



## POWER PLANNER

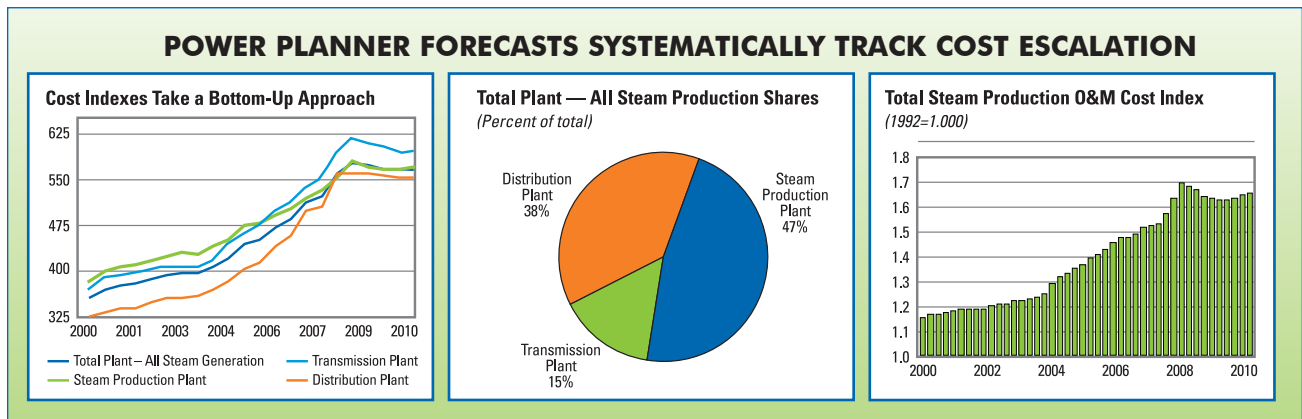
### ► COST INFORMATION FOR POWER PLANT CONSTRUCTION AND MAINTENANCE

IHS Global Insight's Power Planner Service provides the information needed to anticipate and manage changes in U.S. gas and electric utility construction and operation and maintenance (O&M) costs. With more than 800 utility-specific regional cost indexes updated on a quarterly basis and forecasts that go out 10 years, this comprehensive service is an essential tool for long-term planning in the utility industry.

With IHS Global Insight's Power Planner Service, you can:

- Determine company rate requirements in response to cost escalation
- Justify utility rate increases
- Analyze purchasing contracts
- Negotiate contract escalator clauses and evaluate supplier quotes
- Understand cost patterns and identify rapidly rising expense categories
- Forecast construction costs to aid in project planning
- Plan plant retirement

### ► COMPREHENSIVE COST FORECASTS ENABLE SMARTER LONG-TERM PLANNING



*The Power Planner models take a bottom-up approach to forecasting cost escalation, tracking the raw materials to the final finished goods.*

**The true value of the Power Planner Service is its ability to accurately track and forecast the impact of inflation on construction costs and to facilitate smarter planning based on this information.**

#### Forecasts provided by the service include:

- Handy-Whitman prices for pumps, steam power boilers, gas compressors, electric meters, and turbo-generators
- Handy-Whitman regional building material prices and regional wages for specialty trade contractors
- Electric distribution station equipment and gas transmission compressor station equipment facility cost indexes
- Electric transmission plant and combustion turbine generating plant aggregate cost indexes



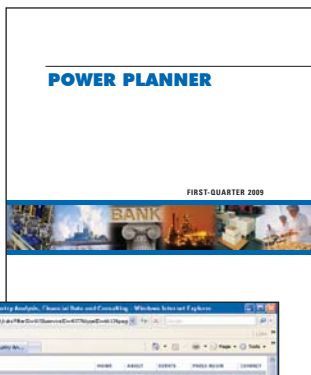
► **ACCURATE FORECASTING BASED ON RELIABLE DATA**

The construction cost forecasts are based on the Handy-Whitman Index of public utility construction costs. The Power Planner Service forecasts the national utility plant materials and equipment costs, regional labor rates, and regional construction material prices by using price, wage, cost, and market information from IHS Global Insight's Pricing and Purchasing Service, U.S. Macroeconomic Service, and U.S. Regional Service. Cost component weights are derived by Whitman, Reardon and Associates, and are used to define composite cost indexes by type of facility, plant, and system across the six Handy-Whitman regions.

The O&M cost forecasts are based on information contained in the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts for Electric and Gas Utilities, and detailed expenditure data are collected and published by the Department of Energy. Cost components are forecasted individually and then aggregated to form FERC account, plant, and system indexes, with their relative share reflecting category dollar spending.

► **SERVICE DELIVERABLES**

**IHS Global Insight's Power Planner Service offers a comprehensive array of forecasting and analytical services to help you track costs in the electric and gas utility industries.**



**Quarterly Updates**

The publication *Power Planner* is produced quarterly and provides projections across different operations, maintenance functions, and plant construction costs. Forecasts are available for specific types of equipment, labor classifications, and plant systems. The U.S. Executive Summary and introductory description of the U.S. pricing environment are also included. Forecast tables are available in Excel spreadsheets, with data forecasted out 10 years on an annual frequency.

**Event-Driven Analysis and Data Tables**

All analysis and forecasts reside on MyInsight, IHS Global Insight's client Web site. The Web site delivers up-to-date information to help clients understand price movements and underlying industry trends. This analysis, combined with quarterly forecasts, will prove to be an important link to effectively manage your company's bottom line.

**THE POWER OF PERSPECTIVE**

**ABOUT IHS GLOBAL INSIGHT:** IHS Global Insight ([www.ihsglobalinsight.com](http://www.ihsglobalinsight.com)) provides the most comprehensive economic and financial information on countries, regions, and industries available from any source. IHS Global Insight's immediate and insightful analysis of market conditions and key events enables innovative and successful decision making for clients around the world. IHS Global Insight employs approximately 700 employees in 13 countries.

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