

**An Evaluation of Ratepayer Advocate Structures Pursuant
to Act 56, Section 21b –**

**A Report to the Vermont House Committee on Commerce and
Economic Development and the Senate Committee on Finance**

DRAFT - January 15, 2016

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EXECUTIVE SUMMARY

[To be written after comments have been received.]

I. Introduction

The Public Service Board (PSB or Board) sets the rates paid by every Vermont public utility customer, determines whether generation, transmission and certain types of telecommunications infrastructure can be constructed, establishes the level of spending on energy efficiency programs, oversees the implementation of renewable energy programs, sets service quality standards for utility customers, and makes many other decisions that affect potentially every state resident and Vermont's natural environment.

Given the complexity of such matters, those who participate in related proceedings need to have a high degree of expertise (and frequently, outside expert resources) and experience. Meaningful participation, including litigation related to utility regulatory issues, is often a very expensive and time consuming process. Individual residential and small business consumers, or even groups of consumers, usually lack the time, resources and expertise to participate in complex regulatory proceedings, even where major decisions are being made that affect their costs, their environment, and their access to critical services.

The Public Service Department (PSD or Department) represents the public in every case in front of the Board, and also other quasi-judicial and judicial bodies such as the Federal Energy Regulatory Commission, the Federal Communications Commission, the Nuclear Regulatory Commission, and the courts. The Department is both the "ratepayer" advocate, and the "public" advocate, integrating both interests into a cohesive position before the Board.

Given the complexity of the issues, the dollars at stake, and, in the case of siting decisions, the impact on those near proposed structures, the role of the Public Advocate is an

extremely difficult one. Most positions that the Public Advocate takes, especially high profile positions, will have detractors. As the number of regulatory proceedings have increased in the past several years the number of concerns expressed about the Public Advocate's position have increased as well. In this context, in 2015, the Vermont General Assembly passed Act 56, which included the following provision:

Sec. 21b. REPORT; RATEPAYER ADVOCATE OFFICES

(a) Report. The Commissioner of Public Service shall evaluate the pros and cons of various forms of ratepayer advocate offices and report on or before December 15, 2015, to the House Committee on Commerce and Economic Development and the Senate Committee on Finance with any recommendations on how to improve the structure and effectiveness of the Division for Public Advocacy within the Department of Public Service.

(b) Process. In order to receive information relevant to this evaluation, and prior to submit the report, the Commissioner shall:
(1) solicit input from consumer advocates, utilities, and utility regulation experts; and (2) conduct at least two public hearings dedicated to the subject of this section.

(c) Scope. The Commissioner shall study various forms of ratepayer advocacy offices and assess them in terms of: (1) their structure and reporting requirements; (2) whether and how their independence is ensured through structure and budget; (3) their effectiveness in representing residential ratepayers in regulatory proceedings; and (4) how ratepayer benefits, specifically rate savings, vary with differing ratepayer advocate structures.

In order to prepare this report, Department employees including the Commissioner and Deputy Commissioner conducted four public hearings in diverse geographical areas of the State, and a staff attorney conducted interviews (of approximately one hour each) with 25 experts who were notable consumer advocates, utility executives, or experts in utility regulation. In addition, the Department gathered survey information prepared in large part by the Office of Consumer Counsel of Colorado.

Beyond the procedural requirements set out above, in response to several requests made by members of the public, the Department, with the consent of key legislators, decided to publicly release a draft of this Report in order to allow members of the public to file comments in response to the draft report. Finally, all public comments received in writing and copies of the transcripts from the four public hearings were made publicly available on the Department's website as of December 9, 2015.

This is not the first time the Department has been asked to assess its effective representation of the "public interest." This report also draws on a similar 1987 report, prepared in response to the Joint Legislative Council, which was submitted by the Department and introduced as follows:

This report is prepared at the request of the Vermont Legislative Council to assist the Joint Legislative Committee on Public Power, Public Advocacy and Basic Residential Rates created by 1987 Vt. Laws No. 65 (better known as "S.130"). Among other tasks, S.130 charges the joint Legislative Committee to "review and assess the role of the director of public advocacy." Section 8(c). This report considers in turn the organization of the public advocate's office; the mission and work it performs; the resources, strengths and weaknesses of the office; and finally explains how DPS handles a utility matter before the Public Service Board.¹

The 1987 Report continues to represent a fairly accurate description of the current public advocacy function of the Department, although that function has evolved in some ways during the last 28 years.

The 1987 Report's conclusion noted that:

[S]tates' organizations, funding, duties and staffing vary so much that generalization is not very useful. The staff of the Colorado Public Utilities Commission is conducting a survey of state public advocates which should soon be available.²

¹ Excerpt of Introduction, Report of the Vermont PSD to the Vermont Legislative Council, September, 1987.

² 1987 PSD Report at 3.

For this Report, we obtained that survey by the Colorado Consumer Advocate (completed in 2013) with some updates by the Department for purposes of this Report (attached hereto).³ While we agree with the conclusion of the Department's 1987 Report that a multitude of unverifiable factors would frustrate any attempt to make direct quantitative comparisons between ratepayer advocacy offices, or to conclude that one structure inherently leads to better outcomes than another, the survey attached to this Report nonetheless provides a good overview of the structural variations that states have created for purposes of representation of ratepayers in the area of utility and telecommunications services regulation.

In this report we first provide an overview of the Department and the Vermont regulatory context, we then describe other structures for ratepayer advocates and compare the pros and cons of various structures. Finally, we summarize and respond to the public input that we received in preparing the report.

II. Structure of Utility Public Advocacy in Vermont

The structure of the ratepayer advocacy function in Vermont may be one of the more unusual, and we would argue – most beneficial to the public - of the various structures found in the 42 states that authorize such advocacy offices. Although a ratepayer advocacy division within a larger agency is not unusual in the U.S., that scenario is typically in the context of a ratepayer advocate division within a state attorney general's office (the structure in approximately 17 states, as shown on attached exhibits).

The Public Service Board and the Department of Public Service were each created as a result of the restructuring of the old Public Service Commission, by means of legislation that

³ Including some additional updates from both the Department and the Colorado Office of Consumer Counsel.

became effective in 1981. Although both agencies were created from the same parent organization, the Board and the Department necessarily have distinct functions.

The three-member Board is a quasi-judicial body whose primary function is to decide cases brought to it by utilities, merchant generators, the Department, and ratepayers. The Board members are appointed by the Governor, after being reviewed by the judicial nominating board, and serve staggered, six-year terms. The Board members must be confirmed by the senate and can only be removed for cause.⁴

The Department acts as the public advocate and planning office. The Commissioner is appointed by the Governor with the advice and consent of the Senate. The directors of all divisions,⁵ including the Public Advocacy Division, report to the Commissioner. The Department is an automatic statutory party in Board proceedings, and is represented by the Public Advocate, with staff in the remaining divisions typically acting as witnesses for the Department in these proceedings.⁶ Separate from the Public Advocacy Division, the energy and telecommunications planning divisions each have statutory responsibilities to develop forward-looking plans to address energy and telecommunications requirements of Vermont, with the Planning and Energy Resources Division also acting as the State Energy Office. Almost every state has a public advocate, state energy office, and telecommunications planning agency. Vermont is unique in that all these functions are housed within the same entity. In many states the planning offices have attorneys that appear in public utility commission proceedings, separate and distinct from that state's public advocate.

⁴ 30 V.S.A. § 3.

⁵ The divisions include: Planning and Energy Resources Division, Engineering Division, Telecommunications and Connectivity Division, Finance and Economics Division, Consumer Affairs and Public Information Division, Regional Policy, and Administrative Services.

⁶ The Department also has the authority to contract with outside consultants to provide specialized services, such as aesthetics reviews in siting cases.

Within Vermont statutes, there is not a clear demarcation between the roles of the Department and the public advocacy division. For example, within one subsection of the statute empowering the Department, there is language that “in cases requiring hearings by the Board, the Department, through the Director for Public Advocacy, shall represent the interests of the people of the State” and also “the Department may intervene, appear, and participate in” federal administrative proceedings.⁷ Additionally, Section 2 of Title 30 specifies that the Department “shall represent the consuming public” in matters involving the decommissioning fund for Vermont Yankee, and shall advance positions consistent with Vermont statutes “in all forums affecting policy and decision making for the New England region’s electric system.”⁸

This suggests a legislative intent to have one voice speaking on behalf of the public, the Department and provides a benefit in that the planning offices and the public advocate collaborate to form positions before the Board and other tribunals. This collaboration results in cost savings to ratepayers and a more natural inclination to develop moderated policies where planning goals are tempered by cost considerations and rate considerations are informed by policy and planning goals.

Given the unique combination of functions and subject matter experts housed within the PSD, these other divisions within the Department contribute synergistically to the effectiveness of the ratepayer advocacy function, but it can also lead to the appearance of potential conflicts between the purposes of those other functions and the ratepayer advocacy function. However, based on our experience and discussions with the many experts who provided input for this Report, we do not find that the current structure of the Department creates any real or inherent conflicts of interest. In fact, a widely held view among experts is that it is appropriate that the

⁷ 30 V.S.A. §2(b).

⁸ 30 V.S.A. §2(d) and (g).

public advocacy division take positions that are consistent with longer-term Department policies found in its long-term planning documents and other established state policies designated for supervision and implementation by the Department. While it is theoretically possible that conflicts could arise from time to time as a result of the variety of official functions that are simultaneously housed within the Department, there was a dearth of allegations, or examples, of that potential for conflict.

