

# Ethical Considerations

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# Utah PSC-What do we do?

- Regulate investor owned electric, natural gas and telecommunications companies
- Ensure safe, reliable, adequate and reasonably priced utility services
- Allow utility companies the opportunity to earn a reasonable return on investments
- Established 1917



# Utah Commissioners

- Appointed by Governor
- Confirmed by Senate
- 6-year staggered terms
- No more than two from same political party
- Removal for cause
- Governor selects the Chair



# The Importance of Appearance

- The regulatory process must be fair and impartial
- The regulatory process must appear fair and impartial
- The public and parties must have confidence in institutions
- Outcomes must be predictable



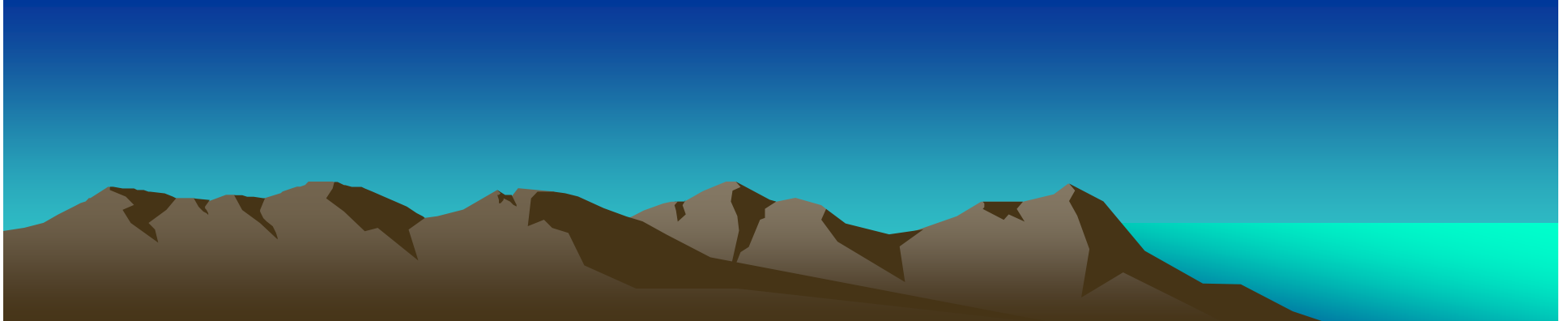
# Conflict of Interest

- Should not attempt to influence any decision or participate, even indirectly, in a decision that could result in direct financial gain to self, spouse, child or business
- Cannot participate if any relation is involved (including ex's)
- Cannot engage in business with the state
- Cannot hold financial interest in those you regulate (relatives as well)
- Cannot engage in outside employment inconsistent with performance of official duties



# Government Property and Procurement

- Cannot sell or rent property to state agency that employs you
- Bid process should be as independent as possible
- Bid process must be competitive



# Limits on Employment

- Prohibition on participating in cases you were involved in – “directly concerned or personally participated”
- After term ends, some reasonable time before you may appear before regulatory body – usually one year
- Upon leaving the Commission, some restriction on staff employment
- No outside work during work hours
- Conflict of interest rules should apply



# Use of Official Position

- May not use position to solicit employment for themselves or others
- Should not suggest, request or recommend directly or indirectly someone for employment at a utility or corporation you regulate





# Impartiality in Duties

- Conflict of Interest Rules Apply
- Procedure is important, must be lawful and fair
- Always err on the side of more process rather than less
- If a party wants a hearing, give it to them
- Unless clearly an attempt to derail the process



# Comportment of commissioners

- Treatment of attorneys
- Treatment of witnesses
- Treatment of litigants
- Treatment of court reporters
- Personal conduct



# Gifts and Travel

- Prohibition
- Accept and Disclose
- Prohibit from those you regulate
- Accept and disclose from non-regulated entities
- **\*\*Be Careful of Public Perception of taking**
- **gifts from Industry Groups**



# Ex Parte and Other Communications

- Avoid Ex Parte Contacts
- If inadvertent, disclose immediately
- Parties are responsible and consequences are theirs
- Report other contacts to maintain transparency
- Any substantive extra record contact



# Gifts and Travel

- Utilities cannot offer gifts or subsidized travel
- Trade Associations and other nonregulated parties can offer travel subsidies
- Any acceptance should be disclosed



# Public Perception of Process

For the public to have confidence in the process, they must believe and perceive the process as fair and transparent.



# Keys to Public Perception

- Adhering to statutes, rules and regulations
- Providing coherent consistent messages which educate the public
- **\*\*Constantly battle perception that Commissioners are “in the pocket” of utilities**



# Public Perception

- Written reports and orders that are clear and written in the least technical language possible
- Single message with allowable dissent
- Open Meetings and Records Policy
- Deal with press openly and honestly





# Open Meetings

- Most States have “Sunshine” Laws ( “Sunshine is the best disinfectant” – U.S. Supreme Court Justice Lewis Brandeis)
- Requires Notice of Meetings
- Usually 24 hours
- Requires public discussion from
- Regulatory Body
- If a quorum, must be open
- Allows private one on one discussion
- Requires open records



# Open Records

- Allows inspection of records (anything official)
- Records include electronic communications
- Allows copying of records at reasonable cost
- Actual cost
- Some records closed by statute
- Personally identifiable information
- Proprietary information
- Should have retention policy
- Some records preserved forever
- 7 years standard time



# Press Strategy

- Most reporters do not have a technical background
- Most reporters like easy stories
- You do not have to answer their questions (but there are consequences)
- You do not have to answer their questions right away
- Ask for the questions in advance
- Take time to think
- Cultivate relationships with reporters and editorial boards
- Give information on background
- Give heads-up on stories
- Meet when nothing is going on



# Things to avoid

- Gifts from regulated companies
- Gifts to commissioner family members
- Travel paid for by regulated companies
- Investments in regulated companies
- Seeking employment from regulated companies
- Socializing with managers of regulated companies
- Ex parte conversations
- Secret meetings



- Public Confidence is key to effective regulation. It avoids legislative and judicial interference and allows for positive outcomes.
- Regulators are responsible for public confidence.

