

Financial Statistics of Potential Entrants in Missouri

Company	Total Assets as of 12/31/1998 (\$ millions)	Total Operating Revenue as of 12/31/1998 (\$ millions)
Chevron (Dynergy)	\$36,540	\$29,943
Southern Companies	\$36,192	\$11,403
PG&E	\$33,234	\$19,942
Enron	\$29,350	\$31,260
Duke Energy	\$26,806	\$17,610
Southern California Edison	\$16,947	\$8,847
AES	\$10,781	\$2,398
AMEREN	\$8,847	\$3,318
Dynergy	\$5,264	\$14,258

Sources: Each firms' 1998 Annual Report / Form 10-K

Missouri Public Service Commission

Utility-Affiliate Transaction Rules

1. Consumer Welfare
 - low prices
 - high quality
 - many choices
2. Prevent Abuse: *illegitimate advantages*
 - cross-subsidization
 - discrimination: essential services
 - discrimination: essential information
3. Preserve Benefits: *legitimate advantages*
 - economies of scale & scope
 - local experience
 - brand name, marketing & advertising
4. Competition - Not Competitors
 - competition = legitimate advantages
 - helping competitors harms consumers
 - competitors can and will compete