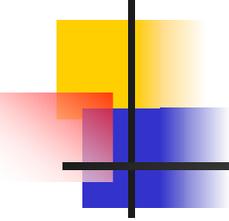


Consensus Discussion for Developing an Action Plan

Discussion Outline: Regulatory
Implementation

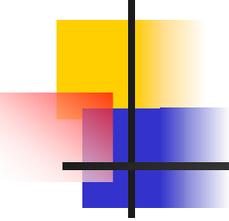
Implementation Module C.2.

Ron Eachus



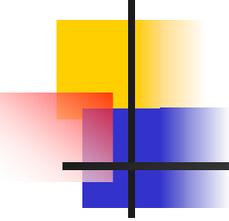
Discussion Objectives

- Determine early priorities
- Identify duties and needs that will increase over time
- Identify what roles are likely to be reduced over time
- Explore public participation options
- Overcome tendency to feel overwhelmed at the beginning



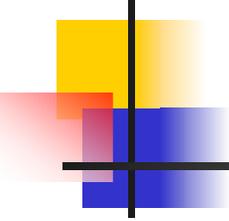
Break Into Three Conceptual Stages

- Initial Stage
 - Early task to begin operation and carry out priority duties in first couple of years
- Phase-in Stage
 - Expansion of capacity and capabilities to meet full expectations of law
- On-going
 - Ability to adapt to changing circumstances and increased awareness of Commission



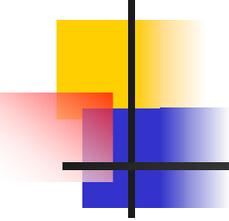
Initial Stage

- Select Commissioners
- Recruit and organize staff
 - May get staff from industry and government
- Adopt initial internal rules and procedures
- Budget and fees
- Information management capabilities
- Licensing of successor companies
 - May mean early effort to establish minimum terms and conditions since it will be government owned
 - Also needs separate accounting requirements
- Initial tariffs
 - Will require some access to information and cost analysis
- Develop public outreach and awareness plan
 - Web site
 - Public notices
 - Hearings
- Aggressive education and training programs
- May initially hire outside experts



Phase-in

- Additional staff
 - May get more from private and academic sector than before and less from industry or government
- Market monitoring capabilities
 - Market rules
 - Assessment of competition
- Implement more extensive service quality standards
 - Should have more data on past experience with unbundled functions and licensees
- More emphasis on consumer complaints
 - Consumers will be more aware of Commission and new structure
- Tariff revisions
 - First review period
- Increased data requirements and information management capabilities
 - More new generators and traders
 - Market more developed



On-going

- Adapt to increasing competition and changing role of Commission
- Organization chart changes to reflect changing roles
- More involved and extensive public participation
- Continued Education and Training
- Move service standards from maintain to increase quality
- License reviews for renewal
 - Assuming all are not 30 years
- Resource Planning regime
 - Companies will begin making more new investments
- Market monitoring role will increase and tariff role may decrease
 - Assuming more competition
- Rely more on professional staff than on outside experts
- More issues related to cross-border interconnection and transactions
- Legal work will become more extensive