

The logo for the World Forum on Energy Regulation is located in the top right corner. It features a stylized globe with a blue square overlaid on it. The square contains the text "WORLD FORUM ON ENERGY REGULATION" in white, with "ON" in smaller letters between "FORUM" and "ENERGY".

The Value of an Independent and Impartial Regulator

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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?