



FREQUENTLY ASKED QUESTIONS (FAQs) RESOURCE DOCUMENT

*Compiled by NARUC' International Department for the
International Relations Staff Subcommittee*

The following is a compilation of responses by NARUC members to request for information from different regulatory agencies around the world. Some emails and links might be out of date.

From: *Ms. Cristina Massei, ENRE Argentina (mcmassei@enre.gov.ar)*
Committee(s): *Electricity Subcommittee*
Key Word(s): *Public communication; health risks; power lines; PCB contamination, energy efficiency efforts*

Inquiry

My work objectives are to research U.S. experiences on environmental management, especially about the social communication with the population who may be worried about the health risks of the electric power activities.

I am Chief of the Environmental Department of ENRE. During the last 3 years, I have had to deal with many obstacles because of wrong beliefs about our distribution and transmission lines. Primarily, the issue centers around whether the mineral oils of the transformers could have PCB contamination and the electromagnetic field consequences that could bring. We want to know how these issues were managed in the United States and the paths you took for solutions, overall about population communication.

On another matter, the electrical Regulatory Area at ENRE asked me to make contact with NARUC for finding regulatory experience of energy efficiency efforts and what the role of the regulators must be.

Responses

(1) *From Ms. Sandra Waldstein, Vermont PSC (SWaldstein@psb.state.vt.us)*

Here is the link to the VT PSB web page with lots of information on our regulatory role in energy efficiency. We have worked in this arena for many years and have a very sophisticated system in place for delivering energy efficiency to our consumers.

<http://www.state.vt.us/psb/document/act61.htm#issues>

You may also want to point them to our contractor's web page - Efficiency Vermont - the entity that we have hired to deliver EE Services. <http://www.encyvermont.com/>

(2) *From Mr. Charles Seel, Iowa UB (Chuck.Seel@iub.state.ia.us)*

In my previous employment with an electric utility I did a lot of public relations work on both PCB oil in electric equipment and concerns about EMF from power lines. For several years, I was a member of the former EPRI Communications Advisory Committee that focused on those subjects.

In both cases, there was more misinformation than helpful information floating through the public and the Internet had not yet become a factor. We did a lot of information efforts with the general public, the news media, and individually with customers as each situation arose. We used the most credible studies to refute claims of health effects.

In the United States, PCB went away as an issue because it was removed from virtually all utility equipment by federal laws and rules. We had utility employees that talked about using PCB oil as a solvent to clean up after a construction job and they were standing right there looking the audience in the eye.

I have been away from EMF for a few years, but to my knowledge there is still no credible evidence that exposure to EMF from a power line causes health issues. We had gauss meters and would go to people's homes and take readings and share information that showed they were usually getting greater exposure from common household appliances, than they were from power lines outside the home. Sometimes we used engineering professors and graduate students from Iowa State University to do much the same thing.

In a recent Iowa transmission line case, MidAmerican Energy used a consultant to model projected fields from the transmission line and show what those fields would be at the edge of the right-of-way. It should very low values, especially when compared to typical household appliance values. Usually you can present information in a straightforward manner, show empathy for the public's concerns and if not eliminate their fears, at least mitigate them. That is part of why we dealt with them one on one as much as possible. It made us more credible.

Both EPRI and EEI have had good consumer education materials on these subjects in the past, I am guessing they still do.

(3) *From Mr. Lawrence Chaset, California PUC (LAU@cpuc.ca.gov)*

Attached are a couple of links to California PUC materials on energy efficiency.

http://www.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/45783.htm

This is a major policy decision from last May establishing the goals, policies and administrative framework for the state's energy efficiency program.

http://www.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/49859.htm

This is the decision from last September, which authorized the expenditure by our regulated utilities of well over \$2 billion on energy efficiency programs in 2006-2008.

<http://www.cpuc.ca.gov/static/energy/electric/energy+efficiency/>

This is a generic link that will get you access to all of our voluminous materials on energy efficiency.

From: *N/A*
Committee(s): *International Relations Subcommittee*
Key Word(s): *Preparing public hearings; public participation; educational programs*

Inquiry

Preparation of stakeholders and regulatory commissions for public hearings, in both the U.S. and internationally. I am particularly interested in how to prepare the public for productive public participation. Other public education programs, both in the U.S. and internationally.

Responses

(1) *From Mr. Rajnish Barua, Pennsylvania PUC (rbarua@state.pa.us)*

All case material that is filed is served on all parties who are given standing by the Commission. Statutory consumer representatives/advocates have automatic standing and are given copies by the utility during filing.

