

## Comments regarding structure of Public Service Department (“PSD”)

Carl Scott

7 Pelkey Ave., Fair Haven, VT 05743

802/265-4980 (home); 802/558-2238 (cell)

1. The report states that a staff attorney conducted interviews (of approximately one hour each) with 25 experts (Appendix C) who were notable consumer advocates, utility executives, or experts in utility regulation:
  - a. Can you please provide a link to the transcripts of each interview, including all persons present during the interview, location, date and time of the interview? If a transcript was not made, can you please post your working notes from each interview?
  - b. Can you please include each interviewee’s affiliation with the utility industry and identify the expertise each interviewee brings to this process?
  - c. Appendix C shows 29 persons listed. Can the report include who were the 4 people appearing on Appendix C that were not interviewed and why their names are listed on Appendix C?
2. The report states that the Department used survey data gathered by the Office of Consumer Counsel of Colorado, with some updates. Could the survey be further updated to report the missing information (year created, budget, FTEs) for Vermont and for any other state where it is available?
3. The report says there are no meaningful “direct quantitative comparison” for the various structures. Could you consider including easily obtainable metrics such as Return on Equity allowed, Return on Equity Achieved, Total Net Income per capita, etc.
4. The report states that the Vermont structure is unique in the country. How many other Rate Payer Advocate structures support rate making bonuses, included in rates, similar to the Acquisition and “Merger Savings” bonus here in Vermont? It would be helpful to include this in the report.
5. It would be helpful if the report elaborated and quantified the “cost savings to ratepayers” resulting from a collaboration with all the divisions of the Department. How is the rate payer represented and protected when high cost policy goals are supported by the consumer advocate. From my perch, some healthy tension or competition within the Department divisions would be more beneficial for the rate payer when the Rate Payer Advocate is fighting to keep all unnecessary costs out of rates.
6. Section V. Public Concerns about the Department’s Public Advocacy Function and the Department’s Response does not reflect the public comments as I read the public comments. Section V reflects how out of touch the Department is; how totally dismissive of all public comment the Department truly is; and either deliberately, or by its culture, the Department has materially mischaracterized the public input. Please consider re-reading the public input with a different lens:
  - a. **Political Influence.** The point trying to be raised repeatedly by the public, is that the Department is the water boy for the governor. The real issue is the Department takes the side of the Governor despite a public sentiment that is overwhelmingly opposed.

The result is the public feels disenfranchised especially when the sitting governor was not elected by a majority.

- b. **Consistency of Department position with that of the Regulated Utilities.** It is a fact (not a perception) that the Department is the only competition for the monopoly utility. The public is asking the Department to fulfill this role and provide vigorous competition for the utility. It is up to the Department to provide this tension, to keep the utility lean and efficient. These efficiencies and productivities come as a result of Department challenging the utility in all aspects of operations. The public comments reflect a concern that the Department and the utilities have developed a sympathetic and cooperative relationship as opposed to the desired competitor relationship.
  - c. **Role of Public Input in Formulating Department Position.** All the MOUs are developed off line with input mainly coming from the utilities with disregard for public input. The public and the Board are presented with a take it, or leave it, MOU without any public input and with no transparency of the negotiations. There is no public record of negotiation meetings between the Department and the utilities. No public record of how many meetings there were or what the agenda was. No record of the Departments initial position compared to the final position endorsed. Take or leave it. For example, maybe the VGS pipeline MOU was a good deal, but the average person is left scratching their head asking if VGS is allowed to update the cost side, why wouldn't the Department (consumer advocate) also insist on updating the benefit side. Shouldn't the costs and the benefits be of the same vintage? The public concern is that not all the facts are public, and there is no evidence of competitive bargaining on behalf of the rate payer. Not only does the public have no voice in the process but the public has no eyes or ears to what is going on in the secret negotiations. The report does not discuss this concern and should.
7. At the public meeting in Rutland, Mr. Jortner stated that he would write the first draft, then that draft would be edited by others at the Department before publication. Could you please post the original first draft of Mr. Jortner before other Department edits?