

NEWS ABOUT PEOPLE ON MACKINAC ISLAND

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back on Mackinac, where he shares his beautiful home with his daughter, Leanne and family, which is located on the waterfront at the east end of the Island with a magnificent view of the Straits. Dennis enjoys visiting with his many friends at the Mustang Lounge.

We're missing Adele Lypsinmaa of Hancock, who has been a dedicated employee each summer at the Mustang Lounge. Owing to the illness of her mother, she has not been able to return this year. Everyone on

Mackinac sends warmest greetings to Adele, and best wishes to her mother.

Happy birthday to Deb Carley May 10. Deb is head of housekeeping at the Windermere Hotel and has held that job for 32 years. Enjoy your day.

A familiar figure can be seen along Main Street greeting his many friends. Dick Rulison of Pelke is a dedicated employee of Mackinac Island Carriage Tours. Nice to see Dick back on the Island.

We've just learned that the Reverend Ken Straight, pastor

of the Mackinac Island Bible Church, has recently suffered the loss of his mother. We extend our deepest sympathy to the family.

Happy birthday May 10 to Patty LaPine and to my good friend, Frank Allen, in Denver, Colorado. Have a wonderful day.

At our home on Market Street, we recently received an overnight package from our good friends, Peggy and Dennis O'Keefe from LaSalle, Illinois, which contained the most beautiful lilacs from their front yard. Their fragrance permeated the whole house. Special thanks to the O'Keefes for thinking of us. They're guests of the Windermere Hotel several times each summer, where they enjoy sitting on the veranda.

The Vernon Haans love their lovely 1830 Inn and are busy getting it ready for the 2006 sea-

son. We give them a warm welcome back to Mackinac.

Please wish Fire Chief Dennis Bradley a happy birthday May 12. Hope your day is special, Dennis.

Annette and Bob Gillespie have returned to Mackinac from their winter home in Arcadia, Florida, where they spend each winter.

Returning to their Lilac House on Market Street are Mary and Charlie Thompson, who spend the winter in Rockledge, Florida. Best wishes for a happy summer.

Dwight LaPine and Jeff Shaffer have their London Square Gift Shop on Market Street open for the season with windows displaying fine merchandise. They have planters filled with pink geraniums at the entrance to their shop.

We are now approaching a fresh new season, blossoms in springtime, when the crocuses and red, yellow, and many other colors of tulips cover many areas of the Island. Winter has passed and the days are getting longer. New birds are appearing daily at our feeders, awakening us early each morning with their joyful serenade. Lawns all over the Island are being cleaned and raked so that the velvet green carpets will soon brighten our lovely Island.

Happy birthday May 17 to Irene Horn of St. Ignace. Enjoy the best ever.

Dan Mitchell has been seen exercising Dr. Bill Chambers' beautiful hackney team. They're frisky and prancing.

Patricia Horn of St. Ignace and Shelbie Mosley of Mackinac will celebrate their birthdays May 11. Enjoy your day.

Opening the Cable Cottage on Lakeshore Drive over the weekend were Skip and Kaybeth Harrell from Bloomington, Indiana, and the Charles Hudson's of Indianapolis, Indiana. We welcome all these nice folks back to Mackinac.

Tuesday, May 8, Cub Horn returned from Northern Michigan Hospital, where on Monday he received further treatment on his heart. We wish Cub a very special birthday greeting May 12. Be good, and mind Kitty.

We send birthday greetings to Cindy Gough May 13. We miss seeing you on Mackinac.

Barbara and Brian Hellis of Northville have opened their home on Market Street. We always know when they're on Mackinac as their American flag is displayed from their porch.

Great to see Bob Benjamin back home riding his bicycle. He and Bev returned Saturday from Hilton Head Island, South Carolina, where they spend the winter. They were accompanied by their family, Jane and Glen Young with children, Graham

and Laurel, from Petoskey.

Shops on Main and Market streets are open and ready for the season. All have attractive windows of interesting and very beautiful merchandise.

Happy birthday to Willie Barnwell of Petoskey May 14. We look forward to seeing you soon on Mackinac.

Trish Martin has returned from a week with the Brian Dunnigan family in Grass Lake. She brought her horse back to Mackinac and will enjoy riding the great Island trails.

Glen Woulfe of Sarasota, Florida, has returned for another season to the Windermere Hotel.

David Levy spent the weekend at his East Bluff cottage and enjoyed dinner at The Gate House Saturday evening.

Sandy Arnold spent the weekend at her Island home. She resides in Petoskey during the winter.

Soon we shall see Buck Sharrow driving by with a handsome carriage and prancing horses owned by summer cottagers, Mike and Wendy Young of Frankenmuth. Alice joined her husband, Buck, for the weekend, coming from their home in Charlevoix.

Adam Fisher of Mackinac and Saginaw will celebrate his birthday May 15. Enjoy your day.