Finally, it is important to note that, there is an opportunity for the Board to appoint an independent counsel to represent the state in Board proceedings. In 2004, in response to a request to appoint an independent counsel the Board set forth two scenarios that would justify such an action: 1) a conflict appears to exist between the Department's role as a public advocate and its role pursuant to a separate statutory requirement, or (2) when the Department is not able to commit the resources to adequately review and present a case.⁹ Vermont statutes specifically require the Board to appoint independent counsel where the Department is acting as a seller or distributor of electric energy.¹⁰ However, even outside such limited circumstances, the Board "may, if it determines that the public interest would be served, request the Attorney General or a member of the Vermont Bar to represent the public or the State"¹¹ in Board proceedings. As far as the Department is able to ascertain, in the history of the Department as it has existed since 1981, the Board has never appointed an independent counsel in this more general circumstance.

III. Structures of Utility Public Advocacy Offices in the United States

The primary scope of this report is to review various public advocacy structures and provide an assessment of: structure and reporting requirements, independence, effectiveness, and

⁹ See Petition of Vermont Electric Power Co., Inc., Docket No, 6860, Order of 4/8/04 (Northwest Reliability Project Case) (rejecting New Haven's request for the appointment of independent counsel).

¹⁰ See, 30 V.S.A. § 212e.

¹¹ 30 V.S.A. §2(b).

how savings to ratepayers vary according to structure. Attached to this Report is a spreadsheet and associated charts that display some key characteristics of utility consumer advocate offices in each state where one or more exist.

In this Report, the term “public advocate” will be used generically to refer to the public advocacy function of the Vermont PSD as well as to the roughly equivalent function in other states that designate a utility consumer advocate. In other states, a similar public advocate may be designated as: (office of) “consumer advocate,” “ratepayer advocate,” “public advocate,” “consumer counsel,” “rate counsel,” “public counsel” or “citizens utility board.” Any of these may be constituted as an independent agency or as a division of a larger agency, such as being a division of a state’s office of attorney general. One important distinction between such agencies is that a large portion of Public Advocates are not involved in energy and telecommunications infrastructure siting matters, as is the Vermont Public Advocate.

The key variable characteristics of state utility consumer advocate offices include:

- The method of appointment or election of the Public Advocate
- The term, if any, of the head of the office
- The location or division of state government where the office is administratively attached.
- The stability, reliability, and magnitude of annual budgets
- The scope of jurisdiction granted to the office
- The class(es) of consumers represented by the office

Unless otherwise noted, ratepayer advocate offices have the following common attributes:

- Consumers¹² are represented, as a class, in matters involving the price and quality of service delivery of electricity, natural gas, water,¹³ and telecommunications services¹⁴ before a state commission, federal agencies (chiefly, the Federal Energy Regulatory Commission and the Federal Communications Commission), and courts of law.¹⁵
- Authority to appeal decisions of the applicable regulatory body to a court of law.
- Special right to party status before the applicable state commission.
- Separate staff, budget, and mission from the state commission.

In addition to consumer advocates, almost all states have some sort of planning office for energy and telecommunications. In all other states, this planning office is housed in a separate agency from the Public Advocate, and in many states these offices also participate in cases before the state public utility commission.

The following is a brief summary of the standard models of utility consumer advocacy offices in the U.S.

A. Independent State Agency

There are approximately 21 states that have created independent state agencies whose sole purpose is to represent utility ratepayers before state public utilities commissions, federal agencies such as the Federal Energy Regulatory Commission and the Federal Communications Commission, as well as courts of law. Generally, these independent agencies are administratively attached to a larger agency of state government, although the agency is not

¹² Some states limit representation to the residential class of consumers, or require prioritization of the interests of residential or low-income consumers.

¹³ Some states have deregulated municipally owned and managed water utilities, or all water utilities.

¹⁴ Several states have partially or fully deregulated telecommunications services, based on a finding of sufficient competition.

¹⁵ Some state public utilities commissions also regulate certain transportation services, sewer service, and steam service.

necessarily meant to be supervised by the department to which it is administratively attached. For example, the Maine Public Advocate is housed within the relatively small Executive Department which is headed by the governor of the State. However, the Maine Public Advocate is generally considered a creature of, and supervised by, the applicable joint legislative committee, and its statutory mission is to directly represent the “using and consuming public” as opposed to the interests of the governor or the State Energy Office which is also housed within the governor’s Executive Department. The Maine Public Advocate has a four-year term, staggered with the Governor’s term, and may only be removed for cause during that term. The Maine Public Advocate is appointed by the Governor and must be confirmed by the Maine Senate.

In New Hampshire, the Office of Consumer Advocate also has a four-year term and is appointed by the Governor and Executive Council, and is administratively attached to the Public Utilities Commission.

B. Attorneys General

In approximately 17 states, the ratepayer advocacy function resides within a division of the state attorney general or department of justice. In some states, the role of the attorney general is mostly limited to appointing the ratepayer advocate or the director of the division that oversees the ratepayer advocacy function. In other states, especially in states with a small staff within the attorney general’s office, there may not be a dedicated ratepayer division but rather, a limited portfolio of regulatory cases in which the attorney general has chosen to intervene. In fact, in some jurisdictions, attorneys general have the authority to intervene in public utility commission cases even when there is a dedicated ratepayer advocate in the state.

The states of Washington and Massachusetts are examples of states with well-developed dedicated ratepayer advocacy divisions within the office of the state's attorney general. In Pennsylvania, the Office of Consumer Advocate is an independent agency although the Consumer Advocate is appointed by the State's Attorney General. The Massachusetts Attorney General is an elected position, as in Vermont, and the Attorney General appoints the head of the Energy Division (which acts as the ratepayer advocate) within the Attorney General's Office. Under this model, the legislature does not have a reviewing role in the appointment of the Public Advocate.

C. State Legislatures

In two states, Montana and Florida, the state legislature or committees thereof, appoint a public counsel to represent ratepayers in utility regulatory cases and serves at the pleasure of the relevant oversight committee.

D. Citizens Utility Boards (CUBs)

CUBs are private organizations that may receive funding from state government or from private sources, including funding through membership dues. In several states, the ratepayer advocacy function is officially performed by a Citizen Utility Board (CUB) which may be authorized by the Legislature to serve in that role even though they are usually private non-profit organizations. See, e.g., the mission of the Illinois CUB.¹⁶ In Illinois, the Attorney General also

¹⁶ Mission: When the **Illinois General Assembly created CUB** in 1983, it gave the nonprofit, nonpartisan organization a clear mission: to represent the interests of residential utility customers across the state. The statute directs CUB to carry out that mission by intervening in ratemaking proceedings before the Illinois Commerce Commission (ICC), in the courts and before other public bodies and by providing consumers with information and assistance regarding their utility companies.

Since its inception in 1984, CUB has been doing just that—working for lower rates and better service from the state's investor-owned electric, gas and telephone companies. Over the last 31 years, CUB has saved consumers more than \$20 billion by blocking rate hikes and winning consumer refunds. Click here to view the **CUB Act**, which created the Citizens Utility Board. The Purpose of this Act is to promote the health, welfare and prosperity of all the

represents utility ratepayers through its Public Utilities Bureau. The governance of the CUB may be a board that oversees the operation of the office, with publicly elected board members in some cases.

In addition to the CUB model, there are other independent private non-profit organizations that have served as effective ratepayer advocates. One such example is TURN – The Utility Reform Network – which is funded primarily through intervenor funding awards from the California Commission, granted at the end of cases where they made a substantial contribution to the record. The terms of the California intervenor funding program, including details of recent funding requests and awards, can be viewed at the California Commission’s online guide.¹⁷

In the majority of ratepayer advocate structures that we are familiar with, the agency is comprised primarily of attorneys and administrative support staff. Most ratepayer advocates have a small number of substantive expert staff contained within the agency, and rely heavily on outside consultants for expert review and testimony.

IV. Comparison of Department Structure with Alternative Structures

While the data attached to this report can provide an overview of how public advocacy offices are structured in other states, it is of limited value in measuring the effectiveness and ratepayer savings that derive from the various structures that are represented because there is a virtually unlimited number of other factors involved in making such assessments. It is reasonable to assume that larger offices with more resources are generally more effective than

citizens of this State by ensuring effective and democratic representation of utility consumers... Such purpose shall be deemed a statewide interest and not a private or special concern.
Citizens Utility Board Act, Illinois Compiled Statutes, Section 220 Chapter 10.

¹⁷ <http://www.cpuc.ca.gov/PUC/IntervenorCompGuide/>.

very small offices with small budgets. Moreover, the stability of budgets from year to year is a factor that can enhance effectiveness, efficiency and independence, beyond the simple size of the budget in a given year. The pros and cons of the various structures is addressed in the following section.

There is little or no empirical evidence that would allow a comparison of ratepayer savings or other consumer benefits across different types of offices based on their key structural characteristics. For example, the computation of ratepayer savings would not be possible, because it is not clear what portion of allowed rates or revenue requirements are directly attributable to the intervention of the Public Advocate, even where individual offices attempt to keep such records. In fact, there is not available data that would allow a comparison of dollars saved by each public advocate office. Not surprisingly, the single most important characteristic affecting the quality of consumer representation is likely to be embodied in the human beings who lead the office and those individual advocates who represent the public in regulatory proceedings, but that is a factor that is not amenable to measurement and comparison.

