

PRESENTATION TO THE MOLDAVA ANRE ON

UTILITY CONSUMER ADVOCATES



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MISSOURI PUBLIC COUNSEL

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MISSOURI OPC HISTORY

- ❑ CREATED IN 1974

- GREW OUT OF DUTIES PREVIOUSLY COVERED BY THE PSC GENERAL COUNSEL

- ❑ IN 1923, LEGISLATURE ADDED TO RESPONSIBILITIES OF PSC GENERAL COUNSEL:

- “[I]T IS HEREBY EXPRESSLY MADE THE DUTY OF THE GENERAL COUNSEL TO REPRESENT THE PUBLIC IN ALL RATE HEARINGS BEFORE THE COMMISSION....”

MISSOURI OPC HISTORY, continued

- TRANSFER FROM PSC TO OPC WAS TO CREATE A MORE EFFECTIVE A CONSUMER ADVOCATE:
 - ▣ A CONSUMER ADVOCATE INDEPENDENT OF THE PSC
 - ▣ A CONSUMER ADVOCATE WITH NO ROLE AS THE PSC'S LAWYER
 - ▣ A CONSUMER ADVOCATE THAT COULD CHALLENGE PSC DECISIONS IN COURT

MISSOURI STATUTES ON OPC

386.700.

The public counsel shall be an attorney at law licensed to practice law in this state....

386.710. 1.

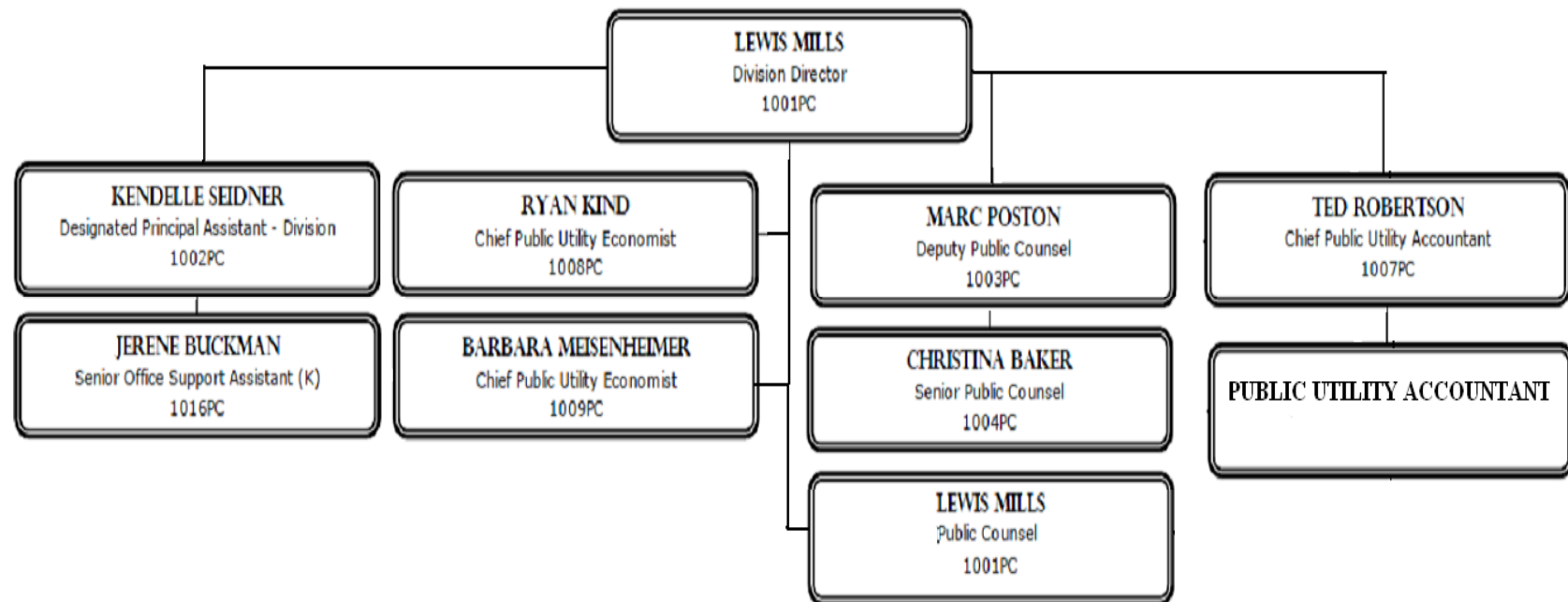
The public counsel shall have the following powers and duties: ... (2) He may represent and protect the interests of the public in any proceeding before or appeal from the public service commission; (3) He shall have discretion to represent or refrain from representing the public in any proceeding. He shall consider in exercising his discretion the importance and the extent of the public interest involved and whether that interest would be adequately represented without the action of his office. If the public counsel determines that there are conflicting public interests involved in a particular matter, he may choose to represent one such interest based upon the considerations of this section, to represent no interest in that matter....

