



# NARUC

*Serving the consumer interest  
by seeking to improve the  
quality and effectiveness  
of public utility regulation  
in America.*

## *Consumer Protection and Empowerment*

Commissioner David Coen, Past President, NARUC;  
Commissioner, Vermont Public Service Board

**10<sup>th</sup> EU-US Energy Regulators Roundtable**  
**April 8-9, 2013**



# What is the Vermont PSB?

- **Established in 1855 as Vermont Railroad Commission**
- **Became Public Service Commission as expanded in 1900s to include utilities**
  - **Ensure rates, services provided by utilities are safe, reliable, and in the public interest**
  - **Included consumer advocacy function**
- **Early 80s—PSC split**
  - **Vermont Public Service Board—retains adjudicatory and regulatory responsibilities**
  - **Department of Public Service—distinct entity, represents consumers, public in PSB proceedings**
  - **Resolves ex-parte concerns**



# Relationship between Regulators & Consumer Advocates

- **Consumer advocate function sometimes performed by a separate agency, sometimes by State commission staff**
  - **Office of Consumer Advocate or Attorney General**
  - **Advocates intervene in regulatory proceedings**
  
- **NASUCA**
  - **National Association of State Utility Consumer Advocates**
  - **Members often attend NARUC meetings**



# Differences between Consumer Advocates & Regulators

- **Regulators: ensure fair, just, reasonable rates for reliable utility service**
- **Consumer Advocates: represent retail customers before regulatory proceedings, typically oppose rate increases, etc.**
- **Tension**
  - **Our job is to protect the public from unjust rates, but also give utilities the opportunity to earn a reasonable return on investment**
  - **Sometimes the public is served by a rate increase, even though consumers may not agree**



# Gaz Métro

- **Canadian utility acquired Central Vermont Public Service, June 2012**
  - **Gaz Métro already owned VT's second largest electric utility and our only gas distribution company**
- **Case received 6,000 public comments—out of 161,000 Central Vermont ratepayers!**
  - **Concerns expressed about financial impact on consumers, loss of local control**
- **AARP intervention**
  - **Conducted media, lobbying campaign criticizing aspects of merger**
  - **PSB unable to respond**



# New Conversation

- **Pressure on regulators growing**
  - **Aging infrastructure**
  - **New technologies—smart grid and electric vehicles**
  - **Environmental rules—EPA**
  - **Cyber security**
  
- **Consumers will be bearing a greater burden, but how to communicate?**
  - **Most regulators face ex-parte challenges**
  - **Like a court, PSB orders speak for themselves**
    - **No media campaign or PR effort to explain decisions**



# Consumer Education—Who is in Charge?

- **Smart Meters**
  - Vermont experience—opt-out fees
  - Who educates the consumer, utilities? Vendors?
  
- **Energy Efficiency**
  - Efficiency Vermont
    - Dedicated utility for efficiency, does own outreach
  
- **Retail Competition**
  - No national model
  - Some States use online services
    - Pennsylvania, Texas



# Conclusion

- **Strong record**
  - **100-plus years of utility regulation**
  
- **Ushered innovation**
  - **Renewable energy**
  - **Distributed generation**
  - **Decoupling**
  
- **Questions?**