Back in his comfortable cottage on McGulpin Street is Leo Krzeminski, who spent the winter in the Detroit area with his daughters. He will be busy tending his lilacs and peonies in front of his house. They're beautiful when they're in full bloom. Leo also helps out at Doud Mercantile.

Happy birthday to Margaret Kappa May 14. Hope this finds you feeling much better.

Busy getting their gift shop, Lasting Impressions, ready for the season are Gwen and Ron O'Neil. The O'Neils spent the winter in Yuma, Arizona.

Happy 87th birthday to Mike Carley's grandmother, Marie Forrest, of Sault Ste. Marie. Hope you have a special day.

Deepest sympathy to Elaine Bunker and her family and to the Visnaw family on the recent death of Ann Visnaw Bishop in New York. Elaine Bunker and her daughter, Brenda, were with Ann when she passed away. Ann grew up on Mackinac, the daughter of the late Marie and Frank Visnaw. Condolences from Island friends.

Greetings to my good friend, Jennifer Karhoff, of Findlay, Ohio, and may you have a wonderful birthday on May 16.

Happy wedding anniversary greetings May 18 to Pat and Louie Leveille of St. Ignace.

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Insight, Analysis and Commentary on the Global Power Industry

Critics of deregulation, including industrial customers who initially supported efforts to restructure the retail electric markets, have blamed rising electricity costs on deregulated markets and now clamor for a return to the "good old days" when rates were lower. They claim that deregulation of electricity markets has resulted in higher power prices pointing to the "fact" that power is now cheaper in regulated states than deregulated states. While appealing on the surface and apparently linear in their argumentation to the uninitiated, such claims are unsubstantiated by the evidence when the complexities of electricity markets are considered.

Political pressure has been building lately on state commissions with deregulated retail electric markets. For instance, **in Maryland where residential rates may increase as much as 72% for customers** who elect not to seek a competitive power supplier, there have been calls for the resignation of the Chairman of the Maryland Public Utility Commission.

In truth, **electricity prices are increasing around the nation in both regulated and deregulated electricity markets.** For instance, Southern Company, the only investor owned utility in Georgia, which has not restructured its retail electric market, recently requested a near double-digit rate increase. Old Dominion Power Company, a regulated electric provider in Virginia, also requested a substantial rate hike. Other utilities in regulated areas of the country will likely follow suit.

Simply put, deregulation has not caused power prices to increase. Rather, restructured retail electric markets simply are more efficient at translating changes in underlying fuel costs to the ultimate consumer than regulated markets.

An analogy underscores this point. On your way home from work, you realize that you need milk. You can either stop at the corner store at the end of your street where milk is \$2.00 per gallon or you can go to the grocery store a mile away where milk is \$1.50 per gallon. It is the same with electricity in restructured markets. Consumers can either stay on standard offer service (the corner store) or they can shop the market place (the grocery store) for a better power deal. In states that have not restructured their retail electric markets, customers are forced to go to the corner store since there is no grocery store. The promise and benefit of properly restructured retail electric markets is not that prices will always be lower than previous periods, but rather that because customers will have choice over their energy supplier and **where there is effective competition prices** paid will be lower than they would have been had those costs determined through expensive and cumbersome rate cases.

Why electricity costs are rising—increasing input costs

If deregulation is not to blame for rising electricity costs, the natural question to ask is why electricity costs are increasing. The answer is relatively simple—the **cost of fuels used to generate electricity is increasing.** Electricity is generated by four main fuel sources—hydro, nuclear, coal and natural gas—with the last 2 accounting for approximately two-thirds of all electricity generated in the U.S. during 2005 according to the EIA. According to industry source Platt's, delivered coal prices increased almost 113 percent, from \$54.95/standard ton in 2004 to \$117/standard ton in 2005, while the Energy Information Administration reported that natural gas prices jumped approximately 68 percent around the country over the same time period. With such substantial increases in fuel costs, it should surprise no one that electricity prices are increasing as well.

Given that the underlying cause of the electricity price increases has no connection to whether a state has restructured its retail electricity market, an interesting comparison is whether retail customers in restructured states have fared better than consumers in states with regulated retail electricity markets. While this issue has not been extensively studied, at least one state utility commission has concluded that restructuring the retail market has provided substantial benefits to all customer classes, including residential consumers. The Texas Public Utility Commission concluded that residential customers in Houston would have saved almost \$1500 per year versus regulated prices while customers in the Dallas area would have saved \$800 per year compared with what regulated prices would have been.

Conclusion

Those who blame deregulation for rising electricity costs commit the classic logical fallacy of assuming a causal link because one event occurred after the other. While such an approach has an intuitive appeal, it is unsubstantiated by the evidence. Unfortunately, **higher electricity costs are not the result of a single event, such as deregulation, but rather reflect changes in underlying economic conditions that are likely to persist for quite some time.** While restructuring has caused some hiccups in the electricity industry around the nation, it should not bear the blame for rising electricity costs.

<http://www.energypulse.net> (go to this web site to see the entire article as the above article has been edited for space considerations)

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