

Political Relations & Relations with other States



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Sofia, Bulgaria

I. Why Have a Public Relations / Political Relations Strategy?



- To provide accurate, helpful and timely information regarding commission's activities.
- To provide a portal out for information and a portal in for information that the commission can monitor.

II. Public Relations to Whom?

A. The Mass Media

- Press
- Other Publications
- Radio
- TV
- Other



II. Public Relations to Whom?



B. The Government (The Ministry)

- Primarily through the Chairman

C. The Legislature (Parliament)

- Use of the Legislative Liaison Office
- Involvement of the Chairman and other commissioners

II. Public Relations to Whom?

D. Citizens

- Citizen groups.
- Education campaigns for the citizens in general.
- Feedback from citizens to the commission.



III. Who Gets Involved?

- Public Information Office to and from the mass media.
- Customer Relations Divisions: regarding incoming information requests from public and citizen groups.
- The role of the Legislative Liaison Office.
- The Commissioners with citizen groups and the Parliament.
- The Chairman with all of the above as needed, and almost with the ministry and the government.

How?

- Press releases
- Editorial board meetings
- Information campaigns
- Public meetings
- Briefings with special groups:
 - Parliamentarians / Executive Branch Members (The ministry)
 - Civic leaders



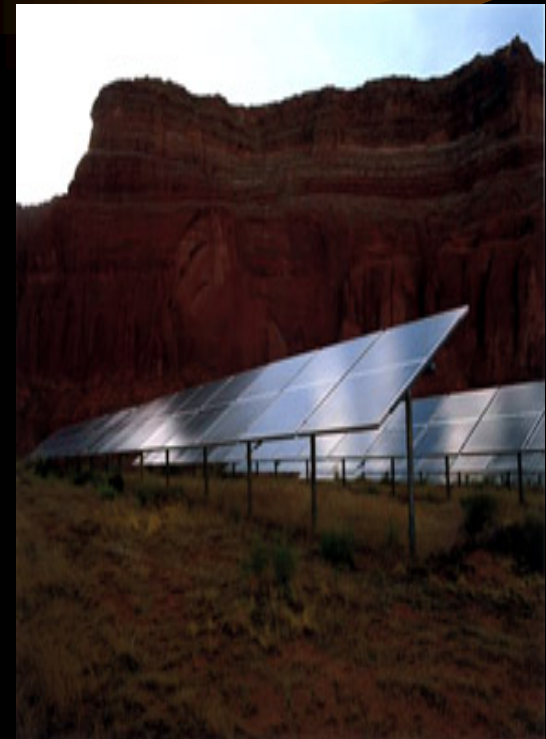
Conclusions



1. An effective public relations procedure helps to educate all stakeholders (the commission, the government, the industry, the ratepayers) as to what is occurring in the utility sector.
2. It assists the commission in promulgating timely, accurate and well-formulated information about the commission's actions and activities.

Conclusions

3. It keeps other governmental actors informed and in the loop (few if any surprises!)
4. It avoids the negative by-products of lack of positive information, leaks, suspicion regarding future action, lack of involvement, etc.



Examples of Public Relations Activities in New Jersey



- New Jersey Choice Program / The Universal Service Fund Program
- Division of Customer Relations
- The Legislative Liaison Office
- Interaction with other (Regional) governmental entities

New Jersey Energy Choice

- New Jersey's energy restructuring law enacted on February 9, 1999.
- Consumers for the first time have the ability to choose an electric or natural gas supplier.
- An ongoing comprehensive consumer education campaign was designed to allay fears and promote the benefits of the new marketplace.
- This consumer education campaign was named New Jersey Energy Choice.
- The budget established for Energy Choice was \$45 Million for the 3 years (not all expended).

Overcoming Anxiety Over Change



- Educating consumers was an important component for the success of energy competition.
- The consumer education campaign attempted to:
 - Teach people how to shop and how to take full advantage of this new marketplace.
 - Prepare people for third party marketing messages.
 - Assure people that reliability would not change if they selected a new supplier.

Ensuring Objectivity is the Key



BPU

- Oversees entire energy restructuring program to ensure that the provisions of EDECA are met.
- Closely monitored the Utility Education Committee and the consumer education program, and determined the success of the program by measuring the level of public awareness.

