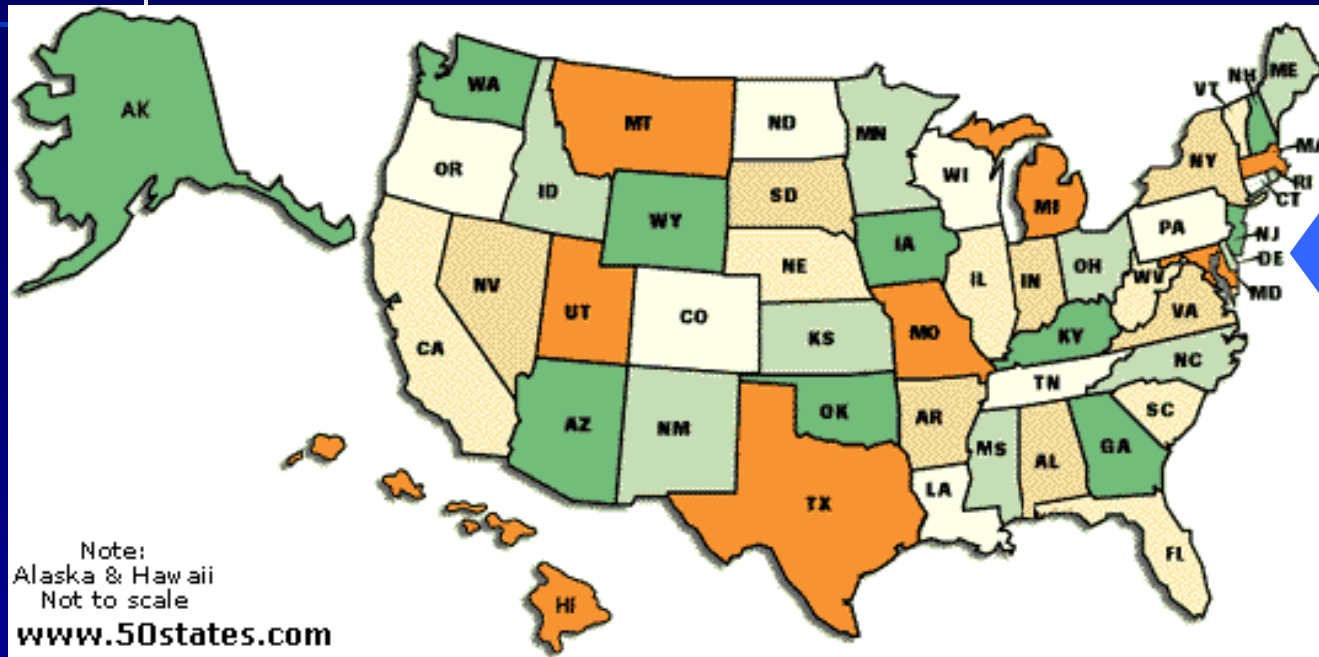


Delaware Public Service Commission

David Bonar, Ombudsman
South Asia Regional Energy Partnership
Washington DC
September 21-25, 2009

Geographic Location



Goals

- Balance the interests of ratepayers and utilities
- Ensure that utility rates are just and reasonable for the customer while maintaining the viability of the public utility so it can continue to attract investment
- Ensure that utility services are safe, adequate and reliable

Role

- Created in 1949 to regulate investor-owned public utilities
- Broad ratemaking authority, except where markets are becoming competitive
- Conducts investigations into utility practices
- Assists in resolution of consumer complaints and disputes between utilities
- Certifies service territories of electric, wastewater and water utilities (municipalities in some cases)
- Conducts safety inspections of natural gas pipelines and closed propane systems

Regulated Utilities

- 4 cable television providers (having a total of six franchise areas)
- 1 electric distribution company
- 42 electric suppliers
- 2 natural gas utilities
- 11 wastewater utilities
- 12 water suppliers
- 70 local exchange telephone service providers
- Certificates of Public Convenience and Necessity issued for 182 providers of intrastate, competitive telecommunications services

Commissioners

- Five part-time Commissioners
 - Presently three are lawyers, but no requirement
- Appointed by the Governor, confirmed by the Senate
- Serve staggered five year terms
- Limits on political party affiliations
 - Not more than three from the same political party
- Geographic representation
 - one from each of three counties, one from the City of Wilmington, one at large

Commission Staff

- Presently, Staff of 29
 - Expertise in accounting, engineering, economics, law, and utility regulation
 - Support personnel, including IT
- Acts as a party in proceedings
- Provides expert testimony and files positions in proceedings
- May utilize outside consultants and lawyers
- Conducts evidentiary hearings, public comment sessions and workshops
- Advises Commissioners

Authority

- Clearly defined scope of authority embedded in legislation – Title 26 Delaware Code
- Power to establish and implement regulations
 - license requirements, access to information, code of conduct, service quality standards
- Enforcement powers
 - monetary penalties, revocation of licenses, cease and desist orders

Autonomy

- Structured to be as free as possible from political, governmental and business interference
- Sufficient legislative authority
- Due process
- Ex parte and ethical considerations
- Public participation
- Sufficient funding
 - License fees, surcharge on customer bills (millage), direct billings to utilities

Accountability

- Transparency
 - Public proceedings (Sunshine Laws)
 - Records open to public inspection (subject to confidentiality restrictions)
- Budget Review and Approval
- Code of Ethics
- Judicial Review