

Dealing With the Public

*Foundations Course in Utility
Regulation in Africa*

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- Dealing with the public
 - ✓ Includes all non-government constituencies
- Dealing with the Legislature
 - ✓ I.e. with minister or other source of authority
- Dealing with other agencies
 - ✓ "peers" in government: people who are at comparable "level" but have different task

Background and Perspective

Why are these important?

- Economic regulators sit in important position between public and government: decisions can have direct and immediate effect. Trust in economic regulators can increase trust in government, and in turn help support growth of democratic tradition. Distrust of government is serious problem in US; showing people how government works, and allowing participation, is critical in gaining support. Public wants to be shown that decisions are fair, and fairly made, and understand why they are made; this can be more important than "favorable" decision.

- Vitally important where democratic traditions are new: the more people are accustomed to participating in process, the more they will participate -- and trust process, even when benefits are long term (at least that is the hope)

- Not enough to sit in office and do job; need to explain why, allow and consider input, and get "buy-in"
- Pure economics never controls; the need is to understand, and be able to explain, why deviations from the dictates of theory are needed.
- My own perspective: private sector, corporate sector, prosecutor, regulator. Understand what investors seek: and that is clarity and consistency of policies, and confidence that decisions are made in the open and on the merits.

- Doing things in open and being able always to explain why they are done is crucial to remove any hint of corruption: PUC in Maine many years ago had reputation for accepting gifts from utilities, and then adopting utility positions. This is complete disaster. Took many years to cure. Credibility is wonderful commodity: Legislature in Maine now completely trusts PUC to give them accurate picture and untainted advice, with result that we have major hand in shaping policy.

History in Maine

- Came in time of much distrust of PUC; not because of policies as because there was little attempt by Commissioners to explain what they were doing; also something of an attitude that no one else could understand this; condescension
- Commissioners began to be very active in explaining (not excusing) what we did. Important to admit mistakes, and be candid about what can and cannot be done.

Dealing With the Public

All "Levels" Are Important

Several Categories of Content

- Explaining what we do and why
- Getting input on impacts of possible decisions
- Helping customers deal with utilities
- Helping consumers in "market"
- Getting input from market participants and utilities
- Spreading the word on what we are doing

Several Methods of Communicating

- Commissioner presentations
- Open meetings (allow questions and give answers)
- Staff presentations
- Consumer bulletins
- Press releases and Op Eds

- TV, radio (for example, video prepared on restructuring)
- Articles in journals
- Easy access to our formal decisions (including "how to participate" materials)
- Web site very important

Dealing with “Superior” Government Agencies

Understanding Commission's Role is Crucial

- Provide information to allow policy choices
 - Disclose all implications of various policies if known
- Provide advice; be sure all options are considered, weighed, and reasons for choosing particular course are clear
- Role of staff with respect to Commissioners is similar: provide good information, debate positions, but carry out decisions

Frequent and Detailed Communications Vital

- Electric Restructuring process in Maine
- Commissioners give frequent updates to oversight committee and governor
- Avoid surprises
- Insist on understanding objectives; help in drafting where there is lack of clarity

Dealing With Other Branches of Government

- Set up structures (can be informal) to coordinate activities
- Example is recent effort re coordinating energy policies among PUC, SPO, DECD, DOT etc.

- Borrow expertise
- Be sure they know where you are headed
- Be wary of doing job of another (e.g. PUC doing EPA task, etc.)

Conclusion

- Public acceptance and participation is extremely important
- Regulators can help answer the question:
How can government be effective and serve the people?