Objectivity Cont'd

- BPU Consultant
 - Selected to assist in assessing the progress and effectiveness of the consumer education campaign.
- Utility Education Committee (UEC)
 - Charged with the mission to conduct a comprehensive and unbiased consumer education campaign, which it has labeled New Jersey Energy Choice.

Objectives of Program



- Promote competition and educate consumers about the restructuring of electric and natural gas markets.
- Maintain a positive perception about the concept of energy choice.

Obstacles We Have Overcome



- Lack of compelling subject matter.
- Guaranteed savings reduce motivation to shop.
- Utilities and state organizations are targets for media and critics.
- Adapting the message to keep with the pace of the rollout of deregulation.

Universal Service Fund (USF) – Overview



- USF began in 2003 to help make bills affordable for low-income customers.
- Customers can participate in USF if they are low-income and if they are paying more than 6% of their income on electric and gas service.
- USF provides a credit on their bill that will bring their energy burden down to 6% of their income.
- USF is funded by ratepayers. This year, USF will provide roughly \$70 million in benefits.

Universal Service Fund (USF) – Outreach and Enrollment

- USF enrollment is taking place in two phases: 1) Automatic Enrollment and 2) Direct Enrollment.
- 1) Automatic Enrollment
 - The State of New Jersey has two other low-income energy programs, one for seniors (called Lifeline) and the other a federally-funded heating assistance program (called LIHEAP)
 - The State screened its databases of customers who were already enrolled in Lifeline or LIHEAP
 - Anyone from these databases that was found eligible was automatically enrolled in USF and began receiving credits on their bills in October 2003.

Universal Service Fund (USF) – Outreach and Enrollment



- 2) Direct Enrollment
 - The State began with automatic enrollment to get as many customers into USF while the direct enrollment system was being completed.
 - The direct enrollment system will allow customers to fill out a single application and be processed for both USF and LIHEAP eligibility at the same time.
 - Direct enrollment is scheduled to begin in November 2004.

Universal Service Fund (USF) – Outreach and Enrollment



- The BPU will work with other state agencies to promote direct application to USF.
- The BPU recently completed a USF/LIHEAP brochure that will be distributed with the USF/LIHEAP application:
 - We will mail the application to any low-income customers whose address the state has on file.
 - Local social service agencies will distribute the application in their offices and at community gatherings.
 - Utilities will distribute applications to customers they think might be eligible.

Division of Customer Assistance



- The Division of Customer Assistance provides the most visible direct communications link between the BPU and the customers of the utilities it regulates as well as licensed third party energy suppliers and resellers of telephone service.
- The Division assists customers in resolving service and billing problems.
- The Division also participates in investigations and research activities related to emergencies.

Division of Customer Assistance



- In addition to maintaining local (973-648-2350) and toll free (800-624-0241) telephone numbers, the Division maintains an Electronic Data Interchange System, which enables major utilities to receive complaints instantaneously over high-speed data lines.
- Processing time is thus reduced and responses are provided faster.

Division of Customer Assistance

- The Division has seen an increase of 27% in the number of customers assisted since 1996.
- For comparison, the Division assisted customers with 10,548 verbal and 3,265 written complaints in the year 1996.
- In the year 2003, the Division assisted customers with 17,984 verbal and 3,294 written complaints.
- In addition, the Division received 3,654 emails from customers requesting assistance or general information.
- The Division received 106,053 telephone inquiries in the year 2003.

The Legislative Liaison



- The day-to-day interaction between the BPU and the legislature is overseen by the BPU's Legislative Liaison.
- The Legislative Liaison is the primary contact point between the Board and the Legislature.
- However, individual commissioners and legislators do have contact from time to time.

The Role of the Legislative Liaison

- The function of the Legislative Liaison is similar to that of a lobbyist or a government relations specialist.
- As bills are introduced, the Legislative Liaison quickly reviews them to determine if they pertain to the BPU or the utilities BPU regulates.
- If the BPU has an interest in the bill, it is sent to the appropriate department within the Board for review and comments.
- Once the comments are returned to the Legislative Liaison, the President of the Board and senior staff first review the recommendations of the departmental staff.

