

29. Correct. The answer is true. Regulated utilities that must charge average rather than marginal costs sometimes undertake demand side management programs to reduce peak loads and improve load factors. Such activities, called demand side management, include free energy audits to advise customers on how to reduce loads, information on energy saving possibilities, along with loans, subsidies and rebates for energy efficient lighting, appliances and motors. However, in market with marginal cost pricing during peak periods, the utility is not likely to want to cut consumption.