

Cluster Analysis Homework
Points: 100 points

Public utilities

The data shown in the following table are corporate data on 10 U.S. public utilities. We are interested in forming groups of similar utilities based on the given two features *Sales* and *Fuel Cost*. It would save a considerable amount of time and effort if we could cluster similar types of utilities and build detailed cost models for just one typical utility in each cluster and then scale up from these models to estimate results for all utilities.

Company	Sales (kilowatthour use per year)	Fuel Cost Total Fuel Costs (cents per kilowatthour)
Arizona Public Service	9,077	0.628
Boston Edison Co.	5,088	1.555
Central Louisiana Co.	9,212	1.058
Commonwealth Edison Co.	6,423	0.7
Consolidated Edison Co. (NY)	3,300	2.044
Puget Sound Power and Light Co.	10,991	0.62
Idaho Power Co.	9,038	0.309
Kentucky Utilities Co.	8,406	0.862
Madison Gas and Electric Co.	6,455	0.623
New England Electric Co.	6,154	1.897
Mean	8,914.05	1.10
Standard deviation	3,549.98	0.56

Based on the data available,

1. First show a scatterplot of companies with these two features, with labels marking each company.
2. Please perform a k-means clustering on the given data with $k = 3$ and please show the steps of clustering with a corresponding scatterplot. The raw data should be normalized with Z-score normalization before clustering (mean and standard deviation are given).