



Bureau of
Energy Resources,
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National
Association of
Regulatory
Utility
Commissioners

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!



**KEEP
CALM
AND
OBEY
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?

