

COMMISSION'S ROLE AS AN INDEPENDENT REGULATORY BODY

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Commission Autonomy

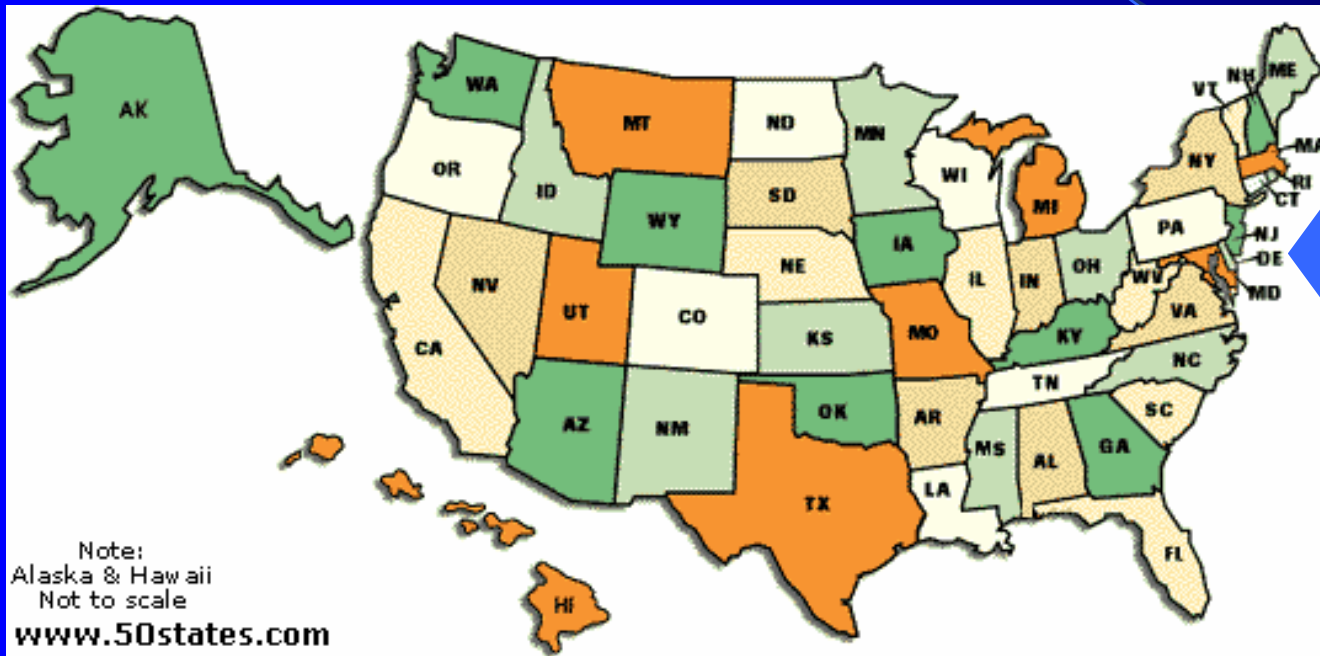
- Structured to be as free as possible from political, governmental and business interference
- Sufficient legislative authority
- Due process
- Ex parte and ethical considerations
- Public participation
- Sufficient funding

Commission Structure in Delaware

Five part-time Commissioners appointed by the Governor and confirmed by the Senate

- Serve five-year staggered terms
- No more than three Commissioners from one political party
- One Commissioner from each of three counties; one at-large; and one from the City of Wilmington

Map of Delaware



Oversight of the Commission

- Commission Chair is selected by and at the pleasure of the the Governor
- Commissioner may be removed for neglect of duty or misconduct in office
- Decisions may be appealed to state or federal court
- Legislature may change Commission's authority

Mission

“To regulate Delaware’s investor-owned utilities by assuring they will provide safe and reliable services to their customers in a timely manner, at reasonable rates”

Authority of the Commission

- State legislature delegates Commission's authority over investor-owned cable, electric, natural gas, wastewater, water, and telecommunications companies
- Broad ratemaking authority, *except where markets are becoming competitive*
- Assists in resolution of consumer complaints and disputes between utilities

Commission Authority (cont.)

- Monitors and enforces compliance with Commission rules
- Conducts investigations into utility practices
- Conducts rulemakings
- Ensures compliance with federal pipeline safety guidelines
- Resolves siting disputes between new automobile dealerships

Due Process

- Well-defined (court-like) process for all parties to present their positions
- Public evidentiary hearings
- Commission decisions may be appealed
- Benefits:
 - fair process
 - parties know their roles
 - limited opportunity for interference

Ex Parte and Ethical Considerations

- Defined rules
 - promote fairness and validate the process
 - protect Commissioners and Staff
- Ex parte rules define how and when interested parties may communicate with Commissioners and Staff during proceedings
- Ethical rules address the conduct of Commissioners and Staff (social interactions; gifts; stock ownership; quorums)

Public Participation

- Critical and essential element
- Supports transparency of the process
- Public comment sessions held to allow consumer input into decisions
- Interested parties may intervene in a proceeding
- Public Advocate represents residential and small commercial customers

Funding and Resources

- Unable to adequately balance interests if resources are insufficient
- Majority of funding is from utilities regulated by the Commission
 - personnel costs (including internal technical and legal staff)
 - outside consultants and lawyers
 - technology, supplies and office lease

Conclusion

- Structure that promotes substantial autonomy
- Commission should be delegated broad legislative powers to approve rates and ensure service quality
- Validation and acceptance of decisions
 - ensuring due process
 - public participation
 - an adequately funded regulatory body
 - appropriate ethical conduct of the regulators