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Association of  
Regulatory  
Utility  
Commissioners

# Overview of New York State Public Service Commission

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Director, Office of Electric, Gas and Water

New York State Public Service Commission

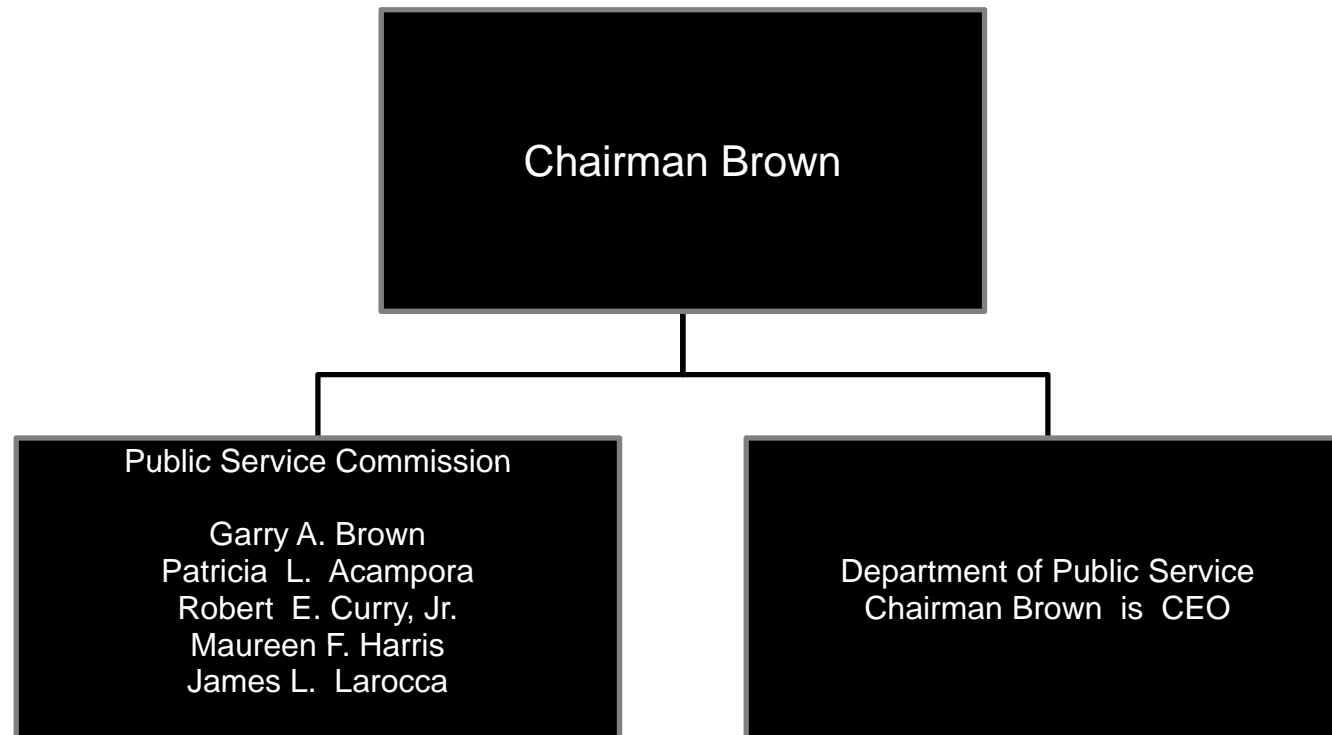
May 23, 2011



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# The Public Service Commission

- New York State Public Service Law Establishes Basic Requirements
  - PSC Responsibility: Assuring Safe and Reliable Service at a Reasonable Rate
- Commissioners are Appointed by Governor
- Commissioners must be Confirmed by Senate
- Commissioners serve 6 year terms
- Bipartisan by Law
- Commission may be expanded to 7 members