As stated previously, there is no single structure that is clearly superior to others; each involves tradeoffs of different attributes. For example, independence from political pressure, accountability to consumers, effectiveness of efforts, cost to ratepayers, and administrative efficiency are all worthwhile goals, but there is no single structure that can optimize all of these principles simultaneously. Each structure has different strengths and weaknesses.

Below, we examine the potential pros and cons of different structures. One important assumption that we have used in undertaking this analysis is that, if the public advocacy division was removed from the Department, the Department would not only continue to exist, but similar to many other states, would continue to advocate for the Governor's policy positions before the Board and other tribunals, separately from the Public Advocate.

A. Existing Vermont Structure

As discussed above, the Public Advocate is appointed by the Commissioner of the Department. The Commissioner, in turn, serves at the pleasure of the Governor and must be confirmed by the Senate. The Public Advocate's client, by statute, is the citizens of Vermont; the Commissioner functions as the representative of that client for purposes of formulating positions and directing the activities of the Public Advocate.¹⁸ The concern expressed with this model is that there is insufficient independence, as the Governor can influence the Commissioner and therefore the Public Advocate. There is, however, a significant amount of accountability, as the Commissioner could remove a Public Advocate whose actions are clearly against the public's interests. Additionally, the Senate has the potential for significant oversight of the Commissioner through the ability to reject the Governor's choice of Commissioner. It is also important to note that, in Vermont, the Governor's term is two years, making him or her accountable to the public on a very consistent basis. Consequently, there is frequent opportunity for accountability through the political process for both the Commissioner and the Governor.

This structure also has the benefit of decreased costs and increased administrative efficiency compared to alternative models, as the planning office and public advocate are housed together and appear as one entity in front of the Board and other tribunals.

B. Independently Appointed Public Advocate

An independently appointed public advocate, with a set term of years, appointed by the Governor and confirmed by the Senate, would have a high degree of independence. Such independence also reduces accountability – for example, if a public advocate took the position

¹⁸ As an attorney representing a client the Public Advocate does not determine what positions to take. That function is assigned to the Department as a whole (with the Commissioner making the final determination), which participates in PSB matters "*through* the Director for Public Advocacy . . ." 30 V.S.A. sec. 2(b) (emphasis added).

that climate change is a hoax and therefore any efficiency and renewable programs are a waste of money, that Public Advocate could continue to make those arguments for the duration of the term. Accountability is forfeited. Hopefully, the vetting that would take place during the Public Advocate's senate confirmation process would address such issues but there is always the possibility that an appointed person will take surprising positions.

In addition, while the Public Advocate could continue to work closely with the Department, it is likely that the two entities would, at least occasionally, take different positions on issues. Consequently, the Public Advocate would utilize expert staff independent from the Department, and the Department would utilize lawyers independent from the Public Advocate. This would result in additional costs, both monetary for ratepayers, and through reduced administrative efficiency. These costs are necessarily assumed by ratepayers - counter to the desired effective administrative regulatory role.

C. Public Advocate Housed in the Attorney General's Office

Placing the Public Advocate under the Attorney General would not address concerns regarding independence, but would instead have a different elected official other than the Governor ultimately overseeing the Public Advocate. In addition, in states with this structure, there does not appear to be legislative approval of the Public Advocate, which limits accountability, although a statutory change could include legislative oversight of the Attorney General's appointment of a Public Advocate. This structure does provide accountability in that a public advocate could be removed if the positions being taken were clearly against the public interest. This structure suffers from the same cost and administrative efficiency issues as the independent public advocate structure explained above.

D. Direct Legislative Oversight of Public Advocate

In two states, the legislature has direct oversight of the Public Advocate, who serves at the pleasure of the relevant legislative committee. This structure does provide accountability in that a Public Advocate could be removed if the positions being taken were clearly against the public interest. In addition to the cost and administrative efficiency issues explained above, however, there is some concern with the level of accountability as it would lack the typical checks and balances that occur when a member of the executive branch appoints a position that requires confirmation by the Senate, and ultimately, there is also a “separation of powers” issue that would need to be addressed.

E. Hybrid Approach

One potential structure that was considered during the development of this report, and ultimately is not proposed, is the idea of keeping the Public Advocate within the Department but providing additional independence to the Public Advocate, through a set term of years and/or a requirement that the Public Advocate could not be removed without cause. The reason that this structure is not proposed is that the practical effect is similar to the structure of an independent public advocate housed in its own agency. As noted above, in most states, the executive branch has the ability to advocate for its policies in administrative tribunals as a means of expressing legitimate public interest. Instituting a public advocate completely independent of the administration would curtail this ability and, as with other more “independent” models, one wonders whose “public interest” the advocate would be advocating and how that would be determined. Further, internal to the Department, it would be problematic for the same expert staff to remain available for both the independent Public Advocate and the Department in reviewing petitions and providing expert testimony. Consequently, simply providing greater

independence to the Public Advocate within the Department would have the same practical effect, in terms of additional cost and less administrative efficiency, of removing the Public Advocate from the Department. This approach also maintains the accountability issues addressed in the description of the Independent Public Advocate structure.

As can be seen, there is no single model that is clearly better than any other. The tradeoffs explained above must be explicitly considered and dealt with before modifying the structure of the Vermont Public Advocate's office. Additionally, as noted previously, any structure is only as good as the people working within it.

V. Public Concerns about the Department's Public Advocacy Function and the Department's Response

The Department heard concerns expressed by many members of the public at the four public hearings conducted for purposes of this Report, concerns expressed in many written comments sent to the Department for purposes of this Report, and concerns that were expressed by a few of the interviewees who contributed to this effort. The following is an attempt to summarize and address the most frequently-expressed concerns, but full comments are available on our website.

A. Political Influence

The most common critique of the Department's public advocacy function was that its positions sometimes appear to be politically determined. That common view presupposes that the public advocacy function in Vermont should be carried out in a manner that is more

independent of the Department Commissioner and the Governor who appoints him or her, or that the political position taken is NOT, by definition, in the public interest.

Basic integrity of the regulatory process depends upon the Public Advocate remaining independent of the tribunal (the Public Service Board). That was accomplished when the Department was created, effective in 1981, and the integrity of that separation has been maintained through the present day.

The independence currently sought by those parties is independence from other officials in state government, including the Governor, and even the Commissioner of the Department itself. The statutory scheme that creates the public advocacy function of the Department is not one that evidences any legislative intent to provide the Public Advocate with independence from the rest of state government, the Governor, or the Department's Commissioner – that is, the elected or appointed officials. To the contrary, given that the Public Advocate can be hired or terminated by the Commissioner, who, in turn, serves at the pleasure of the governor, combined with the inclusion of the public advocacy division within a broader agency that is obligated to create, follow, and promote state energy and telecommunications policies, there is a strong suggestion that the original intent of the statutory scheme did not include independence of the Public Advocate in the fashion promoted by some. One rationale for this approach may be a belief in the democratic process, where the people of Vermont choose the Governor, who then selects a Commissioner that oversees both the planning offices and the Public Advocate and represents the interests of the people of the State.

Further, while the Commissioner of the Department “serves at the pleasure of the Governor,” the Commissioner is also “appointed by the Governor with the advice and consent of

the Senate” for a two-year term.¹⁹ Given the legislative oversight of the Commissioner, there is a significant amount of accountability over the Department, including the Public Advocate, built into the statute. As noted previously, other public advocate structures have no role for the legislature whatsoever, or have a role that is limited to oversight only at the beginning of a public advocate’s term. A more independent role for the Public Advocate would have to be balanced with less accountability to the elective process.

It is also worth noting that the Department is one of several Executive Branch agencies that appears before the Board, each of which has an agency head appointed by the Governor and confirmed by the Senate. It is unclear why there is an expectation by some for an independent voice on utility matters but not on natural resources, health, and other issues represented by Executive Branch agencies.

B. Consistency of Department position with that of the Regulated Utilities

Another common public perception expressed at public hearings conducted for this Report is that the Department is “cozy” with utilities. Some members of the public who provided input went so far as to allege that the Department sometimes “advocates for utilities.” There is a perception by some that the proper role of the Department should usually be as an opponent of utility proposals.

There are times when the Department’s goals on behalf of the public will overlap with the agenda of a utility, but because those cases sometimes present a problem of public perception, the Department might attempt to be clearer in explaining the merits of its positions when it supports a utility-initiated proposal.

¹⁹ 30 V.S.A. § 1(b).

We suspect that some of the public perception that the Department is too close to utilities is generated by the casual observation that the Department sometimes has overlapping interests with utilities, and therefore enters into agreements with utilities, sometimes by means of memoranda of understandings – that are then submitted to the Board for approval. Settlements are a rational and efficient part of any judicial or regulatory adversarial process, and may, under appropriate circumstances, be in the best interests of ratepayers and the general public. The PSB has consistently encouraged settlement between parties, at least partly as a matter of judicial economy. Moreover, settlements between some, but not all parties, that are submitted to the Board, remain subject to hearings wherein other parties may challenge the settlement and seek to influence the Board to reject them.

C. Role of Public Input in Formulating Department Position

Some public commenters pointed out that even when they make the effort to attend public hearings and communicate their views on current issues being address by the Department or by the Board, their opinions are not, in turn, represented in the Department’s eventual recommendations to the Board. Some commenters urged the Department to directly solicit public opinion on important issues and represent those views more directly and forcefully.

