



# **Cooperative Regulatory Monitoring**

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## Voluntary compliance is primary goal







#### **Framework**

- Reminder that utilities and regulators have the same goal: to ensure safe and reliable utility service
- Set clear objectives
- Work with utilities to achieve compliance when possible
- Ensure that costs of compliance are not greater than costs of litigation





#### Why seek cooperation? We're The Law!







### **Benefits of cooperation**

- Usually quicker results
- Reduced costs of enforcement to regulators and compliance to utilities
- Ability to achieve more specific results





# **Example-Collecting Data Regarding Potential Reportable Incident**

Cooperative Approach:







## **Cooperative Approach**

- Meet with utility personnel on the scene
- Participate in utility's investigation
- Quick exchange of information





### **Cooperative Approach (cont.)**

- Attend and participate in any testing, particularly destructive testing
- Consult in establishment of protocols for testing
- Settle matters through agreements tailored to meet objectives of the parties, such as specific remedial measures





# **Confrontational Approach**







### **Confrontational Approach**

- Utility restricts access to incident scene, and/or,
- Utility refuses to share data from the scene
  - Increased enforcement costs





### **Confrontational Approach (cont.)**

- No free flow of information
- Evidence may become stale
- Have to force utility to share information via litigation
- Delayed responses and corrections of problems





### Ways to achieve voluntary compliance/cooperation

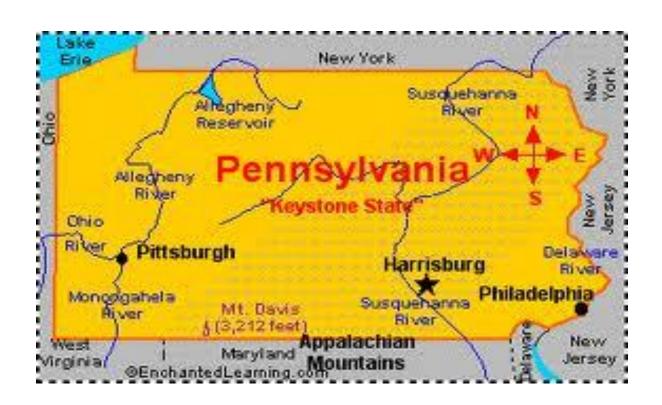
- Reward "good" behavior with cooperative enforcement
- Decrease incentive to break the law by applying stricter enforcement to lawbreakers
- Increase incentive to reform by responding to good faith efforts





#### How can you quantify this?

#### Pennsylvania uses a multi-prong approach







#### Factors to determine level of enforcement

- Seriousness of conduct
- Resulting consequences
- Number of customers affected and duration
- Utility efforts to remedy
- Compliance history of utility
- Cooperation
- Deterrence





#### **Observations**

- Establishing a specific contact at each utility is helpful
- Knowing when to work with a utility and when to seek enforcement is important
- Following through on threatened actions against lawbreakers sets precedent





## **Observations (cont.)**

Learn the business of the regulated entity







#### **Questions?**

