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Regulatory Independence and Transparency

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Elements of Independence

Statutory construct and its implications

- Functional independence
- Rules for processing cases

Institutional Roles and the potential for gaps/overlaps

- Interactions with Legislature and the Executive

Fostering public trust and confidence

- Expectations of utilities
- Media



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Functional Independence of Commission

- Quasi-judicial and quasi-independent agency
 - It operates with a “degree of autonomy from government, is not under the direct control of politicians or other interested parties, and is responsible for pursuing specific goals and objectives (often times established in governing statute).” (Decker, “Modern Economic Regulation”, pg. 190)
 - Addresses the time-inconsistency problem
 - Need for specialization and expertise of regulatory staff

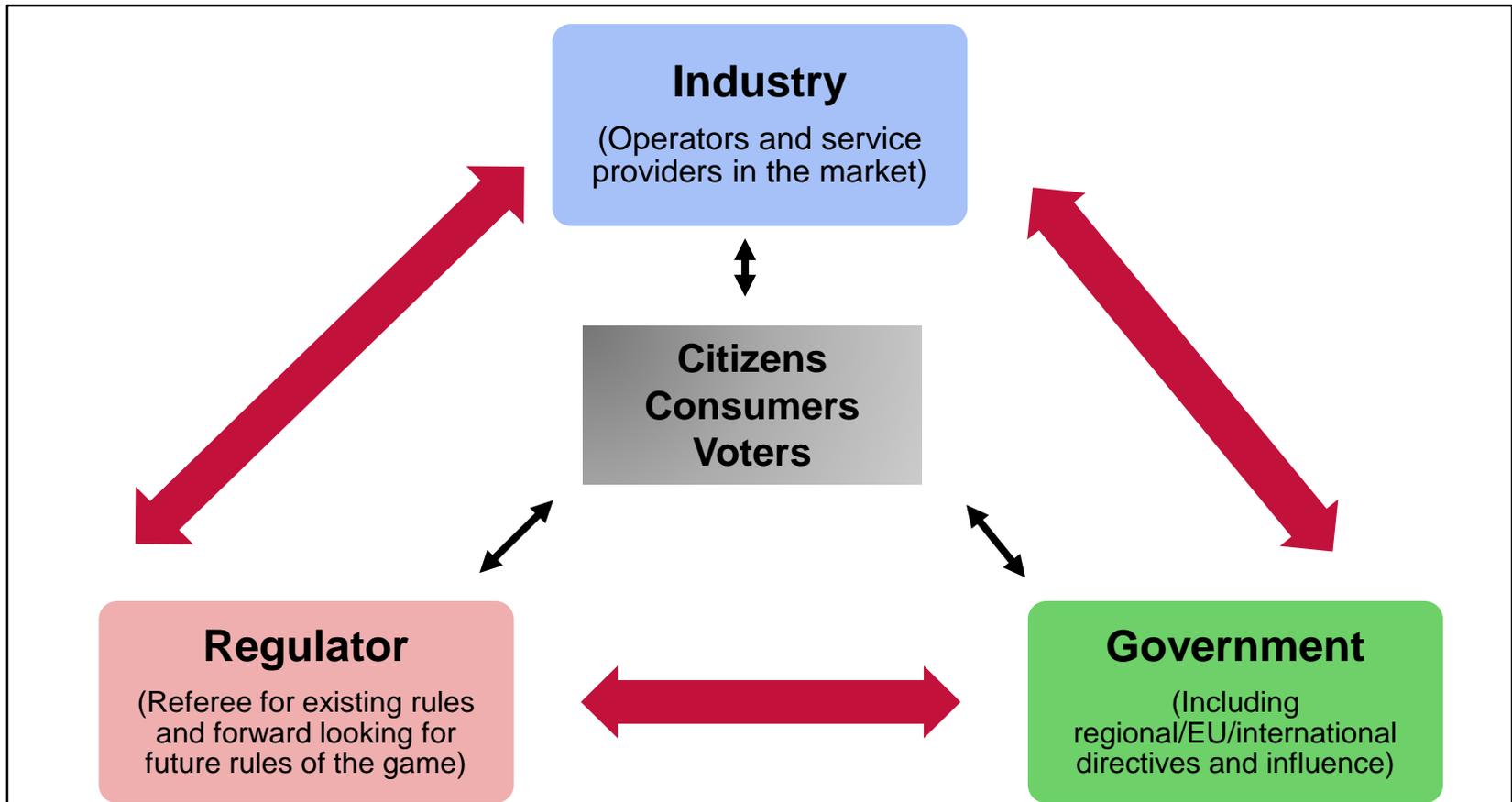


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Interactions and Relationships in the Regulated Sector





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Clarity in Institutional Roles

- Provide clearly defined, transparent, ways for policy makers to participate in the case process
- Necessity of developing public trust and confidence that decisions are consistent and based on precedent (rate paying public, regulated utilities, domestic and international investors)
- Development of an independent specialized regulatory staff
 - Purpose is to provide thorough, competent, evidence based analysis
 - Develop a thorough record
 - Enables decision makers to firmly ground decisions in facts and evidence



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Fostering Public Trust and Confidence

- Case Process
 - Formal filing, all interested parties and public have access
 - Discovery is an open process
 - No Ex-Parte contact/conversations
 - Commission deliberates the case publicly and issues a written order reflecting the public deliberation
- Interactions with Legislature and the Executive
 - Testimony
 - Avoiding appearance and reality of favoritism



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Fostering Public Trust and Confidence

- Public Meetings
- Informal Contacts
 - Avoiding appearance and reality of favoritism
- Reports – Annual Reports and Legislative Reports
- Interaction with the Media



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1st Annual report of the Maine Public Utilities Commission to Governor Curtis 1 Nov 1915

- “Our official life began with many hopes and no delusions. We knew at the beginning that the task set for us was neither a light one nor one to be soon accomplished.”