Some also expressed frustration with the regulatory process because public input does not necessarily influence the Board, which relies on expert technical data and opinion, and the Department’s assessment of the public interest is made irrespective of what the public indicates that it wants.

While we try to carefully consider and absorb the views contained in all communications from the public, our ultimate positions on issues cannot reasonably be determined by either individual input or an informal poll based on a small number of self-selected persons who attend

a hearing or send an email.²⁰ There is some merit to considering greater outreach to determine public interest and to inform our responses. However, if the Department's positions were to be informed by public polling, the poll would need to be statistically significant and ensure the inclusion of the views of all affected groups, including the vast body of customers whose interest may (or may not) be limited to the desire for safe, reliable service at just and reasonable rates. More fundamentally, based on the nature of the regulatory decisions of the Board, and the advocacy positions developed by the Department, such complex issues are usually not amenable to voting. As one expert stated in an interview, regulatory decisions "are not popularity contests."

As in most important decisions in life, regulatory decisions are a matter of tradeoffs and may produce winners and losers. Ultimately, the Department must use its judgment to weigh the tradeoffs and take a single position that best balances all interests concerned. Accordingly, taking a position with which some may disagree is not an indication that the tradeoffs – or concerns expressed by members of the public – were not weighed and considered by the Department. There is no feasible formulaic way, such as polling of the populace, that the Department can use to develop its positions on each issue that comes before the Board.

In taking a position, the Public Advocate must look at many factors, including statutory goals and the long-term interests of ratepayers related to the specific facts at issue in the case. There are certain starting assumptions that may be used; for example, in ratemaking proceedings, it may be assumed that lower rates are better for Vermont's local economy because lower rates mean that more dollars remain in the state as disposable income. However, the Department can also assume that the State's utility customers want to be assured of reliable service, i.e.,

²⁰ In Docket 7970 (VGS Addison Pipeline project) the PSB received complaints that supporters of the project had packed the public hearing with their employees. If the prevailing sentiment at a public hearing were to determine the Department's position, such gaming would become routine.

customers want, and deserve to have, a reliable supply of electricity, which involves incurring costs related to tree trimming and other maintenance activities. Additionally, there are statutory goals for increased renewables, as well as implementation of energy efficiency. These countervailing goals push against the idea that every position the Public Advocate takes should be to minimize rates in the short term.

More difficult decisions arise, for example, when a particular proposal pits a small number of affected local residents against statewide policy goals; in such cases, a small number of customers may be disproportionately affected by energy or telecommunications facilities that require certificates of public good (CPG) that are being proposed to: ensure reliable electric service, provide cell coverage to an unserved area, or to meet renewable goals set by the legislature. In such cases, the public good may well require that such facilities be constructed, even at the inconvenience of locally affected landowners. Longer-term benefits may be achieved by the Department's coordination of its public advocacy positions with long-term least cost planning that the Department undertakes on a regular basis.

The Legislature fairly recently raised the question of how the Department establishes its positions on issues and required a related report from the Department by July 1, 2014. In that Report of July 1, 2014, the Department stated:

There are a number of guideposts that inform the Department's judgments regarding the public good. These include state statutes, previous Board orders, comments received at public hearings, and public policies and goals developed within the executive branch. The Department's Comprehensive Energy Plan is an example of the integration of multiple sources of guidance, taken from dozens of meetings around the state and review and comment by stakeholder groups on multiple drafts, resulting in approximately 9000 public comments taken into consideration. In addition, there is a significant body of utility regulatory law developed over many decades and expressed in the rulings of many courts, including the U.S. Supreme Court, as well as in secondary sources such as treatises. These guideposts provide valuable direction on many issues, and, more importantly, set forth principles that guide decision-making on specific cases and

questions.²¹ The Department regularly consults these sources in the course of its representation of the public.

The Department is charged with representing all of the consuming public, which includes many different classes of customers as well as a broad diversity of opinion and interests. In most cases before the Public Service Board, the interests of different customer classes (e.g. residential, commercial, industrial) are not in conflict.²² All classes of customers have a fundamental shared interest in least-cost utility service.²³ In rate cases, where the utility's overall revenue requirement is determined, the interests of all consumers are fundamentally the same. Similarly, the interests of different customer classes do not generally differ in facility permitting cases under § 248.²⁴

The Department stands by the analysis that it offered in 2014.

Confusion regarding how to determine the public interest is understandable because the plain meaning of rather general statutory terms such as the “public interest,” the “consuming public,” “interests of the people of the State,” and “public good” can each be understood to represent the good that is in the mind of the beholder. Moreover, the statutes seem to provide slightly varying answers to the question of who is meant to be represented by the Department's Public Advocate, depending upon the nature of the proceeding.

In general, the applicable statute requires that:

(b) In cases requiring hearings by the Board, the Department, through the Director for Public Advocacy, shall represent the *interests of the people of the State*, unless otherwise specified by law. In any hearing, the Board may, if it determines that the

²¹ The treatise perhaps most often cited is *Principles of Public Utility Rates* by James C. Bonbright. A summary presentation of those principles and their application to ratemaking can be found at <http://www.naruc.org/International/Documents/Tariff%20Development%20II%20Rate%20Design%20final%20draft%20ver%201%2000.pdf>. [footnote taken from original]

²² However, in cases that address “rate design”, there are sometimes controversies about the portion of the overall revenue requirement that each customer class must contribute to. Based upon a relatively recent statutory change, the Department must provide heightened focus on customer classes that are not usually otherwise represented.

²³ “Least-cost” in this context does not mean simply the cheapest rates, but has the meaning given in 30 V.S.A. § 218c – i.e. after considering safety, “the lowest present value life cycle cost, including environmental and economic costs . . .” While this does not necessarily translate to lowest rates, if properly implemented it should result in the lowest utility bills. [footnote taken from original]

²⁴ Act 91 Report to the General Assembly on Consumer Representation, submitted by the Public Service Department, July 1, 2014. Report available at <http://legislature.vermont.gov/assets/Documents/Reports/301653.PDF>.

public interest would be served, request the Attorney General or a member of the Vermont Bar to represent the public or the State.²⁵

In addition, the Department may intervene, appear, and participate in Federal Energy Regulatory Commission proceedings, Federal Communications Commission proceedings, or other federal administrative proceedings on behalf of the Vermont public, such as at the Nuclear Regulatory Commission (NRC).²⁶ However, in proceedings that affect rates, the statutory standard is that the Department represents the “interests of the consuming public.” Therefore, the Department’s Public Advocacy attorneys must observe a slightly different focus of representation in rate-setting cases as opposed to other types of cases.

More recently, there has been a slight evolution of the focus of the Department’s public advocacy function. For example, pursuant to the later addition of Title 30 section 2(f), the intended beneficiary of the Public Advocate’s work became somewhat more narrow:

(f) In performing its duties under this section, the Department shall give heightened consideration to the interests of ratepayer classes who are not independently represented parties in proceedings before the Board, including residential, low-income, and small business consumers, as well as other consumers whose interests might otherwise not be adequately represented but for the Department's advocacy.²⁷

However, the Department has also been directed by statute to give consideration to manufacturing and business interests in establishing energy policy.²⁸

To give effect to the policies of section 202a of this title to provide reliable and affordable energy and assure the State's economic vitality, it is critical to retain and recruit manufacturing and other businesses and to consider the impact on manufacturing and other businesses when issuing orders, adopting rules, and making other decisions affecting the cost and reliability of electricity and other fuels. Implementation of the State's energy policy should:

(1) encourage recruitment and retention of employers providing high-quality jobs and related economic investment and support the State's economic welfare; and

²⁵ 30 V.S.A. §2(b) (emphasis added)

²⁶ Id.

²⁷ 30 V.S.A. § 2(f).

²⁸ 30 V.S.A. § 218e.

(2) appropriately balance the objectives of this section with the other policy goals and criteria established in this title. (Added 2013, No. 199 (Adj. Sess.), § 12.)

While representing the “public interest” may generally be an apt way to describe the Department’s goal in nearly all cases, when a proceeding may result in a change of rates, the somewhat more narrow directive requires the Department to represent the general body of customers (the “consuming public”) in their capacity as ratepayers. In cases that do not affect the level of rates, the statutory mandate is for the Department to represent the “interests of the people of the State,” the “public good,” or “the general good of the State” depending on the applicable statute. Those standards leave substantial room for judgment with respect to the appropriate position for the Department to take in any particular proceeding. For example, the Department is continually involved in proceedings under 30 V.S.A. § 248 where the PSB must find that a proposal for acquisition of new gas or electric purchases or to construct related facilities “promotes the general good of the state” in order to grant the petitioner a “Certificate of Public Good.” Such standards require the PSD to make judgments about what is or is not in the general good of the state or what serves the public good, and to advocate accordingly. Quite often, taking a position in those cases is a product of weighing benefits and harms and considering different interests among affected members of the public. Therefore, given the range of positions that may be reasonably consistent with such broad standards after balancing many factors and diverse interests among the public, there is an inherent need for some independent judgment in the formulation of the Department’s public advocacy positions. One former Board Chairman cited the benefits of having these disparate considerations weighed by one entity – the Department – and presented to the Board as a single distilled position that took the tradeoffs into account before developing that position.

VI. Recommendations

While we do not recommend specific structural changes, we do believe that internal changes could be implemented to provide greater transparency to the public of why the Department takes specific positions. We list below some potential options to achieve this goal and specifically invite comment on these proposals. One consideration is that the proposed changes will take resources, which are in short supply; accordingly, these proposals are preliminary and dependent on further discussion both internally and externally.

