



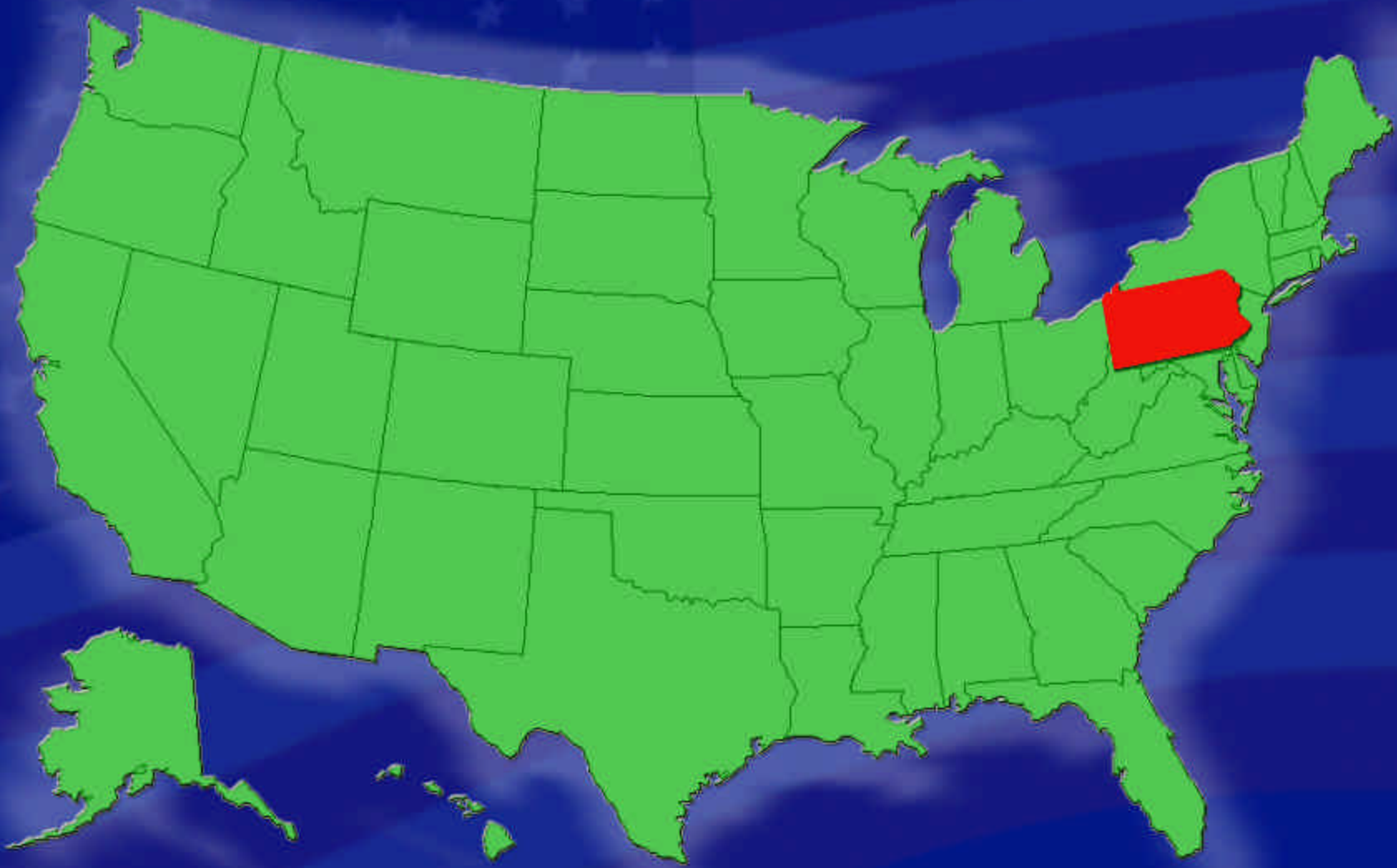
Encouraging Investment

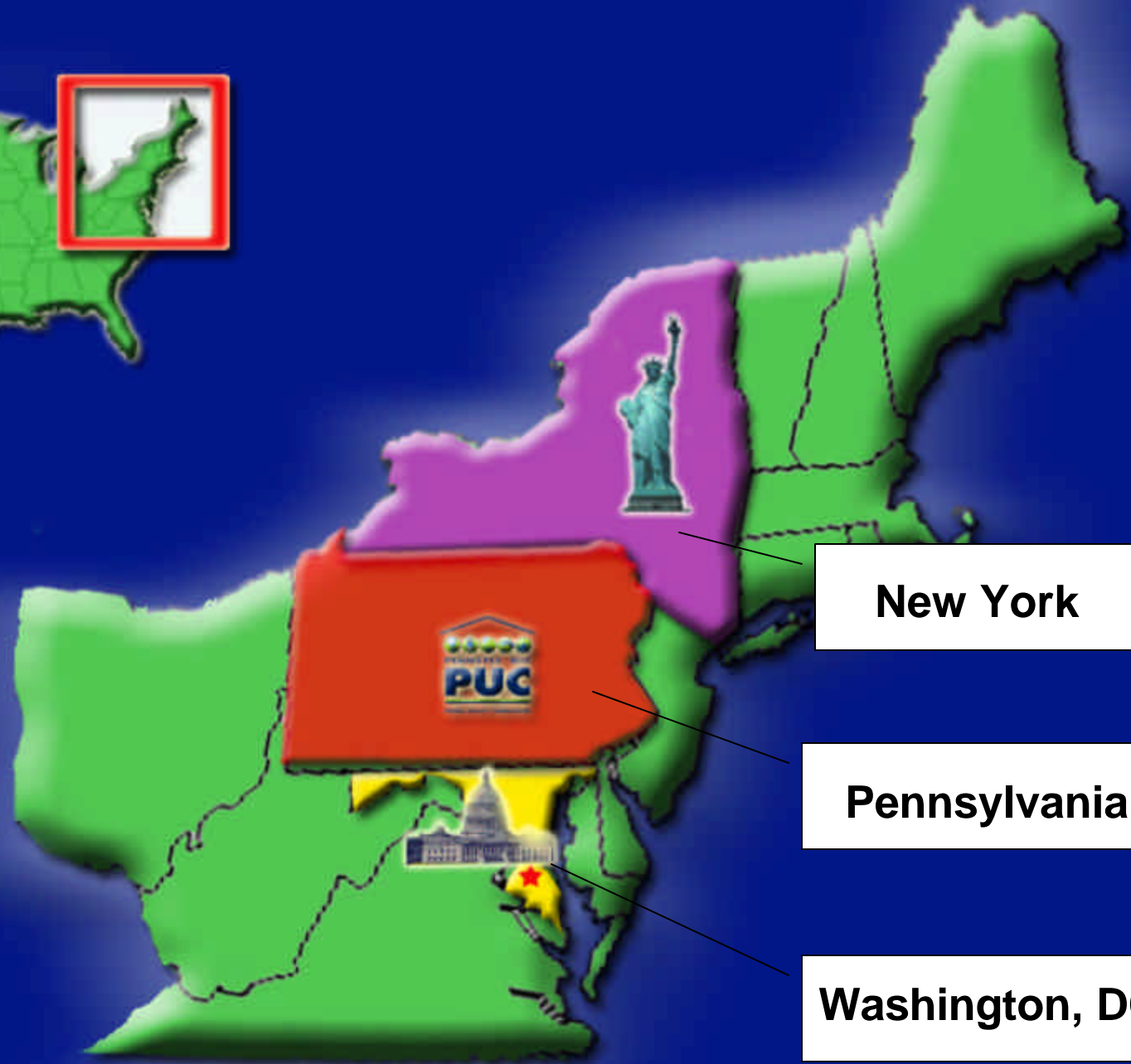
Commissioner Wendell F. Holland

Bamako, Mali

July 2004







New York

Pennsylvania

Washington, DC





About the PUC



The PUC is comprised of 5 full-time members nominated by the Governor for staggered 5-year terms. Commissioners must be approved by a majority in the state Senate.



- Each Commissioner has 1 vote in Public Meetings
- Can meet in Executive Session on personnel, litigation, other confidential matters
- Each Commissioner has several Assistants, usually for each of the primary industries we oversee. At least 1 Assistant serves as Counsel to that Commissioner





What is Worrying Potential Investors?

- Once burned-twice shy
- Market structure development risks
- Uncertain regulatory obligations of utilities
- Uncertain “reasonableness” standards



Uncertainty= Risk

- Uncertainties about pace, details and future energy market reforms undermine investor confidence



“MUSTS”

- Proven managers must have a solid handle on
 - Costs
 - Timetable
- Evaluate risks realistically



Uncertainty=Risk

Again, uncertainties about
pace, details and future of
energy market reforms
undermine investment
incentives



Transmission Investment

- \$100 Billion
- Lack of consensus as to who should pay
- Investment Community
- Inconsistent government policy