Not all market data is sensitive; a utility can file and designate confidential information. That designation is subject to challenge and the Commission decides if it is. Therefore, there may be instances that non-market data which is proprietary for the utility is marked confidential. But that information is seen by the Commission and certain lawyers of other parties in the case. Again, this is on a case-by-case basis.

Usually, each Commission's procedures for a rate case requires some sort of a public input/comment session (not necessarily a hearing). This is where the public can also be educated about the case. The evidentiary hearing is for technical witnesses only.

Nothing precludes a customer from contacting a Commission for information on a case; it depends on each person what they want to get out of it. I believe it is up to each Commission to present the complex information in a simpler manner to educate the general customer.

These are general statements; each Commission has different procedures. Since these are similar to judicial proceedings, general public does not participate in deliberations. In fact, the most important consideration is that all evidence has to be in the record for the Commissioners to consider.

(2) *From Ms. Suzanne Stillwell, Washington UTC (sstillwe@wutc.wa.gov)*

In our rate cases, there are several parties: Commission staff, the company, Public Counsel (Attorney General's office representing the utility customers), and others that may choose to participate. Public participation is generally stimulated by a notice from the company to all its customers which includes both the company and the Commission's 800 number for questions. Consumer Affairs staff has worked with the company on the notice so that it is clear and understandable. Consumer Affairs staff receives the customer's comments via mail, email, and phone, and we educate the customers about how to get involved in the

process. We assist in answering basic questions about the case; however, if the questions are very specific and technical, we refer the customer to the Staff Lead on the filing. Once testimony is filed by the parties, typically press releases go out. This stimulates another round of contacts from the public. Generally, one or two public meetings are held around the state to receive customers comments in-person with the Commissioners presiding. All comments are submitted by the Attorney General's office to become a part of the formal record. If a settlement is reached in a case, public meetings may be held to hear comment on the settlement.

(3) *From Ms. Joan Conrad, Iowa UB (joan.conrad@iub.state.ia.us)*

Alliant Energy brought a rate case to us last year to put a new power plant into rates. A second aspect of the case was to equalize rates across three rate zones. There was quite a bit of publicity on this case brought by both the low rate zone and the high rate zone. Both the utility and the Iowa Utilities Board worked hard to educate consumers on the reasons for both the increase caused by the power plant and the increases caused by the rate equalization.

We began paving the way for this rate case through our customer service section. The section manager spoke about the issue at various public events that he attended. Our legislative liaison also educated legislators and the Governor's office about the upcoming rate case.

In every rate case the IUB holds consumer comment hearings in several places in the utility's service territory. Since this was a very high profile rate case, ten consumer comment hearings were held across the state. These meetings were advertised in the bill stuffer and in the local papers and on the radio. As many as 800 customers attended a single hearing. The third attachment represents the handout given to consumers who attended the hearings. At the hearings customers are given the opportunity to speak and discuss their concerns about the proposed increase. Board members and staff attend the hearings. A court reporter records all speaker comments. In addition to this, consumers are encouraged to send letters to the Board either by regular mail or e-mail. Groups of consumers intervened and participated in the rate case in a formal way. After the final decision was issued, follow-up was done with newspapers, the legislators, and the Governor's office.



Final Draft IUB Bill
Insert 03-03-2004.pc



2004 Iowa Rate
Case Announcement



RPU-04-1
Handout.doc

From: *Mr. Norihiko Miyamoto, Japan EPIC (hokkaido@jepic.com)*
Committee(s): *Electricity and International Relations Subcommittee*
Key Word(s): *Demand charge; annual/monthly peak; consumer complaints*

Inquiry

What is the determinant of demand charge?

(A) "Demand that is recorded annual peak" or (B) "Demand that is recorded on this month"?

If the answer is (A), are there any complaints from customers? Are there any special programs to mitigate customer's payment? If yes, could you show me some examples of such programs?

In Japan, the electricity rate for temporary use (ex. construction) is higher, because the rate is reflected in the marginal cost. Is the electricity rate for temporary use higher than the rate common use in the U.S.?

Responses

(1) *Mr. Jack Breen, Oregon PUC (jack.breen@state.or.us)*

The response is based on service to large customers in a regulated retail environment. I do not regulate rates offered to direct access customers by electricity service providers, but in a deregulated environment, the utility usually continues to provide the distribution services, so the demand charges still apply.

Reply to Question 1. In a retail regulated area, some are based on annual peak and some on monthly peak. The facilities that are used primarily by the customer (not shared) are billed on the annual peak because they are always available to serve the customer. The facilities that are more shared (e.g., transmission) are billed on a monthly basis to reflect the respective use of the facilities for that period. In a retail deregulated area, the distribution charges are the same as retail. The electricity service provider may directly pass along transmission costs or include it in the per megawatt-hour rate.