We believe that there are two root causes leading to the concerns expressed in developing this report. The first is that many people are unhappy with the positions that the Department takes. Given the stakes involved in almost all proceedings the Department participates in, this will always occur. This is not to dismiss these concerns but to acknowledge that there is no mechanism that will fully address this concern. The second root cause appears to be insufficient transparency in the rationale for why the Department has taken a specific position in any given case. Below, we provide some potential mechanisms to help address these issues.

A. Annual Public Report on Advocacy Positions

Given the somewhat competing statutory goals (e.g., low rates, increased renewables, adequate reliability), it is easy for any party to point to a specific statute and state that the Department is not giving the goal sufficient weight. In order to address this, the Department could provide an annual report that sets forth the statutory goals and how the Department tries to balance these goals. This could serve as a “roadmap” for the Department’s general position on issues, while noting that individual cases each present specific circumstances that must be addressed; however, the public would be aware of the Department’s general policy approach.

The report could also be retrospective and summarize the positions taken in prior cases as well as specific accomplishments achieved. The Department could also receive feedback on a draft of the report before finalizing it, with a public hearing and opportunity for written comments that would allow public input.

B. Greater Outreach to the Public

The Department does not typically take a position in a case until there has been opportunity for public input, which usually occurs through a public hearing held by the Board. We note that Board practice in these public hearings is not to engage the public but instead to passively receive comments. In order to better determine and interact with the public in specific cases, the Department could hold its own public hearing a half hour before the Board's and allow interested persons to engage with the Department, ask questions of the Department and the petitioner, and allow the Department to explore issues with the people who attend. This would not supplant the opportunity for people to file written comments, but would be one more avenue. The Annual Report described above could prove to be helpful in this outreach.

C. Greater Transparency with Memoranda of Understanding

When the Department enters into an MOU with a party in an attempt to resolve an issue, it provides a filing which has a goal of convincing the Board, which has read all of the evidence in the case, that a certain outcome is beneficial. We have already changed practices over the last several years to ensure we do not enter into an MOU in advance of public hearings or intervention schedules associated with a particular position. In the interests of efficiency, the filing has not typically fully addressed why the Department took such a position. In order to

provide greater transparency, the Department could develop a practice of submitting a filing explaining why the MOU is in the public interest.

Additionally, the Department could institute a standard practice where all parties would be notified and provided an opportunity to participate in initial settlement discussions, whether instituted by the Department or another party to a Board proceeding.

VII. Conclusion

As this report makes clear, there is no one structural model that is optimal, and each model has tradeoffs. We have not proposed specific reforms as we do not believe that there is an inherently better model for Vermont ratepayers. This does not mean that there is not room for improvement; while some of the comments received stem largely from the particular positions that the Department takes in Board proceedings, there is also a clear indication that the Department should do better in conveying the rationale for why the Department has taken a particular position. In the complexities of weighing the “public interest” in a given proceeding, we believe any advocate should be accountable to the elected officials and the legislative body, and we believe the Department structure as it exists can and should accomplish this responsibility in an informed and transparent manner, which, while not pleasing to everyone all of the time, can stand on its analysis and relate credibly to all those who express interest.

State Consumer Advocates								
State	Consumer Advocate Agency	Appointed By	Year Created	Budget	# of FTE	Term	Responsibilities	Website
Alabama	Office of the Attorney General, General Civil and Administrative Law Division, Utilities Section	Attorney General is elected; Assistant Attorney General appointed by Attorney General				Attorney General term: 4 years; Assistant Attorney General serves at the pleasure of the Attorney General	<p>This section of the Civil Division acts as the advocate for the consumers before the Alabama Public Service Commission and represents the Attorney General in all utility matters before the Public Service Commission. The Attorney General, primarily representing residential consumers, intervenes in utility matters affecting the public interest, particularly those utility dockets involving rate and service issues with electricity, natural gas, telecommunications, water, and wastewater companies.</p> <p>The Attorney General receives and reviews all applications, petitions, and pleadings filed by public utilities doing business in the State of Alabama. The Public Service Commission's staff provides technical assistance to the attorneys in the Utility Section and the attorneys have access to all of the Public Service Commission's books, records, studies, and reports. The Attorney General also appears before other state and federal agencies and courts in all matters concerning public utility services on behalf of consumers. The Attorney General also assists municipalities, public corporations, and consumers who have utility questions involving rate and service issues about the practices of unregulated utilities. The Attorney General may not represent private individuals before the Public Service Commission or before any other state or federal agencies or courts.</p>	http://www.ago.state.al.us/Page-Utilities-Section
Alaska	Department of Law, Regulatory Affairs & Public Advocacy (RAPA) section	Attorney General is appointed by Governor, subject to Legislative approval, to head Dept. of Law; Chief Assistant Attorney General is appointed by Attorney General to head RAPA	2004		9	Attorney General serves at the pleasure of the Governor; Chief Asst. AG serves at the pleasure of the Attorney General (partially exempt); Governor term: 4 years	<p>The responsibility of public advocacy for regulatory affairs was established within the Department of Law to advocate on behalf of the public interest in utility and pipeline matters that come before the Regulatory Commission of Alaska (RCA or Commission). AS 44.23.020(e). The Attorney General, as the Public Advocate, advocates for the general public interest with particular attention to the interests of consumers who would not otherwise have an effective voice regarding the rates and services of regulated utilities or pipeline carriers operating in the state. Advocacy is not strictly limited to asking for the lowest possible rate for services provided to the public, but is instead balanced to also ensure utility and pipeline service providers are financially healthy enabling them to provide safe and reliable service.</p>	http://www.law.state.ak.us/department/civil/rapa/rapa.html
Arizona	Residential Utility Consumer Office (RUCO)	RUCO Director appointed by Governor who nominates and with consent of Arizona Senate makes appointment	1983	General Fund: \$1.3M	11	RUCO Director serves at the pleasure of the Governor; Governor term: 4 years	<p>The Residential Utility Consumer Office ("RUCO") was established by the Arizona Legislature in 1983 to represent the interests of residential utility ratepayers in rate-related proceedings involving public service corporations before the Arizona Corporation Commission ("ACC" or "Commission").</p>	http://www.azruco.gov/

Arkansas	Office of the Attorney General, Public Protection Department, Consumer Utility Rate Advocacy Division (CURAD)	Attorney General is elected by public; Attorney General appoints a Director (Deputy AG) of CURAD	2007			Attorney General term: 2 years	<p>The Consumer Utility Rate Advocacy Division (CURAD), aggressively represents the interests of Arkansas' utility customers through advocacy, education, and litigation.</p> <p>The Attorney General's CURAD Division represents Arkansas ratepayers in front of the Public Service Commission and the Federal Energy Regulatory Commission. CURAD litigates on behalf of Arkansas consumers when utilities petition the Public Service Commission for rate increases, seek approval for sales or mergers, request permission to purchase or construct power, and when the Commission initiates cases to establish customer service rules and other policies that affect ratepayers. Since 2007, Attorney General's Office has saved ratepayers hundreds of millions of dollars in rate reductions and rebates. Those savings are near \$1 billion. CURAD acts as an advocate in giving the "consumers' side" in policy debates before the General Assembly. CURAD has assisted the legislature in shaping policies which concern ratepayers and utility regulation.</p> <p>CURAD also acts to educate the rate-paying public. Through the Attorney General's Consumer Protection Hotline, (800) 482-8982, the division handles scores of inquiries each month from utility consumers. Callers seek information concerning their individual bills, the utilities' rates, or procedures in general.</p>	http://arkansasag.gov/programs/arkansas-lawyer/consumer-utility-rate
California	California Public Utilities Commission (PUC), Office of Ratepayer Advocates (independent arm of PUC)	Director appointed by Governor and confirmed by state Senate	1984	\$29.4M	142	Director serves at the pleasure of the Governor; Governor term: 4 years	<p>The Division of Ratepayer Advocates is the independent consumer advocacy division within the California Public Utilities Commission and is the ratepayer advocate in the Gas, Electric, Telecommunications and Water Industries. Its statutory mission is to obtain the lowest possible rate for service consistent with reliable and safe service levels. In fulfilling this goal, DRA also advocates for customer and environmental protections.</p>	http://ora.ca.gov/
Colorado	Department of Regulatory Agencies (DORA), Office of Consumer Counsel	Executive Director of DORA is appointed by the Governor, with consent of the Senate; Consumer Counsel appointed by Executive Director of DORA	1984	\$1.7M	7	Executive Director term: Personnel employee. Serves at the pleasure of the Governor; Governor term: 4 years	<p>The Colorado Office of Consumer Counsel advocates on behalf of residential, small business, and agricultural consumers as a class in energy and telecommunications matters before the Colorado Public Utilities Commission. Led by the Consumer Counsel, the OCC promotes affordable, high quality, and reliable service. The does not regulate - we advise and advocate on behalf of consumers. Consumer protection is the mission of the OCC and DORA.</p>	https://www.colorado.gov/dora/office-consumer-counsel
Connecticut	Office of Consumer Counsel (within the Department of Public Utility Control)	Consumer Counsel is appointed by the Governor, confirmed by either house of the State of Connecticut General Assembly	1975	\$2.75M	13	Consumer Counsel term: 5 years	<p>The Office of Consumer Counsel is an independent state agency with statutory responsibility to represent customers of Connecticut's five regulated utilities – electric, gas, water, telephone, and to some extent, cable television, primarily in matters that go before the Department of Public Utility Control. The OCC is authorized to participate on behalf of consumer interests in all administrative and judicial forums and in any matters in which the interests of consumers with respect to public utility matters may be involved.</p>	http://www.ct.gov/occ/site/default.asp
Delaware	Division of the Public Advocate (within the Department of State)	Public Advocate appointed by Governor, subject to confirmation by the Delaware State Senate)	1978		5	Public Advocate serves at the pleasure of the Governor; Governor term: 4 years	<p>The Public Advocate advocates for the lowest reasonable rates for consumers, consistent with an equitable distribution of rates among all classes of consumers and the maintenance of adequate utility service. The Public Advocate will appear before the Delaware Public Service Commission on behalf of the interest of consumers in any matter or proceeding over which the Commission has jurisdiction and in which the Public Advocate deems the interest of consumers requires such participation. The Public Advocate will also appear on behalf of the interest of consumers in the courts of this State, the federal courts and federal administrative and regulatory agencies and commissions in matters involving rates, service and practices of public utilities regulated by the PSC.</p>	http://publicadvocate.delaware.gov/consumerinfo.shtml
District of Columbia	Office of the People's Counsel (established within the Public Service Commission of the District of Columbia)	People's Counsel appointed by Mayor, with District of Columbia Council approval	1975		19	Term: 3 years	<p>The Office of the People's Counsel is an independent agency that advocates for consumers of natural gas, electric and telephone services. The Office also represents the interests of District ratepayers before federal regulatory agencies. The Office is authorized to investigate the operation and valuation of utility companies independently of any pending proceeding. The Office's mandate is to advocate the provision of quality utility service and equitable treatment at rates that are just, reasonable, and nondiscriminatory to assist individual consumers in disputes with utility companies about billing or services; and to provide technical assistance and consumer education to the Consumer Utility Board ("CUB") and other community groups.</p>	http://www.opc-dc.gov/