MISSOURI STATUTES, continued

386.710, continued

2. The public counsel shall be served with all proposed tariffs, initial pleadings, and applications, in all proceedings before the public service commission, and shall be served with a copy of all orders of the commission.
3. Nothing in sections 386.071, 386.150, 386.155, 386.170, 386.200, 386.330, 386.360, 386.390, 386.400, 386.410, 386.420, 386.440, 386.450, 386.480, 386.500, 386.530, 386.540, 386.600, 386.700 and 386.710, shall be construed or interpreted to mean that the public counsel shall not have the right to appeal any and all orders of the public service commission to the courts which right of appeal exists and has existed since the time of transfer as provided in section 386.500.
4. He shall have all powers necessary or proper to carry out the duties specified in this section.

ORGANIZATIONAL CHART OF THE MISSOURI OPC



NOTES ON MISSOURI OPC ORGANIZATION

■ THREE ATTORNEYS, THREE UTILITY SECTORS

- Each attorney has primary responsibility for a utility area
- Utility areas are not exclusive; cases and parts of cases are shared depending on workload
- Attorney responsibilities

NOTES ON MISSOURI OPC ORGANIZATION

□ ECONOMISTS

- Economist responsibilities

□ UTILITY ACCOUNTANTS

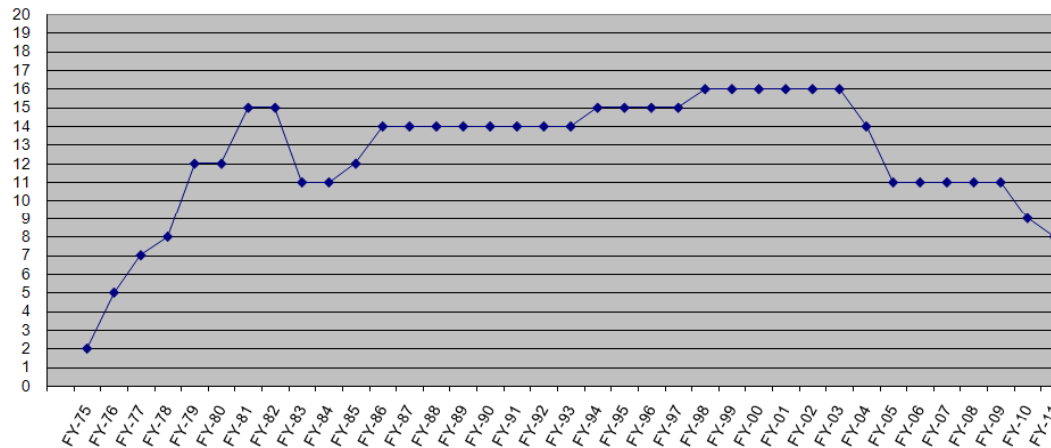
- Accountant responsibilities
- Financial Analyst

□ ENGINEER(S)

