

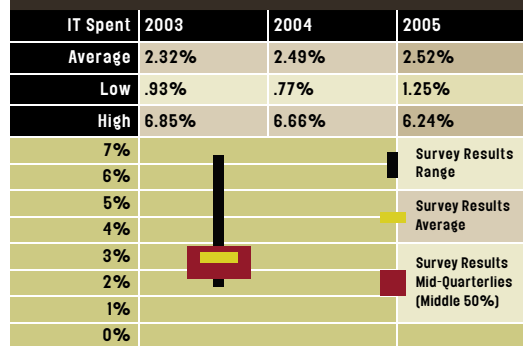
IT Spending Inches Up

UTILITY INFORMATION TECHNOLOGY spending inched its way to 2.52 percent of revenue this year, up from 2.49 percent in 2004, according to a recent Gartner survey. "Energy utility IT organizations remain under pressure to control costs and provide value to the business," said Dr. Žarko Sumić, Gartner vice president of energy and utilities.

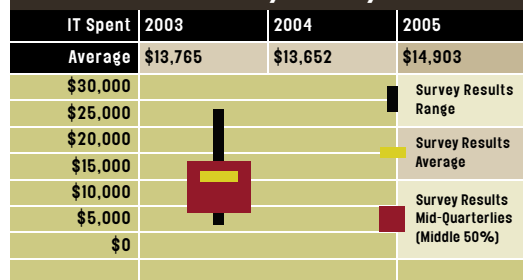
Looking to the future, he said, "energy companies will adjust their IT portfolio management distribution, moving spending from 'run/utility' the business to 'transform/frontier' the business."

IT spending per employee reached \$14,903 this year, up 9 percent from one year earlier. The share of IT spending dedicated to software and outsourcing is down, while the percentage spent on hardware is up in 2005, compared to 2004.

IT SPENT AS A PERCENT OF REVENUE

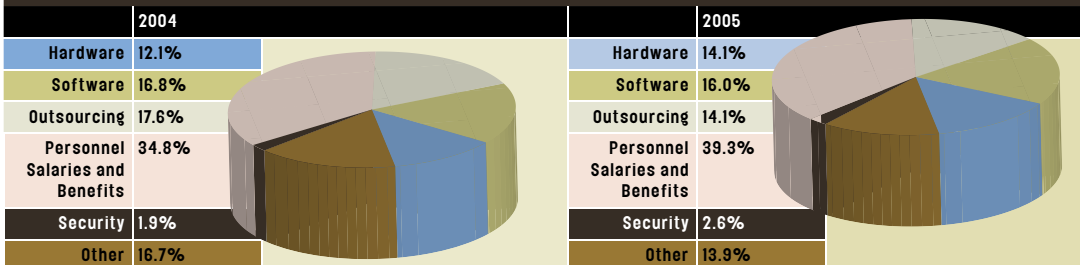


IT SPENT PER COMPANY EMPLOYEE



Source: Gartner

ENERGY UTILITY INDUSTRY DISTRIBUTION OF IT SPENDING



Source: Gartner

Distributed Energy Stocks Climb

THE DISTRIBUTED ENERGY Stock Index (DESI), an index of 26 publicly traded distributed energy and alternative energy technology companies, gained 15.4 percent in the third quarter of 2005.

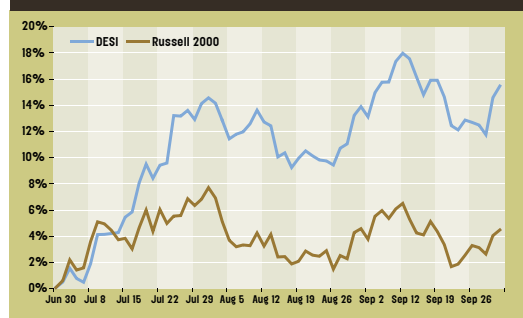
The index outperformed the Russell 2000, comprised of companies with a small capitalization.

"Hurricane Katrina definitely sparked growth in the energy tech sector by highlighting the value proposition of these technologies, particularly reliability and control over power sources located at or near the customer's site," stated Jamie Wimberly, chief executive officer of the Distributed Energy Financial Group.

The group created the index in July year to heighten awareness of distributed energy companies. Wimberly said that a wave of capital is beginning

to enter the sector, and the pace of investment is likely to increase because of the aging grid and new government incentives.

DESI VS. RUSSELL 2000



Source: Distributed Energy Financial Group

Best of the Net

By Florence Connally

PORTLAND GENERAL ELECTRIC operates the top ranked site of all electric and natural gas utilities, according to E SOURCE'S "2005 Review of Electric and Gas Company Web Sites." The review ranks 105 electric and gas companies from the customer's point of view.

