REGULATORY COMPACT OR TUG OF WAR

Is the Regulatory Compact Still a Fair Deal?

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What the Telephone Map Shows

EVERY dot on the map marks a town where there is a telephone exchange, the same sized dot being used for a large city as for a small village. Some of these exchanges are owned by the Associated Bell companies and some by independent companies. Where joined together in one system they meet the needs of each community and, with their suburban lines, reach 20,000 places and over 30,000,000 subscribers.

The pyramids show that only a minority of the exchanges are Bell-owned, and that the greater majority of the exchanges are owned by independent companies and connected with the Bell System.

At comparatively few points are there two telephone companies, and there are comparatively few exchanges, chiefly rural, which do not have outside connections.
Regulatory results

Average Monthly Single Line Telephone Rates (FCC)

Utility Penetration

US Res. Electricity Real (2009) cents
Consumer protections

• Billing requirements
• Service quality requirements
• Restrictions on service termination, especially for vulnerable
• Low-income rates, Lifelines
• Arrearage management
• Energy efficiency
• Average pricing, "value of service"
And yet ...
Balance
Regulatory Principles

* Affordability
* Prudence
* Used and useful (economic)
* Least-cost alternative, prioritize
* Known, verified, and measurable costs
* Cost-effectiveness based on concrete and measurable benefits to ratepayers
* Cost allocations based on benefits and cost-causation
Possible current applications

- Require investments to be prudent, economic, least-cost, e.g., DLC?
- Cost-based rate classes, e.g., PV, EV, meters
- Assess off-grid technologies for social obligations
- Luxury pricing? (not inverse elasticity)
- Universal service obligation in statewide franchise, e.g., fibre
- FHA-type financing for efficient DG
- Utility Ownership
About the Speaker

Jerrold Oppenheim is an independent consultant and attorney who has advised and represented low-income and other utility consumer advocates, government agencies, labor, and utilities across the country for more than 40 years. A graduate of Harvard College and Boston College Law School, he led utility litigation and argued precedent-setting cases for four Attorneys General in New York State and Massachusetts; for Legal Services in Boston, Chicago and New York City; and for the National Consumer Law Center. He was the first to intervene in utility regulatory cases on behalf of low-income consumers. He founded the Renewable Energy Technology Analysis project at Pace University Law School and is now a member of the Center for Public Utilities Advisory Council, New Mexico State University. He has spoken and published on four continents, including Democracy And Regulation with Theo MacGregor and Greg Palast, published by Pluto Press (London) and winner of the ACLU Upton Sinclair Award.