FUNDING

- ▣ GENERAL REVENUE FUNDS
 - MAIN POOL OF STATE FUNDS
 - ▣ PRIMARILY DERIVED FROM TAX DOLLARS
 - HAS BEEN UNSATISFACTORY

Public Counsel's Appropriated FTEs



PROPOSED CHANGE IN FUNDING SOURCE

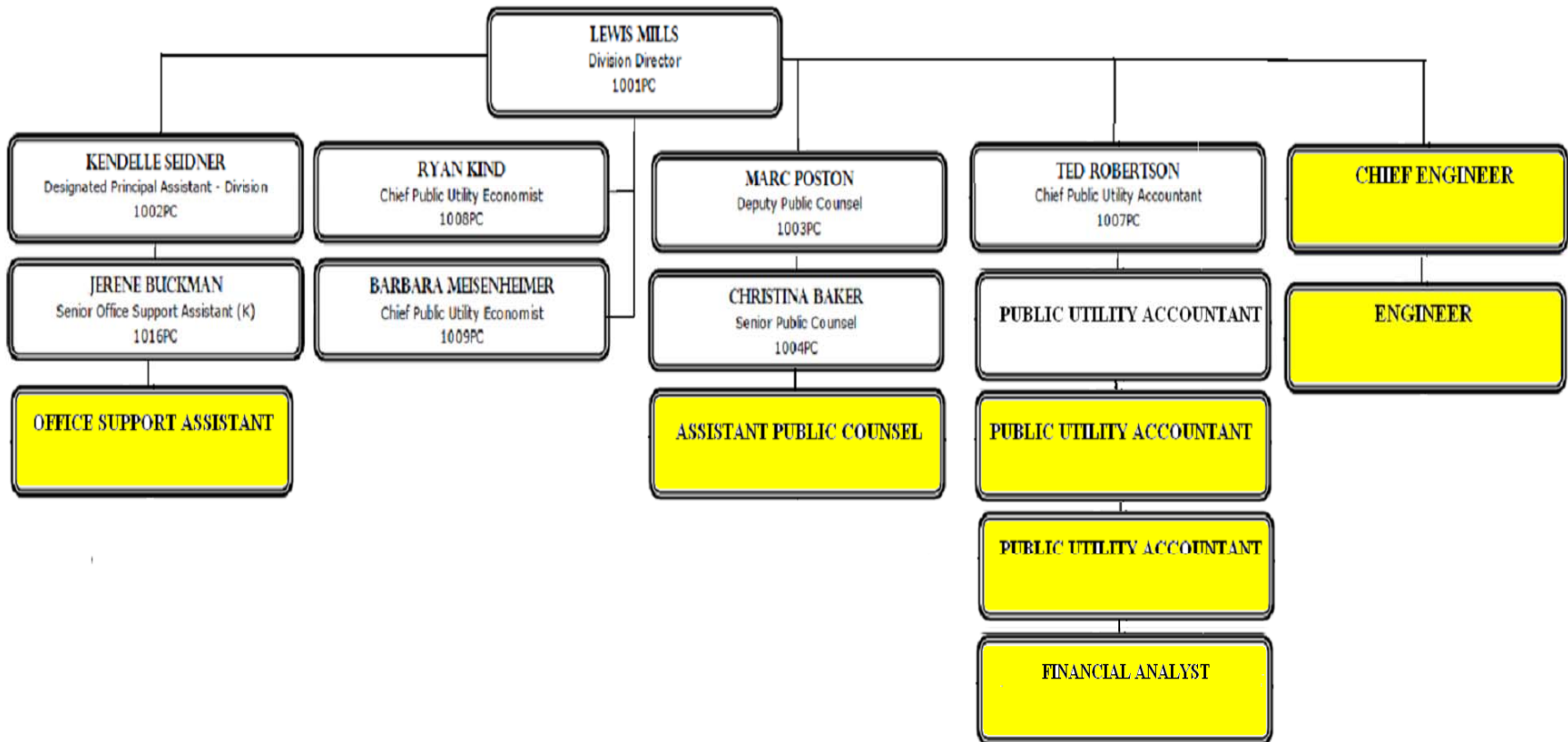
▣ PROPOSED LEGISLATION

- FUNDS WOULD COME FROM ASSESSMENTS ON UTILITIES RATHER THAN GENERAL REVENUE.

