

Development of Competitive Markets

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Presentation 7 -- Development of
Competitive Markets

Development of Competitive Markets

- Institutional Enablers to operate a viable market
- Monopolistic structure vs. competitive structure – issues and opportunities
- Wholesale and retail competition (Prerequisites, limitations, unbundled services, access codes, etc.)

Institutional Enablers to Operate a Viable market

- Competitive Return on Investments
- Reduced Regulatory Intrusion to Business Operations
- Pre-Approvals for Investments and Recovery
- Clear Rules and Regulations

Monopolistic Structure Issues and Opportunities

- Guaranteed Service Territory
- No Direct Price Competition
- Regulator Approval of Rates
- Requirement to Serve
- Limited Return
- Regulator Defined Terms and Conditions

Competitive Structure Issues and Opportunities

- Marketplace Limitation on Return
- Competitively bid service on a per customer basis
- Less Regulatory Oversight
- No Guarantee on Service Territory
- Subject to Lower Cost Bidders

Wholesale and retail competition

(Prerequisites, limitations, unbundled services, access codes, etc.)

- Must have clearly defined requirements to serve
- Qualifications for Entry
- Financial Backing
- Market Entry Approval from Regulator
- Service Disputed Process
- Oversight Definition