

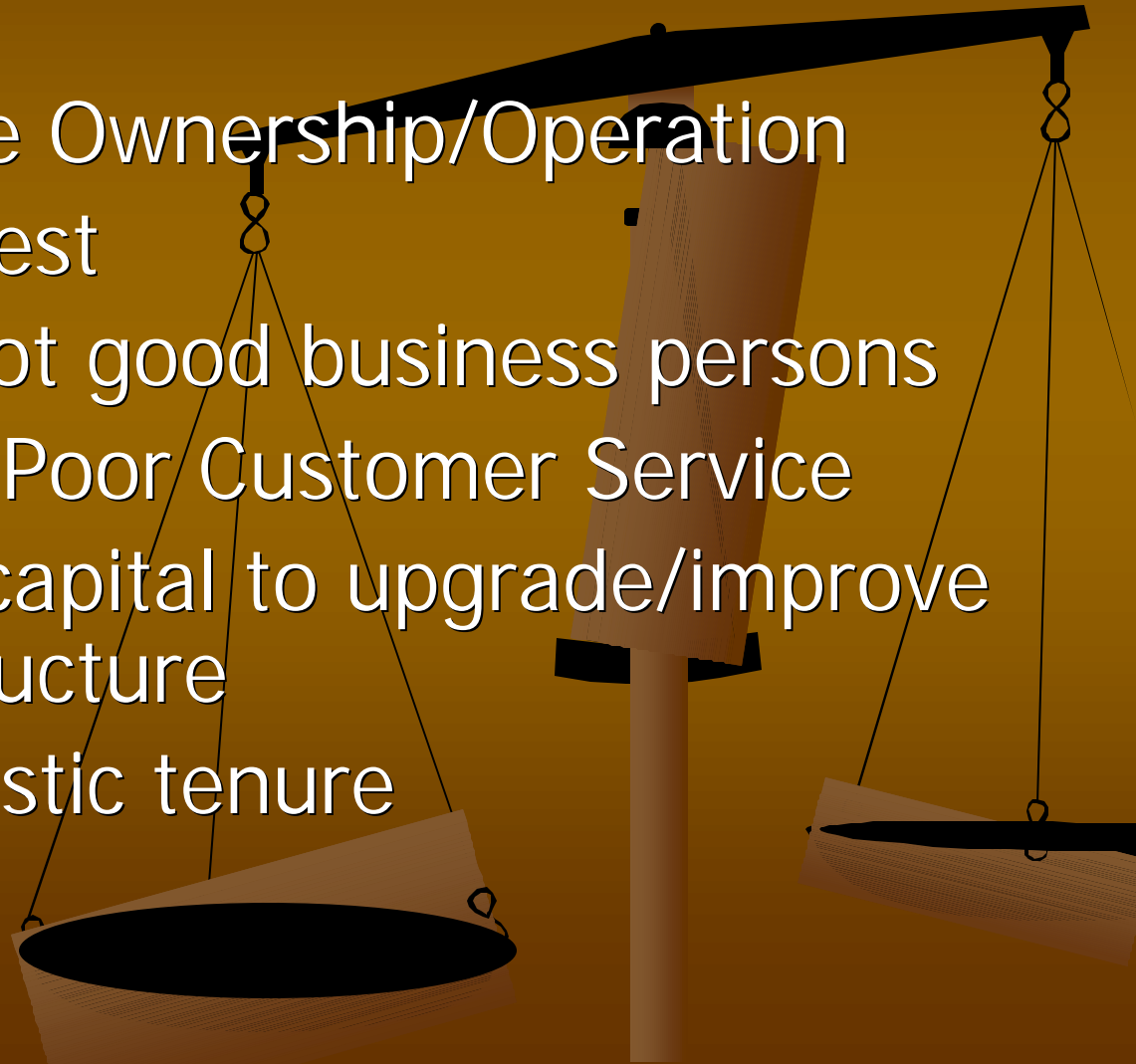


The Role of the Consumer in Utilities' Regulation

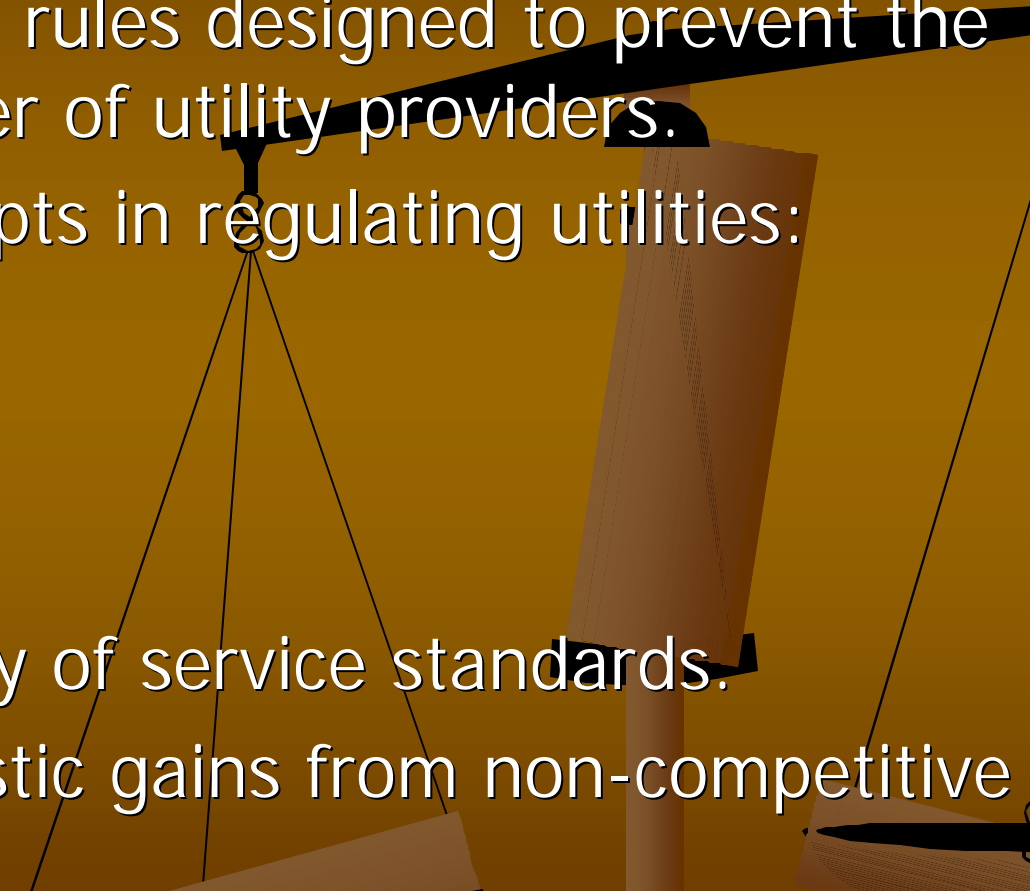
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Why Regulation?

- Why not?
- Public vs Private Ownership/Operation
- Conflict of interest
- Governments not good business persons
- Inefficiencies – Poor Customer Service
- Attract private capital to upgrade/improve utilities' infrastructure
- Limits monopolistic tenure

