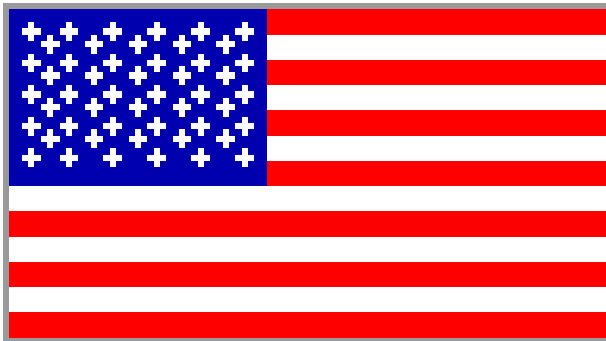
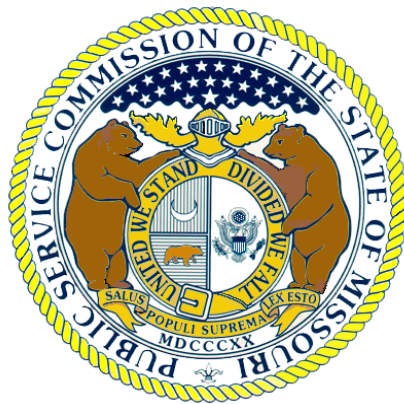


**Rwanda Utilities Regulatory Agency (RURA), National
Association of Regulatory Utility Commissions (NARUC)
and Missouri Public Service Commission (MPSC)
Regulatory Partnership Program**



Sponsored by US Agency for International Development (USAID)

Role of the Regulator

(Authority, Functions, Accountability, Autonomy,
and Legal Framework)

Tuesday, October 26, 2004
9:30 am

John Van Eschen

“Role of the Regulator”

- Authority
- Functions
- Accountability
- Autonomy
- Legal framework

Authority

- Investigate
- Establish rules
- Determine financial issues relevant to the company
- Arbitrate disputes

Authority to Investigate

- Can investigate on a company-specific basis:
 - The general condition of a company's facilities.
 - The company's financial books, contracts.
 - Can order repairs or changes, as needed.
- Can investigate issues relevant to industry:

Authority to Establish Rules

- Rules represent requirements the regulated utility must comply with.
- Rules can establish requirements for such things as:
 - rendering service,
 - disconnecting service,
 - Billing

Authority to Determine Financial Issues Relevant to the Company

- Authorize certificates to provide service.
- Address requests to transfer property.
- Determine reasonableness of a company's earnings.
- Determine company's rates.
- Authorize abandonment of service.

Authority to Arbitrate Disputes

- Resolve disputes between consumer and company.
- Resolve disputes between two regulated companies.

Functions

- The regulator may have many functions or roles.
 - See statutes.
 - See regulator's mission statement.



Welcome to the Missouri Public Service Commission...

Safe, reliable and reasonably priced utility services that allow investors the opportunity for a fair return.

Mission Statement

We will:

- ensure that Missourians receive safe and reliable utility services at just, reasonable and affordable rates;
- support economic development through either traditional rate of return regulation or competition, as required by law;
- establish standards so that competition will maintain or improve the quality of services provided to Missourians;
- provide the public the information they need to make educated utility choices;
- provide an efficient regulatory process that is responsive to all parties, and perform our duties ethically and professionally.

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Accountability

- The Regulator is accountable to:
 - The public.
 - The courts.
 - Legislature

Accountable to the Public

- Regulator's activities & decisions must be accessible to the public.
 - “Sunshine Law”
 - Public can access Regulator's decisions.
- Prohibit *Exparte* (communication between an interested party and regulator without presence or input of other interested parties).
- Can appeal to the courts.

Accountable to the Courts

- Courts get involved only if the regulator's decision is appealed to them.
- A court of law may determine if the regulator has acted within its authority.
- A court of law may stop a regulator's decision from going into effect.

Accountable to the Legislature

- Regulator is expected to promote and enforce the policies established by the legislature. Legislature may require certain reports from the regulator.
- Potential Action Available to the Legislature:
 - may change the regulator's power and jurisdiction.
 - may remove a regulator for inefficiency, neglect of duty or misconduct.
 - controls the regulator's budget.
 - Stop a rule from going into effect.

Autonomy

- Regulators are generally independent.
- A regulator should avoid conflicts of interest where the regulator may personally benefit from making a certain decision.

Legal Framework

- Law may address such things as:
 - Appointing/removing regulators. Tenure.
 - Location, hours of regulator's office.
 - Powers of the regulator.
 - Jurisdiction of the regulator.
 - How the service/industry should be regulated.
 - Duties of the regulator.
 - Funding the regulator.

Questions?

