



***The Value of an
Independent and Impartial
Regulator***

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World Forum on Energy Regulation IV

Athens, Greece

October 18 - 21, 2009

The Value of an Independent and Impartial Regulator



The primary objectives of utility regulation are to:

- **Ensure access to safe and reliable utility services at fair prices.**
- **Balance the interest of both consumers and utilities.**
- **Be a resource for consumers to receive impartial assistance and information.**

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- **A regulator must ensure due process:**
 - **The basis of due process is notice and opportunity to be heard.**
 - **The decision-maker must be impartial: fair and unbiased.**
 - **The decision-maker must abandon personal views and be bound by the law.**

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An independent regulator must never:

- A. Prejudge the issues of fact.**
- B. Have a personal bias or prejudice toward parties that might impede the ability to judge the issues of fact and policy fairly.**
- C. Have a personal interest in the outcome of the proceeding.**

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All proceedings should be transparent and open to the public.

- Records and other documents should be readily available for public inspection (except to prevent disclosure of trade secrets and other confidential information).

- Protective orders should be used to ensure access to confidential information by parties and regulators.

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A regulator must ensure minimum fair standards for all parties in contested cases.

- All persons whose interests may be adversely affected by the outcome of the proceeding should be allowed to intervene.**
- Parties should be permitted to:**
 - Cross-examine witnesses of opposing parties.**
 - Present their own witnesses and exhibits.**
 - File legal documents supporting their positions.**
 - Have equal access to information via discovery.**

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Regulators should be knowledgeable in:

1. **Technical matters (i.e., the structure of the industry).**
2. **Economics (the current and likely future trends in the economy).**
3. **Financial Issues (rate of return issues, accounting standards, depreciation, etc.)**
4. **The law (due process, procedural rights, substantive laws i.e., statutes and rules.)**

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Decisions made by regulators should:

- **Clearly state the agency's findings of fact in detail.**
- **Annunciate the agency's conclusions of law.**
- **Provide a "road map" for appellate review.**

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- **SUMMARY – To be effective, a regulator should be:**
 - **Autonomous.**
 - **Knowledgeable.**
 - **Highly ethical.**
 - **Free of all conflicts of interest.**
 - **Observant of the rights of all interested persons.**
 - **Bound by the law.**

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The End

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Thank you for your attention!

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QUESTIONS?