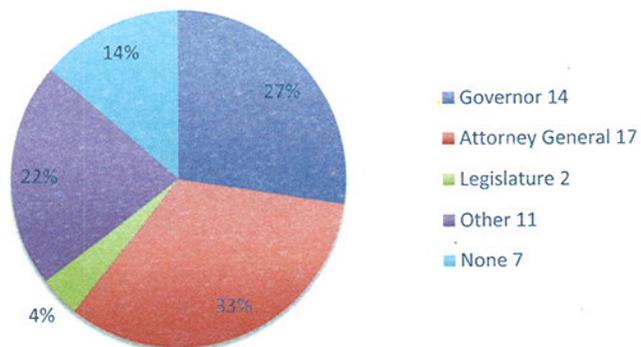
Florida	Florida Office of Public Counsel	Public Counsel appointed by State Legislature Joint Committee on Public Counsel Oversight composed of 12 members – 6 members of the Senate appointed by the President of the Senate (2 must be members of the minority party) and 6 members of the House of Representatives appointed by the Speaker of the House of Representatives (2 must be members of the minority party.)	1974				Public Counsel term: 2 years. Serves at the pleasure of the Joint Committee on Public Counsel Oversight, subject to biennial confirmation by Committee	The Office of the Public Counsel provides legal representation for the people of the state in utility related matters in proceedings before the Florida Public Service Commission, and in proceedings before counties. The Public Counsel exists under the auspices of the Joint Committee on Public Counsel Oversight. It intervenes in rate proceedings involving private telephone and electric utilities, as well as in numerous proceedings involving gas, water, and wastewater utilities.	http://www.floridaopc.gov/
Georgia	No state utility consumer advocate office. (The state's Consumers' Utility Council, which advocated on behalf of residential ratepayers in utility cases, was defunded in 2008 due to the state's budget crisis, but the law that created CUC has not been repealed and the CUC remains a division of the Governor's Office of Consumer Affairs)								
Hawaii	Division of Consumer Advocacy (DCA)– Public Utilities	Director of the Department of Commerce and Consumer Affairs (DCCA) is appointed by Governor, with the advice and consent of the Senate. Director of Commerce and Consumer Affairs employs the Director of Div. of Consumer Advocacy (DCA)					DCCA Director term: Term expires at the end of the term for which the Governor was elected; DCA serves at the pleasure of the Director	The Division of Consumer Advocacy represents consumer interests before the Hawaii Public Utilities Commission, the Federal Communications Commission, and other local and federal agencies. These organizations have regulatory jurisdiction over public utility services, including power generation, telecommunications services, synthetic natural gas, water and wastewater, transportation, and other similar public utility services. The division assists and represents customers of utility services as a whole rather than a single customer or select group of people. The DCA is in a separate department from the PUC.	http://www.hawaii.gov/dcca/dca/
Idaho	No state utility consumer advocate office. (There is an effort underway in the Idaho state legislature to pass a bill to create an Office of Consumer Advocate.)								
Illinois	Office of the Illinois Attorney General, Public Utilities Bureau	Attorney General is elected by public; Division head serves at the pleasure of AG	1983	\$100,000 from State; Membership-based	28		Attorney General term: four years	The Citizens Utility Board, a nonprofit, nonpartisan organization, was created by statute to represent the interests of residential utility customers across the state. The statute directs CUB to carry out that mission by intervening in ratemaking proceedings before the Illinois Commerce Commission, in the courts and before other public bodies and by providing consumers with information and assistance regarding their utility companies.	http://www.ag.state.il.us/ http://citizensutilityboard.org/About.html
Indiana	Indiana Office of Utility Consumer Counselor	Consumer Counselor is appointed by Governor	1933	\$5.6M	51		Consumer Counselor term: 4 years and serves at the pleasure of the Governor	The Indiana Office of Utility Consumer Counselor represents the interests of residential, commercial and industrial utility customers in cases before the Indiana Utility Regulatory Commission, Federal Energy Regulatory Commission, and the Indiana Court of Appeals and Supreme Court.	http://www.ai.org/oucc
Iowa	Office of Consumer Advocate (The Office of Consumer Advocate is a division of the Iowa Department of Justice.) The Attorney General is over the Iowa Department of Justice	Attorney General is elected by the public. Consumer Advocate is appointed by the Attorney General and confirmed by the Iowa Senate.	1983		16		Attorney General term: four years; Consumer Advocate term: four years	The Consumer Advocate's statutory responsibility is to investigate the legality of rates and practices of all utility companies subject to the jurisdiction of the Iowa Utilities Board, and to represent consumers and the public generally before state and federal agencies concerning those matters. The Office of Consumer Advocate is a separate division of the Iowa Attorney General's Office. It was established by the Iowa General Assembly.	https://www.iowaattorneygeneral.gov/for-consumers/office-of-consumer-advocate-utilities/
Kansas	Citizens' Utility Ratepayer Board of Kansas (CURB)	Five (5) member board is appointed by the Governor (1 member from each congressional district and the remainder from the state at large). Board members elect Chairperson and hire Consumer Counsel (an attorney)	1988		6		Board members term: four years; Consumer Counsel term: No term limit. Serves at pleasure of Board.	The Citizens' Utility Ratepayer Board protects the interests of residential and small commercial utility ratepayers in the state. CURB has a five-member volunteer board that is appointed by the Governor. There is one member from each congressional district with the fifth member serving as an at-large appointee.	http://curb.kcc.state.ks.us/
Kentucky	Office of the Attorney General, Office of Rate Intervention	Attorney General is elected by the public	1996		5		Attorney General term: 4 years	The Office of Rate Intervention serves as a watchdog for consumers in matters relating to health insurance, natural gas, water, sewer, electric and telephone rates. Under Kentucky law, the office is responsible for representing the interests of Kentucky consumers before governmental rate making agencies, concentrating on utility cases (electric, water, telecommunications, and natural gas) before the Public Service Commission	http://ag.ky.gov/civil/rate/Pages/default.aspx
Louisiana	No state utility consumer advocate office. (Louisiana Public Service Commission, Utilities Division provides assistance to "the citizens of Louisiana.")								

