

# Keeping Consumers in the Loop: Paying Attention to an Important Constituency

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## **The Honorable Frederick F. Butler**

Commissioner, New Jersey Board of Public Utilities

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# Hallmarks of a Well Developed Regulatory Agency

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- i. Independence**
- ii. Consistency**
- iii. Transparency & Inclusion**

(Remember: The process is being observed by the government, citizens, industry, and investors).

# i. Independence

- **Fiscal independence:**
  - Funding the Agency;
  - Funding the Commissioners;
  - Funding the staff.
- **Operational independence** in the decision making process;
  - The importance of fixed and staggered terms.
- **Ethical independence:**
  - Conflict of Interest;
  - Ethical oversight;
  - Post employment restrictions.

## ii. Consistency

- Rules promulgated
- Fairly and consistently applied
- Is there a level playing field (Rome and the Lions \_\_, Rules of the game)

### iii. Transparency and Inclusion

- **Looking into the Agency:**

- Decision-making procedures
- Fully noticed public
- Executive (closed) sessions should be limited
- Website, toll free numbers

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- **Looking out from the Agency:**

- Why: Concern for Rate payers
- Keeping them in the loop matters
- Keep public opinion on your side
- Keep public officials happy (?)

# Public Hearings and Town Meetings

- **Public Hearings – some are required; all are important**
  - Held in service territory at convenient (including evening) hours
- **Town Meetings:**
  - Geographically dispersed;
  - Depend on upcoming/current issues.

# Keep Ratepayers (Citizens) informed and in the Loop

**Get consumers (ratepayers) feedback: This process is most disruptive for them.**

- **Ratepayers are at the end of the process and unaware of the ongoing complex discussions.**
- **Rate and service impacts can be overwhelming.**
- **Confused, angry and intransigent ratepayers can stymie the process and endanger the desired outcome.**
  - Appeals to the elected officials
  - Protests regarding programs



## Keep Ratepayers (Citizens) informed and in the Loop, *cont.*

- **Educated ratepayers can understand the changes taking place and react accordingly.**
- **Involved ratepayers can strengthen the planning/execution process and suggest improvement. (Eastern European Time of Day Rates example)**

# Keep Ratepayers (Citizens) informed and in the Loop, *cont.*

- **Ongoing consumer assistance/protection function is crucial.**

## **NJ Examples:**

- Public Hearing and Town Meeting process
  - ★ Division of Customer Assistance
  - ★ Division of Ratepayer Advocate
  - ★ Toll-free hotlines
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- **Outreach to elected officials cannot be overlooked.**
  - ★ Contact with executive officers
  - ★ Legislative liaisons

# Public Outreach

- **NJBPU established a Consumer Education Program to educate residents and businesses on Energy Restructuring.**
  - NJBPU'S program focused on New Jersey's diverse population, providing outreach in several languages and tailoring the message to the needs of different ethnic communities

## Public Outreach, *cont.*

**NJBPU has several organizational components whose overriding purpose is public outreach/relations/access**

- The Division of Customer Relations handles customer complaints regarding all utilities regulated by the BPU (The Office of Cable Television has its own complaint/investigation Unit )
- Operates toll free phone lines and employs bi-lingual personnel to service consumers
- The Division of Service Evaluation conducts accident and service reliability investigations
- Administers the enforcement of the Underground Facilities Protection Act
- Has a “One-Call” service to facilitate public access/compliance with measures designed to protect underground facilities

# Division of the Ratepayer Advocate

- Formerly (and in the future) the Department of the Public Advocate
- Represents all ratepayers – large and small
- Automatic party to all dockets before the board

# Division of Customer Assistance

- In addition to maintaining local (973- 648- 2350) and toll free (800-624-0241) telephone numbers, the Division maintains an Electronic Data Interchange System, which enables major utilities to receive complaints instantaneously over high-speed data lines.
- Processing time is thus reduced and responses are provided faster.

# Division of Customer Assistance

- **The Division has seen an increase of 27% in the number of customers assisted since 1996.**
- **For comparison, the Division assisted customers with 10,548 verbal and 3,265 written complaints in the year 1996.**
- **In the year 2000, the Division assisted customers with 14,377 verbal and 4,439 written complaints.**
- **In addition, the Division received 1,649 emails from customers requesting assistance or general information.**
- **The Division received 138,637 telephone inquiries in the year 2000.**



# Division of Customer Assistance

- **With the implementation of competition in the energy and telephone industry, other BPU Divisions, governmental agencies, State Public Utility Commissions and customers rely on the Division to provide information as to how well these companies are serving its customers.**
- **The Division has received inquiries from 952 different companies in which customers had expressed a problem.**



# Division of Customer Assistance

**The Division of Customer Assistance provides the most visible direct communications link between the BPU and the customers of the utilities it regulates as well as licensed third party energy suppliers and resellers of telephone service.**

**The Division assists customers in resolving service and billing problems.**

**The Division also participates in investigations and research activities related to emergencies.**

# Commissioner Frederick F. Butler

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