



# Market Monitoring within the PA PUC

## John C. Miller, Jr. P.E., MBA

Serbian Delegation visit  
March 30 - April 2



- The wholesale and retail markets are linked. What happens in the wholesale markets has an immediate and direct effect on the retail markets. Recent examples include Maryland and Pike County.
- In simplest sense, the EGSs go to the wholesale markets to buy power which they then turn around and sell into the retail markets. Putting aside the fancy hedges, etc, an EGS can not buy high and sell low.

“Right now is a very scary time” for commodity market regulators, said Michael Riess, a director of the International Precious Metals Institute, a consultant to commodities investors for more than 30 years. “It’s not a question of overregulating or underregulating. It’s a question of just being swamped by volume, volatility and a dramatic shift toward speculative interests.”



- Futures contracts trade both on regulated exchanges and in the immensely larger but less regulated over-the-counter market, where banks and brokers privately negotiate futures contracts with hedgers and speculators around the world.
- The prices at which all these contracts trade indicate the potential strength of demand and supply for commodities still in the ground or in the fields. That makes them important to everyone who produces, buys and uses those goods — wheat farmers, baking companies, grocery shoppers, oil companies, electric utilities and homeowners.

# Problems with leaving the Ratecaps and Entering the Competitive Market