Reply to Question 2. For a retail regulated area, yes, we have had complaints. The billed amount to the customer can be mitigated by setting a minimum level where there is no charge. For example, we have a schedule for customers that normally have a peak demand of about 30 kW. We had a rate whereby if you spiked your demand to 40, you paid for 40 all year. We changed it so there is no charge for the first 15 kW, so the customer pays on 25 kW all year instead. For a retail deregulated area, the distribution charges are the same as retail. The electricity service provider may directly pass along transmission costs or include it in the per megawatt-hour rate.

Reply Question 3. In retail regulated area, the customer pays for the extra costs to install and remove the service, but the energy rates are the same.

SERVICE OF LIMITED DURATION (Rule L)

Standard Temporary Service

Service Connection Required:

No permanent Consumer obtained \$ 300.00

Permanent Consumer obtained \$ 185.00

Existing service \$ 80.00

Enhanced Temporary Service

Fixed fee for 12-month period \$ 210.00

Temporary Area Lights \$ 400.00 (first luminaire)

\$ 345.00 (each additional luminaire)

\$ 450.00 (first pole)

\$ 400.00 (each additional pole)

(2) *Mr. Warren Wood, Missouri PSC (warren.wood@psc.mo.gov)*

Reply to Question 1:

In Missouri, the "demand charge" generally collects all, or a portion, of the distribution costs. Generally, generation costs are collected in an hours-use energy charge. Sometimes, for the very largest customers, the energy charge is set at incremental cost, and all of the remaining costs are collected in the demand charge and customer charge.

Generally, it is the customer's demand recorded in this month, but all, or a portion, of the demand charge may be based on a ratcheted demand, e.g., the customer's highest demand during this month and the preceding 11 months.

Reply to Question 2:

For customer classes with small, but erratic demands, the demand charges are usually kept fairly low, i.e., do not cover all of the distribution related costs. Furthermore, the typical sized transformers, etc. installed for these customers' loads handle a fairly broad range of demands without requiring the installation of larger equipment.

Reply to Question 3:

No.

(3) *Ms. Kim Wissman, Ohio PUC (kim.wissman@puc.state.oh.us)*

Demand charge is intended to recover the capital or fixed costs the company incurs in providing enough capacity to meet a customer's maximum demand. It is therefore based on the highest level of kilowatts during a billing period (which would typically be any given month). In some instances, as Warren indicated, a "ratchet" is used, which would require a "rolling" 12 month peak demand (which would be the annual measure you referred to). It basically take the higher of the current or prior 11 months.

Ohio has had many complaints about the "Ratchet" demand charge over the years. However, in theory, we felt the ratcheted demand was reasonable. It stabilized revenue and matched annual revenues to annual costs. however, there may be some exceptions tot his rule -- such as your temporary service situation. In that instance, rather than a ratcheted charge, you could charge the monthly demand peak, but to more closely reflect costs, you would in fact charge a higher rate since you can't "annualize" the recovery of those costs, and would, in fact, have to recover the costs over a shorter period of time. We have done that in some limited instances in Ohio (as for construction, or agricultural needs).

From: *Mr. Asaf Mendelovitz, Israel PUA (Assaf@PUA.GOV.IL)*
Committee(s): *NRRI*
Key Word(s): *Cost allocation; fixed-costs components*

Inquiry

We are trying to do a study to see how other countries/states breakdown (calculate/determine) the fixed cost component of consumer's electricity bills. Do you know if such information exists or who would be the best person to speak to about this issue?

Responses

(1) From Mr. Robert Burns, NRRI (burns.7@osu.edu)

I am attaching two documents, which taken together, I hope will be helpful. The first document is a presentation that Dr. Edwin Rosenberg and I prepared for the Gujarat Electricity Regulatory Commission. It provides basic principles of unbundling, cost allocation, and rate design. The second document explains how the Ontario Energy Board recently changed its billing (including the fixed-cost component) to reflect unbundled costs.



Unbundling.ppt



OEBbilling.htm

From: *Mr. Etutu Shalman, Cameroon ARSEL (shalmawondo2001@yahoo.co.uk)*
Committee(s): *Consumer Affairs Subcommittee*
Key Word(s): *Electricity theft; legislation; sanctions; consumer education;*

Inquiry

I am writing with regards to fraud in the use of electricity. Its manifestations are different and varied, within a wide range of consumers. I would like to know how other regulatory commissions around the world have been able to handle this problem. Do they have some legislative texts to guide them in the application of sanctions? How do they go about this issue with the various operators in the sector (especially electricity)? How are the sanctions applied considering the presence of the operators and the regulator?