- ▣ ASSESSMENT ON EACH UTILITY SECTOR (WATER AND SEWER, ELECTRIC, TELEPHONE, NATURAL GAS) IN PROPORTION TO AMOUNT OF TIME SPENT ON THAT SECTOR

- ASSESSMENT ON EACH UTILITY WITHIN A SECTOR IN PROPORTION TO THAT UTILITY'S REVENUE COMPARED TO THE OVERALL REVENUE OF THE SECTOR

OPC ORG CHART WITH ADDED STAFF



REPORTING RESPONSIBILITY

- ❑ THE PUBLIC COUNSEL REPORTS TO THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT (DED)
- ❑ THE DIRECTOR OF DED REPORTS DIRECTLY TO THE GOVERNOR
- ❑ NO ADVISORY BOARD
- ❑ LITTLE INPUT/INTERFERENCE FROM DED
 - ADMINISTRATIVE SUPPORT
 - ❑ HUMAN RESOURCES
 - ❑ BUDGET
 - ❑ INFORMATION SERVICES
 - ❑ PURCHASING

OTHER CONSUMER ADVOCATE OFFICES

- ▣ MANY SIMILAR OFFICES WERE ESTABLISHED AT APPROXIMATELY THE SAME TIME AS MISSOURI'S OPC
 - NOW 44 STATE AGENCIES WITH SIMILAR ROLES
 - ▣ ROLES ARE SIMILAR, BUT MANY DIFFERENCES

OTHER CONSUMER ADVOCATE OFFICES, continued

□ COMMON FEATURES

- Independent offices
- Designated by statute
- Authority to appeal commission decisions
 - These attributes distinguish consumer advocates from private grassroots organizations and from consumer affairs divisions within state PUCs.
 - These three features are required qualifications for membership in the National Association of State Utility Consumer Advocates (NASUCA).
- Most focus on residential consumers

OTHER CONSUMER ADVOCATE OFFICES, continued

- DIFFERENCES AMONG CONSUMER ADVOCATE OFFICES
 - FUNDING SOURCE
 - APPROPRIATIONS: 54%
 - ASSESSMENTS: 39%
 - MEMBER CONTRIBUTIONS: 7%
 - FUNDING AMOUNTS
 - LARGE RANGE: US\$188,000 TO OVER US\$13,000,000
 - AVERAGE ANNUAL FUNDING IS APPROXIMATELY US\$2,000,000

OTHER CONSUMER ADVOCATE OFFICES, continued

- DIFFERENCES AMONG CONSUMER
ADVOCATE OFFICES, continued
 - STAFFING
 - LARGE RANGE: FROM 3 TO 165 EMPLOYEES
 - AVERAGE IS ABOUT 18
 - 22 ADVOCATE OFFICES HAVE FEWER THAN 10
 - 13 ADVOCATE OFFICES HAVE FROM 10 TO 25
 - 6 ADVOCATE OFFICES HAVE MORE THAN 25

CONSUMER ADVOCATE OFFICES, continued

- ❑ DIFFERENCES AMONG CONSUMER ADVOCATE OFFICES, continued
 - POSITION WITHIN STATE GOVERNMENT VARIES
 - ❑ 27 states have a stand-alone consumer advocate
 - 2 of these have the consumer advocate in the legislative branch
 - 1 has it within the governor's office
 - The rest are primarily within the executive branch, frequently close (in an organizational sense) to the PSC
 - ❑ 15 state have a consumer advocate as a division within the Attorney General's office