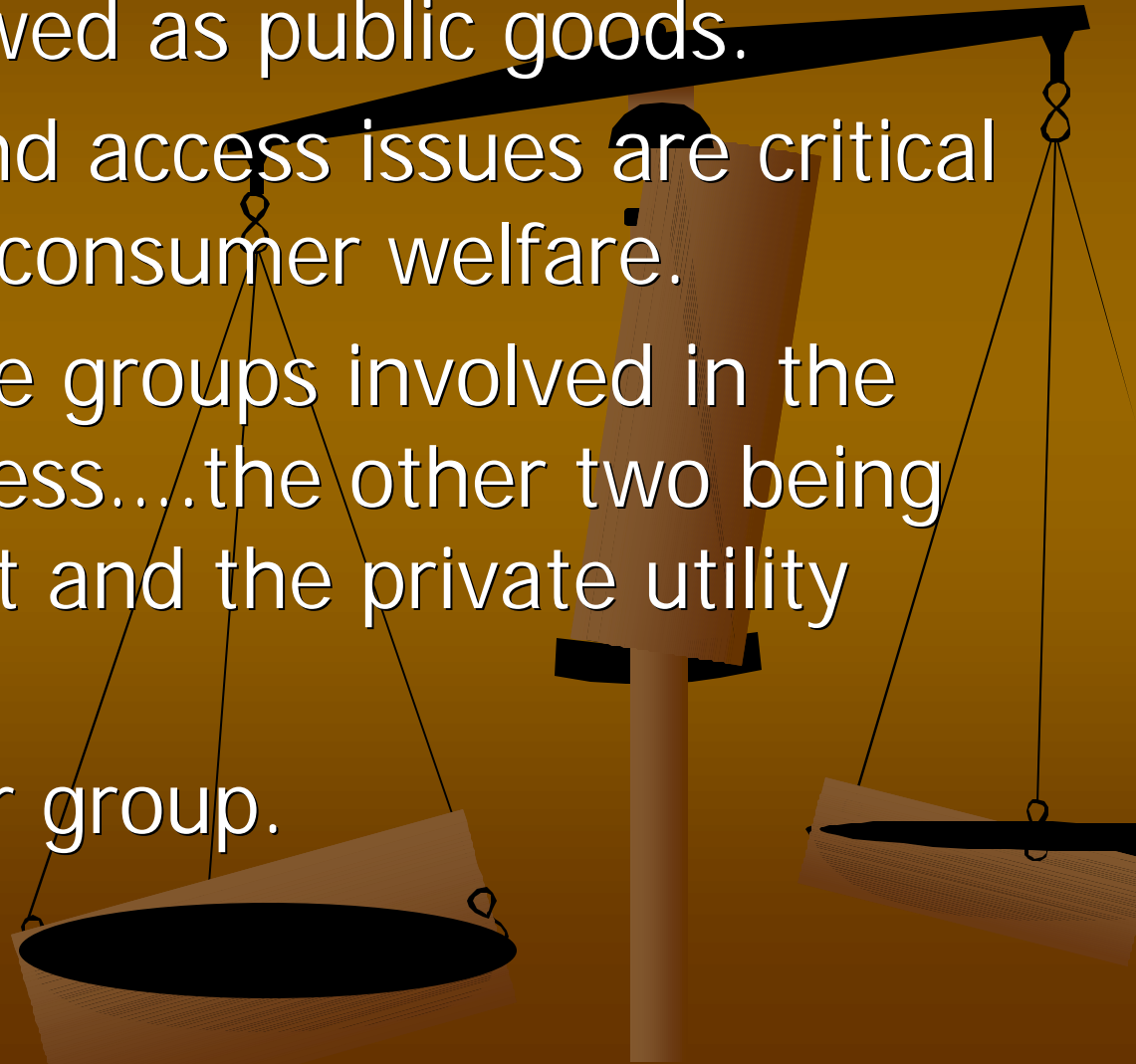


Regulation and Public Utilities

- Set of enforceable rules designed to prevent the monopolistic power of utility providers.
 - Three main concepts in regulating utilities:
 - Price
 - Quality
 - Access to services
 - Competition
 - Provision of quality of service standards.
 - Prevent monopolistic gains from non-competitive activities.
