and power, including the use of firm and interruptible transportation, standby or "swing" supplies, short- and long-term contracts, subordinated or netback fuel pricing, and bids for energy and capacity options. We also review and restructure power purchase agreements and assist in negotiations with suppliers, customers, and creditors.



The Brattle Group

44 Brattle Street
Cambridge, MA 02138-3736
Voice 617.864.7900
Facsimile 617.864.1576

1133 Twentieth Street NW
Washington, DC 20036-3408
Voice 202.955.5050
Facsimile 202.955.5059

5th Floor 8-12 Brook Street
London W1Y 1AA
Voice 0207.491.0843
Facsimile 0207.491.0846

email.office@brattle.com

www.brattle.com