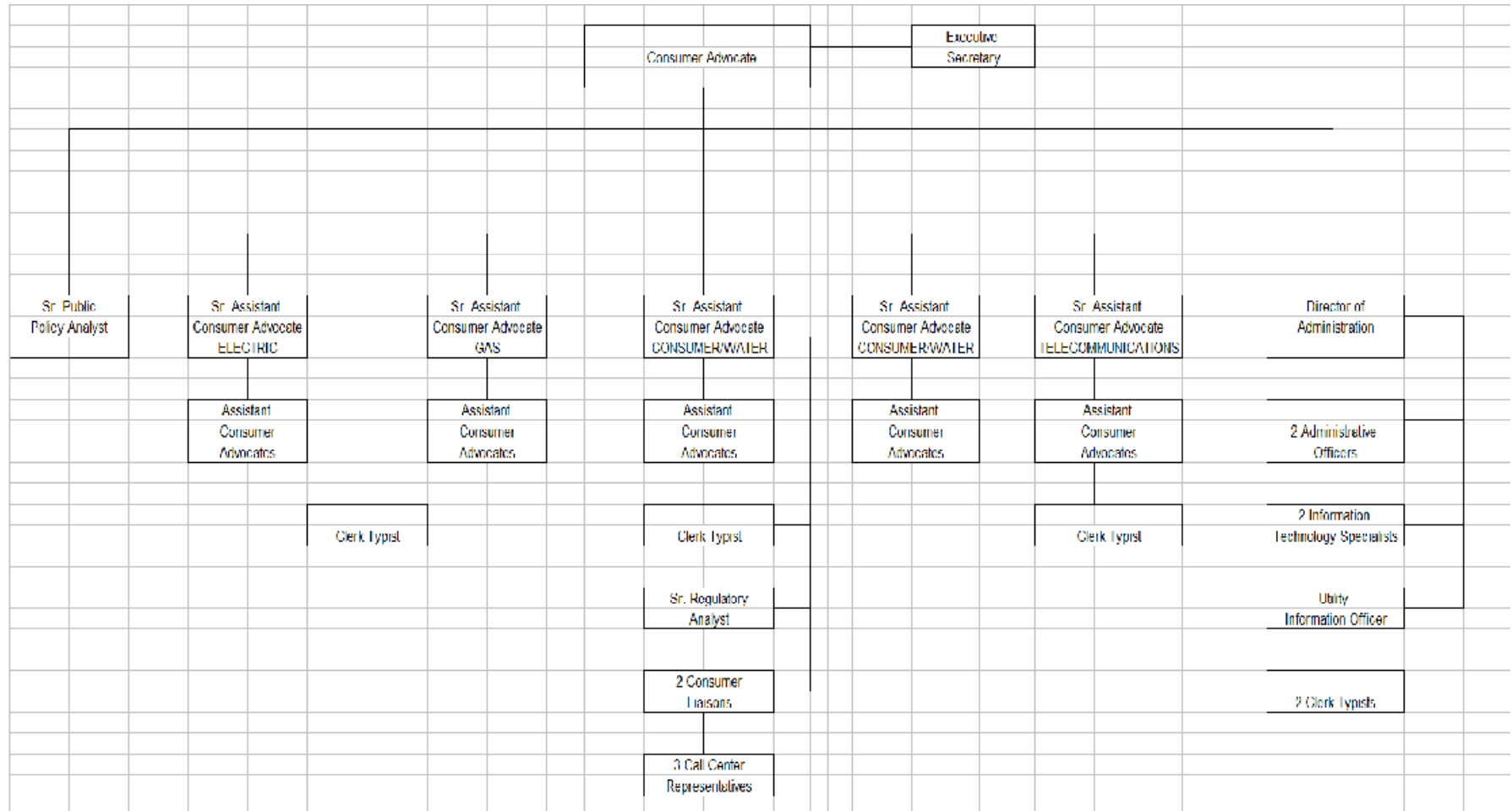
OTHER CONSUMER ADVOCATE OFFICES, continued

□ DIFFERENCES AMONG CONSUMER ADVOCATE OFFICES, continued

■ POSITION WITHIN STATE GOVERNMENT VARIES, continued

- 3 states have Citizen's Utility Boards (CUBs)
 - Members fund the office through voluntary contributions
 - Members vote for a board that oversees the advocate's activities
 - Two CUBs (Oregon and Wisconsin) are the smallest advocate's offices with only three employees each
 - The other (Illinois) is average both in employees and funding