Maine	Office of Public Advocate	Public Advocate is appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over public utilities matters and to confirmation by the Legislature.	2005	\$1.67M	9	Public Advocate term: terms 4 years not coincident with the term of the Governor. Serves at the pleasure of the Governor	The Public Advocate Office's primary responsibility represents the interests of Maine residential users of utility service. Our attorneys advocate for rates, services and practices to benefit residential customers in regulatory and court proceedings. Most of our work takes place in proceedings before the Maine Public Utilities Commission. Our Office also intervenes in cases before the Federal Energy Regulatory Commission.	http://www.maine.gov/meopa/
Maryland	Office of People's Counsel (OPC)	Attorney General is elected by the public; People's Counsel is appointed by the Attorney General, with consent of the Senate, to run the OPC which is an independent agency and not part of the AG's office	1924		19	Attorney General term: four years; People's Counsel term: five years	The People's Counsel, appointed by the Attorney General with the advice and consent of the Senate, acts independently of the Maryland Public Service Commission and the Office of Attorney General. OPC represents Maryland's residential consumers of electric, natural gas, telecommunications, private water and certain transportation matters before the PSC, federal regulatory agencies and the courts.	http://www.opc.state.md.us/
Massachusetts	Attorney General's Energy and Telecommunications Division - Office of Ratepayer Advocacy (ORA)	Attorney General is elected by the public. Division head serves at the pleasure of the Attorney General.				Attorney General term: four years; Division head serves coterminous with the Attorney General	As ratepayer advocates, the Energy and Telecommunications Division within the Attorney General's Office represents consumers in matters involving the price and delivery of natural gas, electricity and telecommunication services before federal and state government regulators. The Division works to ensure that Massachusetts businesses and residents have access to reliable, safe and affordable energy.	http://www.mass.gov/ago/bureaus/eeb/the-energy-and-telecommunications-division/
Michigan	Department of Attorney General, Consumer & Environmental Protection Bureau, Environment, Natural Resources, & Agriculture Division	Attorney General is elected by the public; Assistant Attorney General is appointed by Attorney General				Attorney General term: four years; Assistant Attorney General serves at the pleasure of the Attorney General		
Minnesota	Office of Attorney General, Residential and Small Business Utilities Division	Attorney General is elected by the public				Term: 4 years		
Mississippi	No state utility consumer advocate office. (Attorney General can intervene and participate in matters before the Mississippi Public Service Commission.)							
Missouri	Office of the Public Counsel	Department of Economic Development Director is appointed by Governor, subject to Senate approval; Public Counsel is appointed by DED Director	1975		14	DED Director term: until a successor is appointed; Public Counsel serves at the pleasure of the DED Director	The Office of Public Counsel represents the interests of the public and utility customers in proceedings before the Missouri Public Service Commission (PSC) and in appeals in the courts. The PSC regulates the rates and services of investor-owned electric, natural gas, telephone, water, sewer and steam heat utilities. The Office of the Public Counsel is independent from the PSC and has a separate budget and staff.	http://opc.mo.gov/
Montana	Consumer Counsel	Consumer Counsel is appointed by the Legislative Consumer Committee		\$1.09M	6	Serves at the pleasure of the Legislative Consumer Counsel Committee	The Consumer Counsel is appointed by the legislature to safeguard the consumer interests. The Counsel represent Montana consumers in utility and transportation proceedings before the Public Service Commission, in appropriate proceedings before the Federal Energy Regulatory Commission, Federal Communications Commission and other federal administrative agencies, and in appropriate state and federal court proceedings.	http://leg.mt.gov/css/Committees/administration/Consumer%20Counsel/
Nebraska	Nebraska Public Advocate (within the Public Service Commission, Natural Gas, Natural Gas department) (Gas Only)	Executive Director and Public Service Commissioners are elected by the public; Public Advocate is appointed by Executive Director of Public Service				Executive Director and Public Service Commissioners term: six years; Public Advocate term: 4 years	Private attorney hired by Public Service Commission to represent public in gas cases.	
Nevada	Office of Attorney General, Bureau of Consumer Protection	Attorney General is elected by the public; Consumer's Advocate is appointed by the Attorney General				Attorney General term: four years; Consumer Advocate term: four years	Under the direction of the Attorney General and Consumer Advocate, the Bureau of Consumer Protection represents the public interest before the Public Utilities Commission, federal utility regulatory agencies, courts and all other forums. The role before these bodies is to advocate for reliable utility service at the lowest reasonable cost-particularly for residential and small business customers of public utilities. BCP is actively involved in federal and state regulatory and legislative proceedings related to the restructuring of the telecommunications, electric, natural gas, and alternative energy industries.	http://ag.nv.gov/About/Consumer_Protection/Bureau_of_Consumer_Protection/
New Hampshire	Office of the Consumer Advocate (this is the independent agency administratively attached to the public utilities commission)	Consumer Advocate is appointed by the Governor and Executive Council	1999	\$700,000	6	Consumer Advocate term: four years; Governor term: two years	The Office of Consumer Advocate is an independent state agency with statutory responsibility to represent residential customers of New Hampshire's regulated public utilities that provide electric, natural gas, telephone or water services. The OCA primarily fulfills this responsibility by participating in proceedings before the New Hampshire Public Utilities Commission (PUC). The OCA advocates for reasonably-priced, safe and reliable utility services, as well as for well-designed and prudently-administered ratepayer funded programs.	http://www.oca.nh.gov/

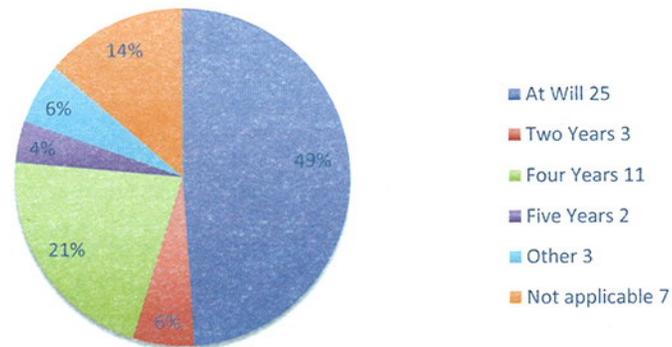
New Jersey	Division of the Rate Counsel (formerly called Division of the Ratepayer Advocate. In, but not of, the state's Department of Treasury)	Director is appointed by the Governor, with the advice and consent of the Senate			29	Director term: Serve during Governor's term of office; Governor term: four years	The Division of Rate Counsel represents the interests of consumers of electric, natural gas, water/sewer, telecommunications, cable TV service, and insurance (residential, small business, commercial and industrial customers). The New Jersey Legislature charged Rate Counsel with being "devoted to the maximum extent possible to ensuring adequate representation of the interest of those consumers whose interest would otherwise be inadequately represented in matters within the jurisdiction of the Division of Rate Counsel."	http://www.state.nj.us/rpa/
New Mexico	Office of Attorney General, Water, Environment and Utilities Division (Position title: Director)	Attorney General is elected by the public; Division Director is appointed by the Attorney General				Attorney General term: four years; Division Director serves at the pleasure of the Attorney General	The water, environment and utilities division actively pursues the Attorney General's responsibility to represent residential and small business utility consumers by participating in electric, gas, and telecommunications cases that impact large numbers of New Mexicans. The cases may be a rulemaking, a rate case, an effort by a utility to be deregulated, or one of many other issues that affect utility consumers. Additionally, the Division is authorized to represent the State in utility matters before the Federal Communications Commission and the Federal Energy Regulatory Commission .	http://www.nmag.gov/environmental-protection.aspx
New York	New York Department of State, Division of Consumer Protection - Utility Intervention Unit	Chairperson and Executive Director is appointed by the Governor, with advice and consent of the Senate				Serves at the pleasure of the Governor		http://www.dos.ny.gov/consumerprotection/
North Carolina	Department of Justice, Office of Attorney General, Utilities Section	Attorney General is elected by public				Attorney General term: 4 years		http://www.ncdoj.gov/Consumer.aspx
North Dakota	No state utility consumer advocate office.							
Ohio	Office of the Ohio Consumers' Counsel	Consumers' Counsel is appointed by the Consumers' Counsel Governing Board; Nine member board is appointed by the Attorney General, with advice and consent of the Senate. Attorney General is elected by the public	1976	\$5.6M	35	Consumers' Counsel serves at the pleasure of the Consumers Counsel Governing Board	The Office of the Ohio Consumers' Counsel is the statewide legal representative for Ohio's residential consumers in matters related to their utility services. The OCC advocates for residential consumers in administrative proceedings before the Public Utilities Commission of Ohio, state and federal courts, federal regulatory agencies, and the Ohio General Assembly. The agency also monitors utility companies' compliance with regulatory standards and educates consumers about utility issues and the services provided by their investor-owned electric, natural gas, telephone and water companies. The Consumers' Counsel is selected by a nine-member, bipartisan governing board representing family farmers, organized labor and residential consumers. Each governing board member is appointed by the Ohio Attorney General. The OCC has approximately 35 employees and an operating budget of \$5.6 million.	http://www.occ.ohio.gov/
Oklahoma	Office of the Attorney General, Public Utilities Unit	Attorney General is elected by public				Attorney General term: 4 years		
Oregon	Citizens' Utility Board of Oregon (CUB) (independent nonprofit corporation). All consumers are eligible for membership on the Board after making a monetary contribution yearly to the Board. CUB of Governors manage the affairs of CUB and may delegate to an executive committee of at least five members of the board. CUB was created by statute, but is now funded by dues.	Members elect the CUB of Governors; Executive Director is appointed by Citizens' Utility Board of Governors; CUB of Governors comprised of three persons (CUB members) elected from each of his/her congressional district by members residing in that district.	1984		10	Executive Director serves at the pleasure of the CUB of Governors; CUB of Governors term: four years (not to exceed two consecutive terms)	The Citizens Utility Board is a non-profit that represents the interests of Oregon's residential utility customers before administrative, judicial and legislative bodies, such as the Oregon Public Utility Commission and the Oregon Legislature. CUB works on affordable utility service, energy efficiency measures, low-income consumer protection, environmental stewardship and responsibility, renewable resources use and promotion, smart grid and other emerging technologies, and electric vehicle integration and regulation. The CUB Board of Governors represents the five congressional districts in Oregon. Board members are elected by CUB members for a 4 year term.	http://oregoncub.org/
Pennsylvania	Pennsylvania Office of Consumer Advocate (OCA) (Independent office within the Office of Attorney General)	Attorney General is elected by the public. Consumer Advocate by Attorney General & confirmed by the Senate	1976		28	Attorney General term: four years; Consumer Advocate term: Variable. Serves at the pleasure of the Attorney General.	The Office of Consumer Advocate (OCA) is a state agency that represents the interests of Pennsylvania utility consumers before the Pennsylvania Public Utility Commission (PUC), federal regulatory agencies, and state and federal courts. It is an independent office within the Office of Attorney General.	http://www.oca.state.pa.us/
Rhode Island	No state utility consumer advocate office.							
South Carolina	Office of Regulatory Staff (State legislature created an oversight committee for both the ORS and the Public Service Commission. This ten-member committee (State Regulation of Public Utilities Review Committee) is composed of six members of the S.C. General Assembly and four representatives of the general public. This committee recommends the ORS Executive Director candidate to the governor.)	Executive Director appointed by Governor	2004		79	Executive Director term: six years. Serves at pleasure of the Governor		