Coordinating with the Governor's Office

- After a recommendation is determined at the Board, the Legislative Liaison shares the recommendation with the Governor's office, to ensure that it does not conflict with policy set forth by the Governor.
- Once the Governor's office is made aware of the Board's recommendations, the Legislative Liaison next communicates with the bill's sponsors. This is especially true in instances where the legislation may have a negative consequence for the Board, utilities, or consumers.



Legislative Areas of Interest to the BPU

- BPU is primarily concerned with legislation relating to public utilities.
- When a bill is introduced in one of the two legislative houses, it is assigned to a committee.
- Most bills that affect utilities are referred to:
 - The Assembly Telecommunications and Utilities Committee; and
 - The Senate Commerce and Economic Growth Committee

Relations with other States:

New Jersey Regulatory Participation:

- New Jersey participates in the following regional and national organization comprised of regulators across the country:
 - National Association of Regulatory Utility Commissioners (NARUC); and
 - The Mid-Atlantic Conference Regulatory Utility Commissioners (MACRUC).
 - The Pennsylvania Jersey Maryland Interconnect (PJM)

New Jersey's Role in NARUC



- The National Association of Regulatory Utility Commissioners (NARUC) is a non-profit organization founded in 1889. Its members include the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands.
- NARUC's member agencies regulate the activities of telecommunications, energy, and water utilities. Some member agencies regulate additional utilities such as Television and transportation.

New Jersey's Role in NARUC Cont'd

- NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation. Under State law, NARUC's members have the obligation to ensure the establishment and maintenance of utility services as may be required by the public convenience and necessity, and to ensure that such services are provided at rates and conditions that are just, reasonable and nondiscriminatory for all.
- Member states derive value from NARUC by sharing best practices, practical experiences, & by jointly lobbying Congress, the President, and various Federal Agencies

New Jersey Role in MACRUC

- The purpose of MACRUC shall be to promote the region-wide advancement of public utility regulation and the related regulatory, legislative, and policy interests of MACRUC membership, consistent with MACRUC member state public utility commissions, through:
 - Study, discussion, and advancement of issues in public utility regulation that affect consumers, regulatory commissions, other state and federal agencies, and the electric, telecommunications, natural gas and other industries as regulated by member states;

New Jersey Role in MACRUC Cont'd



- Promotion of the uniformity of regulations, and competitive regulatory initiatives through the coordinated efforts of MACRUC, and other regional state public utility commissions, federal commissions and departments, and trade associations that support the goals and programs that are consistent with the purposes of MACRUC;
- Enhancement of the public interest to ensure that consumers benefit from competition, and remain protected from market power abuses; and
- Exchange of information regarding the regulatory, policy, and administrative issues between MACRUC, and other regional state public utility commissions, and between MACRUC and federal regulatory commissions and departments that are represented in NARUC.

New Jersey's Relationship with PJM: The Regional Power Pool

- PJM (The Pennsylvania, Jersey, Maryland Interconnection) is the regional Independent System Operator (ISO) and runs the regional power pool. In addition to three states mentioned in its title, eleven states from Virginia to Illinois are all or in part with PJM's jurisdiction.
- In 1998, the original 5 PJM State PUCs signed an Memorandum of Understanding (MOU) with the PJM Board of Managers.
- The MOU, established a formal mechanism that allows the PJM State PUCs to have the ability to provide input to, and to have discussions with, the PJM Board of Managers on issues central to the State's current and future responsibilities regarding the electric power industry.
- These issues include reliability, market monitoring, siting and transmission planning, and the development of a competitive market.

The Current MOU Includes Provisions

That:

- Establish a State PUC Liaison Committee, comprised of PUC Commissioners to interact with the PJM Board of Managers;
- Establish that Staff of the State PUCs will meet with PJM Staff on a more frequent basis to discuss issues;
- Envisions that the Liaison Committee will monitor PJM events and proposals related to the operations and functions of PJM;
- Require the PJM Board of Managers to meet with the State Liaison Committee not less than once per year, or as needed;

Additional Role of State PUC:



- Staff of the PJM State PUCs frequently participate in the various PJM committees and working groups, as non-voting participants.
 - This allows PUC staff to be involved in the formation of policies and the resolution of issues by market participants; and
 - Allows PUC Staff to get a better understanding of all the various market participants positions;
- Market participants and the ISO staff often encourage State PUC participation, in order to help develop policies that are consistent with State retail access programs and reliability concerns.

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