

Consumer Protection & Customer Service Rules



NARUC Energy Regulatory Partnership Program

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and*

The Vermont Public Service Board

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Overview of Presentation

- ❖ Utility rights and obligations
- ❖ Goals of consumer protection
- ❖ Specific consumer protection requirements
- ❖ Rate schedules/tariffs
- ❖ Enforcement



Utility Rights and Obligations – Social Contract

- ❖ Contract arose around 1900s
- ❖ Recognition that legitimate monopolies existed in some areas
- ❖ Obligation to serve customers
- ❖ Utility receives franchise (historically exclusive)
- ❖ Utilities agreed to having rates set by commissions



Goals of Consumer Protection

- ❖ Maximum connectivity to network
- ❖ Define fair dealing for consumers
- ❖ Ensure adequate notice to consumers
 - Primarily rate changes and significant events
- ❖ Recognition that market alone insufficient to protect consumers



Specific Consumer Protection Requirements

- ❖ Vermont has fairly limited set of rules
 - More extensive standard in telecommunications (due to competition and complexity)
- ❖ Deposit/disconnection
 - Both are designed to minimize barriers to connection to essential services
- ❖ Other consumer protections are embodied in tariff
- ❖ DPS Consumer Affairs and Public Information Division available for customer complaints
- ❖ Board available for enforcement, resolution of complaints, setting policy



Deposit/Disconnection Requirements

- ❖ Deposits – purpose of rule is to define when deposits are permissible
 - Limited to situations where customer cannot show creditworthiness or where customer has been disconnected previously
 - Defines what showing of creditworthiness is needed
- ❖ Disconnection
 - Only permitted for non-payment of bill.
 - Detailed process for disconnection following delinquency
 - Full notice to affected consumer
 - Consumer has right to enter into repayment plan to avoid disconnection



Customer Notice

- ❖ Specific customer notice required by Board for significant actions affecting consumer
 - Rate adjustments
 - Expanded to include notice of integrated resource plans
 - Disconnections
 - Lifeline (telecommunications)
- ❖ Notice has generally taken form of bill inserts
- ❖ Recently, companies have begun to use web sites as well



Rate Schedules/Tariffs

- ❖ For electric and gas utilities, tariffs set out rules and regulations by which utility provides service
 - No specific service agreements
 - Rates
 - Terms and conditions of service
 - Includes deposit/disconnection, which track board rules
- ❖ Utilities must operate in accordance with tariff
- ❖ Provides certainty for utility and customers



Special Contracts

- ❖ Vermont law specifies that utilities must charge tariffed rate unless board approves other rate
- ❖ Special contracts are used by utilities to allow different rates for individual customers
 - Board has limited special contracts to situations in which costs justify different rate or broader public benefit
 - ◆ Load shifting agreements (ski areas)
 - ◆ Economic development – reduced rate justified by specified increase in employment



DPS Consumer Affairs and Public Information Division

- ❖ Free hotline for dealing with customer complaints
- ❖ Provides mechanism for consumers when working with utility are unsuccessful
- ❖ Consumers can then seek relief from board



Enforcement

- ❖ Enforcement authority rests with the Board
 - Can impose penalties or require specific actions
 - Board also can adjust utility return on equity
- ❖ Most disputes on consumer protection issues handled without litigation