ORGANIZATIONAL CHART OF PENNSYLVANIA ADVOCATE



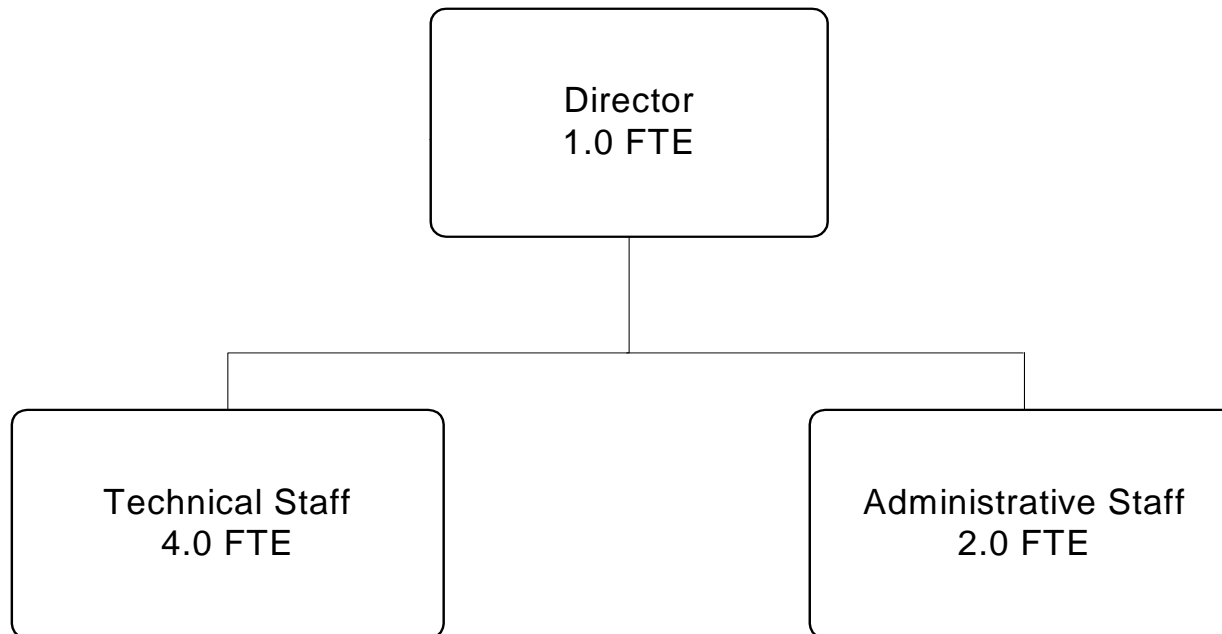
NOTES ON PENNSYLVANIA ORGANIZATION

- ❑ Authorized compliment of 37 FTE.
 - Pennsylvania is one of the larger offices.
- ❑ Attorneys are divided into 4 teams
 - Electric
 - Gas
 - Consumer/Water
 - Telecommunications
- ❑ Very similar to the Missouri arrangement, but on a larger scale.
- ❑ Each team has a Senior Assistant Consumer Advocate as the Attorney in Charge.

NOTES ON PENNSYLVANIA ORGANIZATION, continued

- ▣ 10 Assistant Consumer Advocates that work on cases across all four teams.
- ▣ Three Call Center Representatives
- ▣ Two Consumer Liaisons

ORGANIZATIONAL CHART OF COLORADO ADVOCATE



NOTES ON COLORADO ORGANIZATION

- ❑ Seven employees (one of the smaller offices)
- ❑ Technical staff
 - Rate/Financial Analysts.
- ❑ Administrative staff
 - Budget Analyst/operations manager
 - Administrative Assistant
- ❑ No Attorneys
 - Most utility consumer advocate offices are headed by attorneys, and have several more on staff.
 - ❑ Missouri is typical in this regard.

CONCLUSION

- ▣ SUMMARY
- ▣ QUESTIONS?

CONTACT INFORMATION

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