South Dakota	No state utility consumer advocate office. (Public Service Commission and Attorney General offer assistance to consumers who have disputes with investor-owned electric, natural gas, and telephone service providers.)						
Tennessee	Tennessee Attorney General's Office, Consumer Advocate and Protection Division	Attorney General appointed by Judges of Tennessee Supreme Court; Deputy Attorney General appointed by Attorney General to head Consumer Advocate and Protection Division				Attorney General term: eight years; Deputy Attorney General serves at pleasure of the Attorney General	
Texas	Office of Public Utility Counsel	Public Utility Counsel is appointed by Governor, with advice and consent of Senate	1983		19	Public Utility Counsel term: two years; Governor term: four years	The Office of Public Utility Counsel represents residential and small business consumer interests involving any utility regulated by the Public Utility Commission of Texas. This includes investor-owned electric utilities, retail electric providers, and local telephone providers. The Office of Public Utility Counsel (OPUC) is headed by the Public Counsel, who is appointed by the Governor and confirmed by the Senate for a two-year term. http://www.opuc.texas.gov/
Utah	Office of Consumer Services (within Department of Commerce. Formerly Committee of Consumer Services. Utah legislature reorganized the Committee into the Office of Consumer Services to advise it regarding utility rate changes and other regulatory actions)	Director is appointed by Governor, with concurrence of Committee and consent of Senate (Office receives legal assistance from the Attorney General)	1977		6	Director term: Six years	The Office of Consumer Services is Utah's utility consumer advocate, representing residential, small commercial and agricultural consumers of natural gas, electric and telephone service before the Utah Public Service Commission. The director is appointed by the Governor, with the concurrence of the Committee and consent of the Senate, for a term of six years. The Committee of Consumer Services now exists as a nine-member layperson board as part of the Office to advise it regarding utility rate changes and other regulatory actions on residential, small commercial and irrigator customers and to help establish policy objectives. http://www.ocs.utah.gov/
Vermont	Vermont Department of Public Service, Division of Public Advocacy	Commissioner appointed by Governor; Director for Public Advocacy is appointed by Department of Public Service Commissioner. Length of term: Serves at pleasure of Governor and Commissioner				Commissioner term: two years. Serves at the pleasure of the Governor; Director of Public Advocacy serves at the pleasure of the Governor and Department of Public Service Commissioner; Gov. term: two years.	The Public Service Department is an agency within the executive branch which represents the public interest in matters regarding energy, telecommunications, water and wastewater. The Department carries out this charge by representing the public interest in utility cases before the Public Service Board, federal regulatory agencies, and state and federal courts. The Department is a separate agency from the Vermont Public Service Board, which serves as the quasi-judicial or decision-making authority in utility regulatory cases. http://publicservice.vermont.gov/about_us/divisions#public_advocacy
Virginia	Attorney General Office, Insurance and Utilities Regulatory Section	Attorney General is elected by public				Attorney General term: 4 years	to serve the Attorney General's Consumer Counsel function, pursuant to Section 2.2-517 of the Code of Virginia, in matters related to the regulation of insurance and utilities, particularly as such regulations affect rates and service for monopoly services. The Section does not have agency clients, but instead represents the http://www.oag.state.va.us/index.php/divisions/civil-litigation/insurance-utilities-regulatory
Washington	Washington State Attorney General's Office, Public Counsel Unit	Attorney General is elected by public; Public Counsel is appointed by Attorney General				Attorney General term: four years; Public Counsel term: No set term. Serves at the pleasure of the Attorney General	The Public Counsel Unit of the Attorney General's Office represents the customers of Washington's investor-owned telephone, electric and natural gas utilities regulated by the state Utilities and Transportation Commission. Public Counsel represents the interests of residential and small business consumers, on issues such as rates, service quality, conservation, business practices, mergers, and competition. http://www.atg.wa.gov/public-counsel
West Virginia	Consumer Advocate Division of the Public Service Commission (CAD is an independent division of PSC)	Public Service Commission consists of three members appointed by Governor, with advice and consent of Senate; PSC Commissioners appoint a Director of the Consumer Advocate Division	1981		5	Public Service Commissioners term: Staggered six year terms; Consumer Advocate term: two years	The Consumer Advocate Division is an independent division of the Public Service Commission. The Consumer Advocate Division advocates primarily on behalf of residential customers, striving to obtain the lowest possible rates for gas, water, telephone, and electric services. http://www.cad.state.wv.us/
Wisconsin	Citizens Utility Board of Wisconsin (CUB) is the only consumer advocacy group fighting for ratepayers in Wisconsin. CUB was created by statute, but later reorganized to a private nonprofit organization supported by member dues.						
			2009	\$1.3M			During 2015 legislative session, the Joint Finance Committee of the Wisconsin Legislature voted to end ratepayer funding for the staff CUB of Wisconsin. Committee voted 12-4 on party line vote. http://www.wiscub.org/
Wyoming	Office of Consumer Advocate of the Wyoming Public Service Commission	Administrator of Office of Consumer Advocate is appointed by the Governor	2003	\$1.8M	6	Administrator term: No term. Indefinite	The Office of Consumer Advocate is an independent division within the Public Service Commission charged with representing the interests of citizens and all classes of utility customers in matters involving public utilities. The Administrator is appointed by and reports to the Governor. The Office provides expert witnesses and testimony for the Public Service Commission on behalf of all Wyoming rate payers. http://psc.state.wy.us/oca/oca.htm

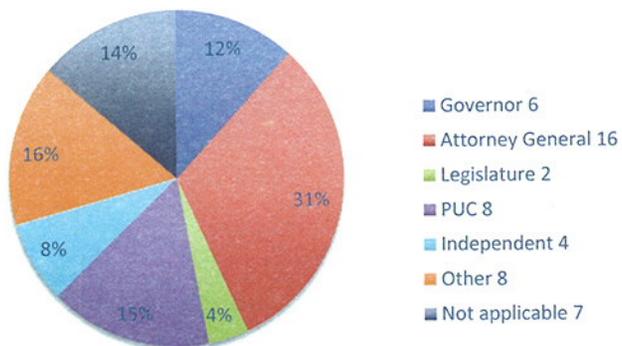
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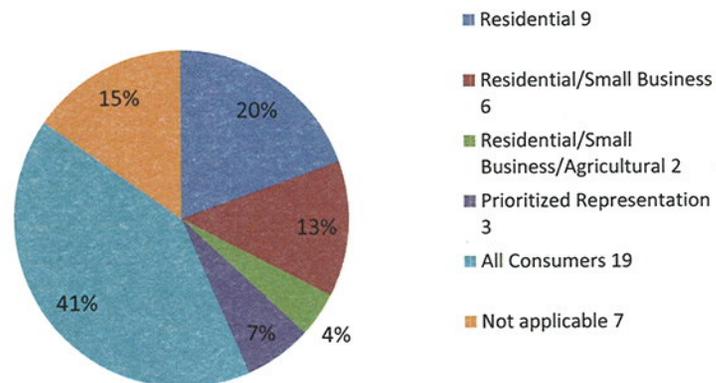
Term



Agency Affiliation



Jurisdiction



Act 56 PA Report Interviewees

Ancel, Charlotte
Berkley, Richard
Briesemeister, Janee
Brown, Victoria
Coleman, Warren
Coward, Richard
Driscoll, William
Dworkin, Michael
Frankel, Deena
Johnson, Kerrick
Levine, Sandra
Levis, Bill
Littell, David
Louiselle, Shana
Mullett, David
Popowski, Sonny
Press, Sam
Rubin, Scott
Saudek, Richard
Sciarrotta, S. Mark
Sedano, Richard
Smith, Annette
Sterzinger, George
Tarrant, Gerald
Terry, Steve
Volz, Jim
Ward, Steve
Young, George
Zamore, Peter

Written Comment Submissions

AARP-Vermont

Bob Amelang

Anonymous

Laura Asermily

Town of Brattleboro

Barbara Clearbridge

Ross Conrad

Peter Gile

Ramona Godfrey

Katharine Hikel

Thomas Matsuda

Lawrence O'Neill

Carl Scott

Mary-Alice Shemo

Ron Slabaugh

Rachel Smolker

Vermont Energy Partnership

Windham Regional Commission

Actual comments can be found at:

http://publicservice.vermont.gov/publications/advocate_report

Public Hearings

October 20, 2015 – Rutland Regional Medical Center, Rutland

October 21, 2015 – River Arts, Morrisville

November 17, 2015 – Shelburne Town Offices, Shelburne

November 18, 2015 – Brattleboro Union High School, Brattleboro

Transcripts can be found at:

http://publicservice.vermont.gov/publications/advocate_report