

# Washington Utilities and Transportation Commission

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## *Mission Statement:*

*The UTC protects consumers by ensuring that utility and transportation services are fairly priced, available, reliable, and safe.*



## WUTC Relationship with Government Officials and Agencies

Prepared for: The Kyrgyz Republic SEA

Richard Hemstad, WUTC Commissioner  
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# Levels of Regulation in the United States

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- Federal
- State
- Local
- Regional

# 3 Equal Branches of Government

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Washington State's governmental structure parallels the federal structure.

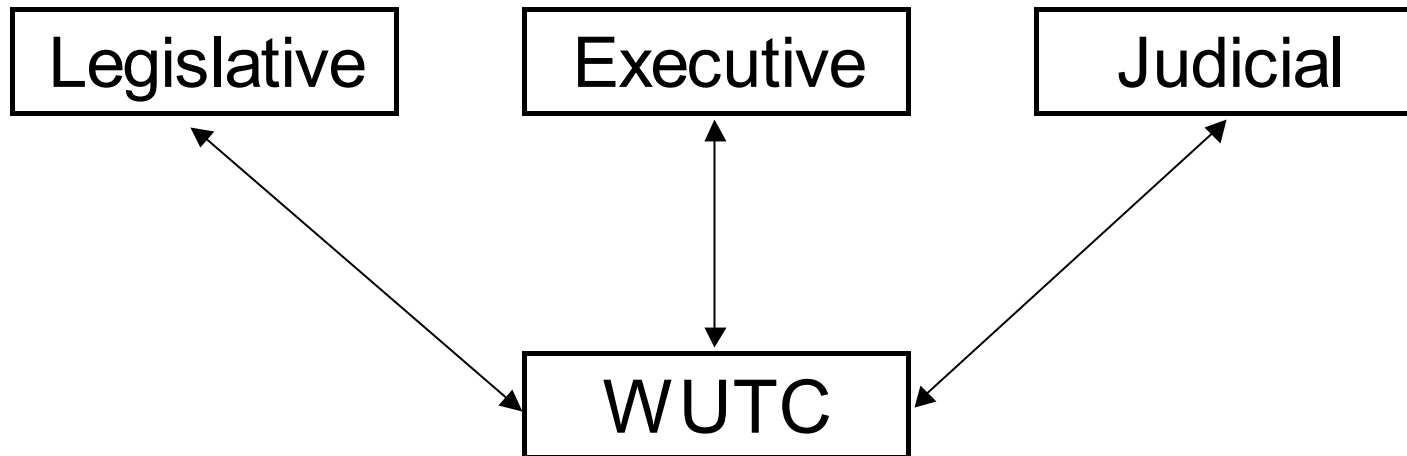
- Legislative branch enacts laws and appropriates money.
- Executive branch carries out programs established by law.
- Judicial branch resolves controversies, and interprets the constitution and laws.

# WUTC Accountability

The legislature created the WUTC and delegates utility regulation authority to it. The legislature authorizes total WUTC spending.

The Governor appoints Commissioners and the Chair, and sets performance goals for the agency.

WUTC orders may be appealed in court. Courts rarely overturn WUTC decisions.



The WUTC exercises independent judgment and authority over individual cases that come before it. Accountability comes through periodic reviews rather than through micromanagement.

# Legislative Branch

- Analysis of major issues and proposed legislation
- Reports when required or requested (e.g. Green Tariff report)
- Information and assistance for individual legislators, especially with their constituent concerns
- May require performance audits separate from the performance requirements set by the Governor's Office
- Does not direct the outcome of contested WUTC cases



# Competing Sources of Information to Legislature

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- Other agencies (Department of Community, Trade and Economic Development, Energy Facility Site Evaluation Council, Office of the Attorney General, ...)
- Regulated utilities (Puget Sound Energy, Qwest, Avista, ...)
- Customers of regulated utilities
- Interest groups (Environmental organizations, industrial customers, low-income groups, ...)
- Media
- Fellow legislators
- Constituents

# Legislative Branch

- Legislature is composed of two branches: the House (98 Representatives) and the Senate (49 Senators).
- At this time, the House is controlled by Democrats.
- The Senate is controlled by Republicans.
- Session usually runs from January to April.
- Committees continue to meet through the year.



# Executive Branch

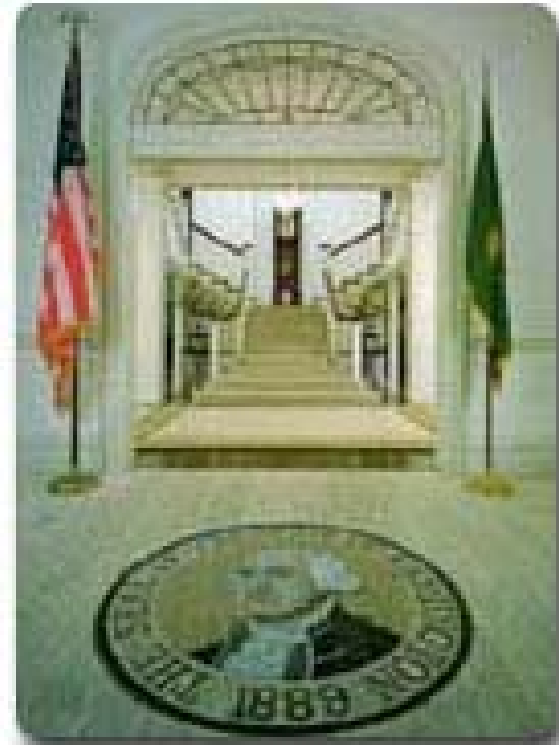
- Headed by the Governor
- Includes most state agencies
- Has some ability to direct the activities of most Executive branch agencies
- Does not direct the outcome of contested WUTC cases





# Executive Branch

- Sets performance goals for the agency.
- For energy regulation, required performance report includes a comparison of the average electric and gas bills for WUTC-regulated utilities to the average bills for other states.



