



# Issues & Challenges in UNMIK/Kosovo's Energy Sector: Similar Pennsylvania Experiences

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# Energy Legislation

Historic:  
Vertical Integration of Generation,  
Transmission and Distribution

# Resulting Energy Practices

Allocation of Increased Percentage of Cost in Rate Base from Residential to Industrial And Commercial Customers.

Rate Base Encouraged Investments in Plants and Facilities to Generate Return. Cost Overruns and "Prudency" Reviews For "Wisdom" of Investment Emerged.

# Recent Energy Reforms (1995-2007)

Generation Ownership Separated From  
Transmission and Distribution.

Agreement Froze Rates Through 2009-2010  
With Expectation That Wholesale and  
Retail Market Will Become Competitive.

# Current Energy Issues

Maryland Experience & Rate Cap Removal

New PA Mandates: Renewable Energy

New Problem: Price Increases

After Rate Caps Expire.

# Regulatory Framework

Commission Retains Authority on Transmission & Distribution, Provider of Last Resort (POLR) Policy Even With Generation Separation From Transmission and Distribution.

Commission Charged To Implement New AEPS (Alternative Energy Portfolio Standard).

# Tariffs

Commission Reviews and Approves Tariffs.

Regulations on POLR and AEPS Establish Parameters.

Role of Commission If "Rates" Become Unjust or Unreasonable Is Uncertain.

# Monitoring

Commission Worked With States In Area To Establish Multistate Board To Monitor Interstate Wholesale Market.

Commission Issues Regulations and Policy Statements on AEPS and POLR for PA.

# Service Quality

Commission Has Rules Addressing  
Service Quality.

# Pennsylvania Experience How Can We Help?

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