Another issue that has to be dealt with, and which poses some kind of problem within our public sector infrastructure service provision is that of consumer sensitization. Considering the limited resources we have and the importance of this issue to the achievement of an efficient and ever performing public service infrastructure, I'll be happy to receive information to help guide me in a project proposal I am trying to set up for our regulatory agency. As a newly created agency, there is much to be done to gain the confidence of the consumers as well as improving the quality of services supplied to the population.

Responses

(1) From Ms. Arnetta McRae, Delaware PSC (Amcrae1046@aol.com)

Regarding your problem with fraud in the use of electricity by consumers, the Delaware Public Service Commission does not have rules that address this activity. Our jurisdiction applies to the operations of utilities and does not extend to acts of consumers. In Delaware, fraud is a criminal matter, which is handled by the Office of the Attorney General, the agency that enforces state criminal laws. This agency would investigate and prosecute any alleged fraudulent conduct under general provisions in Delaware law setting forth the elements required to establish that such a crime has been committed.

(2) *Ms. Beth Herriman, Indiana URC (eherriman@urc.state.in.us)*

We have had some problems with this in our state and have both administrative rules and legislative language to use when this problem arises.

Our administrative rules (rules that the Indiana Commission adopted itself) include language that allows a utility, when faced with customer fraud, to disconnect that customer's service without having to follow regular requirements of specific notice to the customer. In particular the rule states:

"A utility may disconnect service without request by the customer of the service and without prior notice only ... (3) if fraudulent or unauthorized use of electricity is detected and the utility has reasonable grounds to believe the affected customer is responsible for such use; or (4) if the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for such tampering."

Further, we also have several laws that have been passed by our state legislature on this subject:

First, tampering with a meter would be considered "criminal mischief" under our language, which states that "A person who:

1. recklessly, knowingly, or intentionally damages or defaces property of another person without the other person's consent; or
2. knowingly or intentionally causes another to suffer pecuniary loss by deception or by an expression of intention to injure another person or to damage the property or to impair the rights of another person; commits criminal mischief, a Class B misdemeanor."

However, the offense is a Class D felony if "the damage causes a substantial interruption or impairment of utility service rendered to the public..." A Class D felony is punishable by one and one-half years imprisonment and possibly a fine of up to \$10,000.

Second, there is also the crime of 'deception.' The law states that "A person who ... with intent to defraud another person furnishing electricity, gas, water, telecommunication, or any other utility service, avoids a lawful charge for that service by scheme or device or by tampering with facilities or equipment of the person furnishing the service ... commits deception, a Class A misdemeanor." A Class A misdemeanor is punishable by up to one year imprisonment and a fine of up to \$5000.

Finally, under Indiana state law there is a provision that deals with customers who utilize a "device or scheme to avoid being assessed for full amount of services received from utility or cable TV service provider." This law states that:

- a. "A customer who utilizes any device or scheme to avoid being assessed for the full amount of services received from a utility or a cable TV service provider commits a Class B infraction.
- b. Evidence that a customer's metering device has been altered, removed, or bypassed without the knowledge of or notification to the utility is prima facie evidence that the customer has utilized a device or scheme to avoid being assessed for the full amount of services received from the utility.
- c. Evidence that access to services of a utility or a cable TV service provider has been obtained without authority from the utility or the cable TV service provider constitutes prima facie evidence that the person benefiting from the access has utilized a device or scheme to avoid being assessed for the full amount of services received from the utility or the cable TV service provider."

(3) *From Mr. Raman Ravishankar, PUC Ohio (Raman.Ravishankar@puc.state.oh.us)*

PUCO has been actively participating in regulatory partnerships, including partnerships in India.

In India, generally at the state level, state owned electricity boards (SEBs) are entrusted with providing electricity service. As a result of power sector reforms in India, SEBs have come under the regulatory jurisdiction of state electricity regulatory commissions (ERCs). The functions of ERCs are to regulate purchase, transmission, distribution, supply and utilization of electricity, the quality of service and the tariff and charges. Many state ERCs, among other things, have formulated rules and procedures to address power theft issues.

The Andhra Pradesh Electricity Regulatory Commission website (<http://www.ercap.org>) provides a copy of AP Electricity Reform Act of 1998, including some regulatory pronouncements dealing with fines and penalties.

The Karnataka Electricity Regulatory Commission website (<http://www.kerc.org>) includes a copy of Electricity Supply & Distribution Code, 2000-01. Chapter –XI deals with tampering of meters and installing devices to prevent actual registration of power consumption.