# Executive Branch: Governor

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- Gary Locke is the United States' first Chinese-American Governor.
- He was first elected in 1996. He is serving his second 4-year term.
- On July 21, 2003, he announced that he would not seek a third term. His term ends in 18 months (January 2005).



# Judicial Branch

- WUTC decisions are subject to judicial review.
- Changes to WUTC decisions are rare.



# Decisional Independence

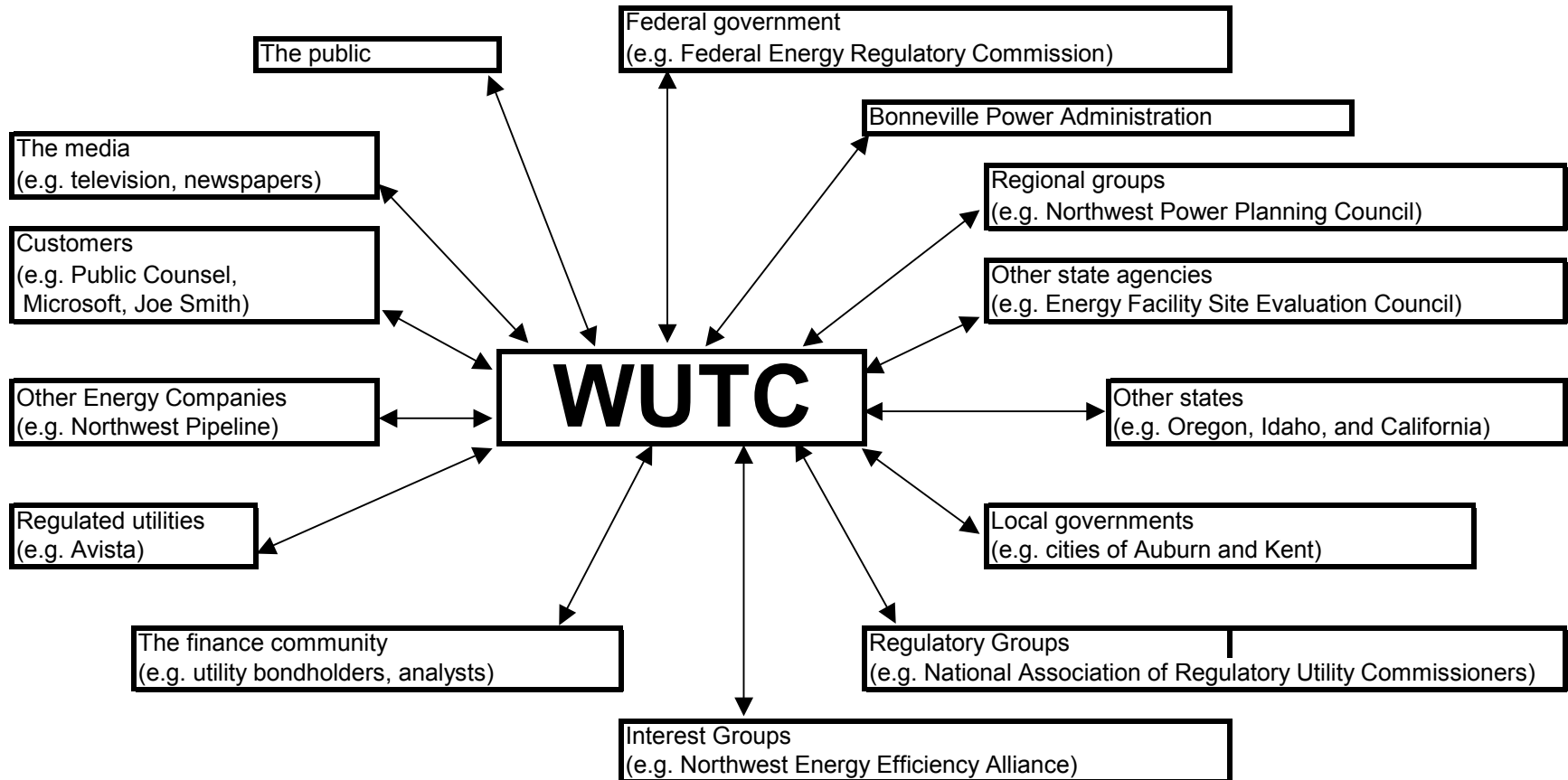
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In contested proceedings:

- Commissioners are similar to judges.
- Ex parte restrictions
  - limit discussions about pending cases.
  - limit influence on decisions about those cases.
- Decisions must be made based on evidence presented in the case record.
- Decisions are subject to judicial review.

All other filings are handled in meetings that are open to the public. Essentially all documentation is available to the public.

# Other Relationships



# Public Interest Objectives

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- Fairness (no discrimination within a customer class, no undue discrimination)
  - Rate stability
  - Universal service
  - Public safety
  - Energy efficiency (e.g. conservation programs)
  - Supply diversity (e.g. renewable energy programs)
  - Environmental protection
  - Social justice (e.g. low income programs)
  - Economic development
  - Investment
  - Free markets
  - Innovation
  - Customer choices