Between May 2004 and June 2005, a graduate student, a student at vocational school, a stay-at-home mom, and an IT specialist looked for and rated 27 predetermined online features and functions. These were chosen based on E SOURCE market research data showing the information and self-service functions residential customers expect to find on their utility's web site.

Andrew Heath, E SOURCE director of customer satisfaction, said, "Highly rated web sites were not necessarily the prettiest. Best were the sites that offer the online features and functions that customers want and are also easy to use."

Web sites are constantly evolving, as are customer expectations. Electric and gas company web sites must now offer online account management features such as bill payment, bill presentment, and even account balance information.

Florence Connally is E SOURCE Research Associate

RANKINGS FOR U.S. ELECTRIC AND GAS WEB SITES

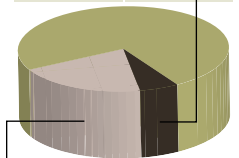
September 2005		
Rank	Company	Overall score
1	Portland General Electric	77.30%
2	Kansas City Power & Light Company	75.97%
3	Duke Power	75.17%
4	Florida Power & Light Company	73.03%
5	Sacramento Municipal Utility District	73.03%
6	Wisconsin Public Service Corporation	72.48%
7	Arizona Public Service Company	71.41%
8	NW Natural (Northwest Natural Gas Co.)	71.40%
9	Long Island Power Authority	70.30%
10	Avista Utilities	70.29%
11	PSI Energy, Inc.	69.77%
12	Xcel Energy	69.44%
13	Alliant Energy	68.92%
14	WE Energies	68.58%
15	Southern California Gas Company	68.01%

Source: E Source-Platts



PGE SNAPSHOT

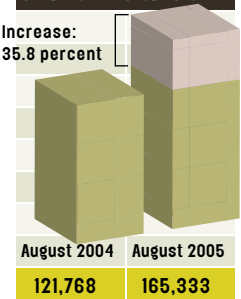
CUSTOMERS PAYING MONTHLY BILLS ONLINE: 6 percent



CUSTOMERS USING VARIETY OF ELECTRONIC PAYMENT METHODS: 22 percent

SITE TRAFFIC REPORT

Increase: 35.8 percent



Source: PGE

PGE ONLINE CHAMPION

We redesigned our web site four years ago to market a new generation of products, strengthen our relationships with customers, make it faster and easier to do business with PGE and improve our reputation.

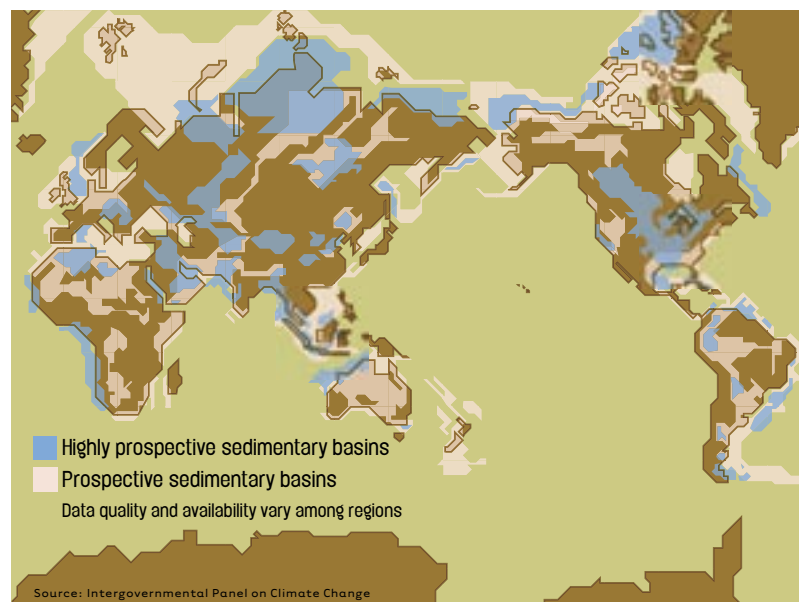
Richard Myhre, web team leader, Portland General Electric.

Attacking Global Warming

A **NEW INTERNATIONAL** study has identified sedimentary basins where suitable saline formations, oil or gas fields, or coal beds may be found that could be used to store injections of large volumes of carbon dioxide. The report was by the Intergovernmental Panel on Climate Change, formed by the World Meteorological Organization and the United Nations Environment Programme.

POTENTIAL STORAGE AREAS

Prospective areas in sedimentary basins where suitable saline formations, oil or gas fields, or coal beds may be found. Locations for storage in coal beds are only partly included. Prospectivity is a qualitative assessment of the likelihood that a suitable storage location is present in a given area based on the available information. This figure should be taken as a guide only, because it is based on partial data, the quality of which may vary from region to region, and which may change over time and with new information (Courtesy of Geoscience Australia).



>> Subscribe today at www.energybizmag.com