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# Decisional Process

- Commission meets at Public Session at least once per month
- All Commission decisions are made at the Sessions
- Public Notice of Commission Vote on a specific item must have been published by New York State for at least 45 days prior to the vote
  - Any party may submit comments for the Commission to consider during that period of time.
  - Certain types of proceedings (rate cases) have their own specific rules for comments.
  - Other Proceedings have rules for comments determined by an Administrative Law Judge.
- Majority Vote (3 or more) required to make a decision
- Executive session to protect confidential information is available but avoided if possible



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# Department of Public Service (DPS)

- Report to Chairman Brown: The 520 member DPS is the resource that the Chairman has available to address all important regulatory issues.
- DPS makes recommendations to Commission on all regulatory matters
- DPS participates in proceeding that have public hearings and oral testimony
- DPS also address questions from other Commissioners



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# 12 Offices Within DPS

- Executive Office: Executive Deputy and Two Managing Directors
  - Executive Deputy
    - Office of Administration
    - Office of General Counsel
    - Office of Hearings and Alternative Dispute Resolution
  - Managing Director
    - Office of Industry and Government Relations
    - Office of Consumer Policy
    - Office of Consumer Services
    - Office of telecommunications
  - Managing Director
    - Office of Accounting & Finance
    - Electric, Gas and Water
    - Energy Efficiency and the Environment
    - Regulatory Economics



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# Types of Utilities We Regulate

- Combination Electric and Gas Utilities: 6
- Gas Utilities: 5
- Municipal Electric Utilities: 30+
- Water Utilities: 6 Majors and 300+ Small
- Telephone Utilities: 40
- Total Revenues of about \$40 billion.



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# Structure of Electric Market

- Full Regulation of Transmission and Distribution Utilities
- Utility Generating Plants Sold in late 1990s
- Generating Plants Sell Output in a competitive wholesale market administered by the New York State Independent System Operator
- A lower amount of regulation for most competitive generating plants





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# Telephone Utilities

- Pricing Flexibility: Level of Competition is High
  - Wireless
  - Cable Television
  - VOIP
  - Fiber Optic
- Much Less Regulation for Industry than Electric, Gas, and Water



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## DPS Roles

- Total Staff of 520
- Senior Staff/Advisory Staff
  - Management/Supervisory Responsibility
  - Technical Expertise
  - Advisory Role
- Trial Staff
  - Evidentiary Proceedings
  - Session Items
  - Other Proceedings and Special Projects
  - Interaction with Outside Entities



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# Evidentiary Proceedings

- Process Under Which Commission Formally Considers Written Arguments on Pending Matters
  - Hearings with Expert Testimony is possible
  - Open Process for any interested party to participate
- Evidentiary Proceeding Required in Most Rate Cases Preferred Approach to Other Important Matters
  - Energy Efficiency
  - Renewable Resources
  - Safety and Health Issue
  - Electric Reliability Incidents
  - Large Mergers and Acquisitions
- Senior Staff Presents Recommendations to Commission on these types of Matters
- A Written Order fully explaining the basis for the Commission's decision concludes the Case
  - Parties have the ability to ask for reconsideration of the decision
  - Parties have the ability to seek court reconsideration of the decision



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## Session Items

- Trial Staff will prepare and Senior Staff will approve recommendations to the Commission regarding routine matters required by the Public Service Law
  - Appropriate Tariffs
  - Financings
  - Consumer Complaints
  - Transfers of Ownership
  - Contractor Penalties
  - Many other routine items



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# Interactions With Outside Entities

- National Association of Regulatory Utility Commissioners
- Regional Transmission Planning
- Regional Greenhouse Gas Initiative
- New York State Independent System Operator
- Federal Government
  - Federal Energy Regulatory Commission
  - Nuclear Regulatory Commission
  - Federal Communication Commission
  - Department of Justice
- State Government
  - NYS Energy Research and Development Authority
  - Department of Environmental Conservation
  - Governors' Office
  - NYS Legislature



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# Internal Process Prior To Session

- Agenda of potential Session Items provided to Commissioners about 3.5 weeks before the Session
- All documents with analyses and recommendations provided to Commission about 2 weeks before Session
- Commissioner Briefings (no more than 2 may be present for a briefing) on all Session Items 3-7 days before Session
  - Special briefings on particular cases may also be established.