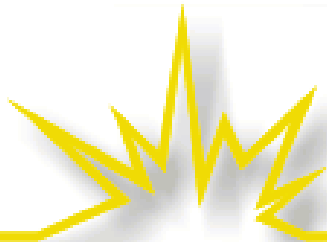


# INTRODUCTION TO POWER SECTOR REGULATION

Commission function and organization

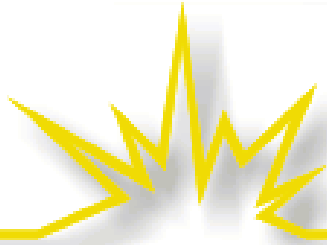


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# New York Mission Statement

- Our purpose is to ensure that all New Yorkers have access to reliable and reasonably priced utility services provided safely, cleanly and efficiently.

We seek to excel in all aspects of this mission. We will be fair, expeditious, and responsive to public concerns and to individual customers.

We seek to stimulate excellence in New York utility operations. We intend the profitability of New York utilities to reflect their efficiency, their responsiveness to their customers and to the environment, and the reasonable expectations of their investors.

Within the Department, we value commitment, competence, creativity, diversity, independence, integrity and teamwork, as well as mutual respect and opportunity for training and advancement to each employee's fullest capability.



# Commission organization

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- By industry
- By function
  - Separation between advocates and analysts
- Administration
  - by Chairman or
  - by Commission or
  - by Administrative Director
- Size
  - Small state = 30-50 employees
  - Large state = 600
  - FERC = 1500



# Typical Offices

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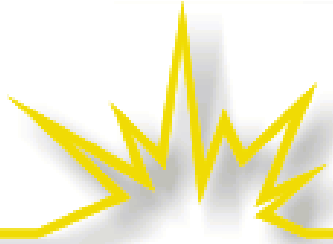
- Legal
- Hearings
- Technical analysis (engineering)
- Accounting and finance
- Economics
- Consumer affairs
- Media affairs
- Administration



# Commission finance

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- From general revenues
- By assessment on licensees
- In U.S. about \$10,000 for every \$10 million regulated
- Salaries high for government, low for private sector



# Public Involvement

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- Right to testify not enough, especially during times of change
- Reaching out to the public
  - Interest groups
  - Advisory groups
- Customer education as to major issues
  - Funded by utilities



# Assuring unbiased regulation

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- Crucial to both investor and public confidence
- Codes of Ethics
  - Prevention of corruption
  - Prevention of conflicts of interest
- Post-employment restrictions