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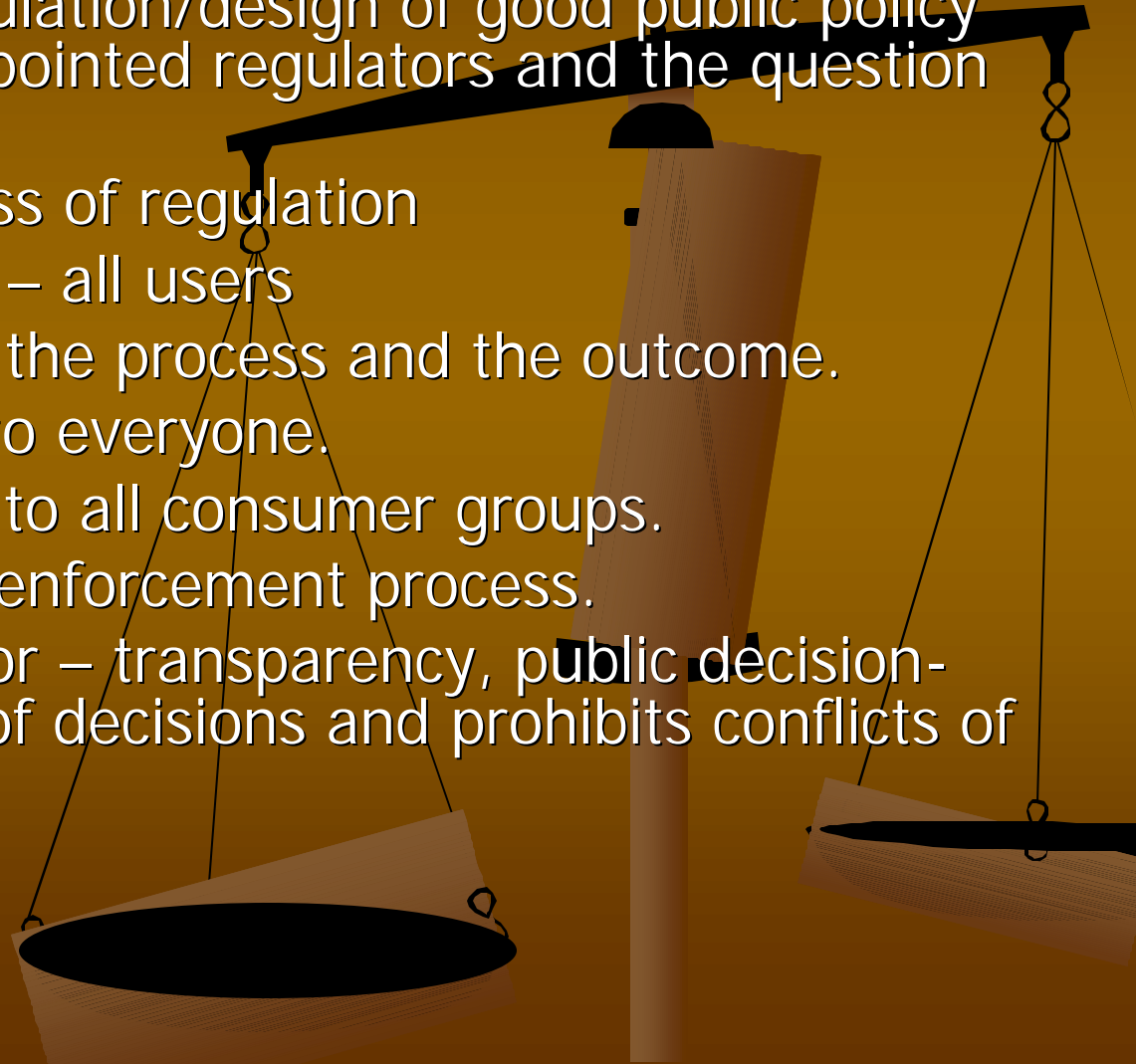
The Consumer and Public Utilities

- Utilities are viewed as public goods.
- Price, quality and access issues are critical components of consumer welfare.
- One of the three groups involved in the regulatory process...the other two being the Government and the private utility operators.
- Main utility-user group.



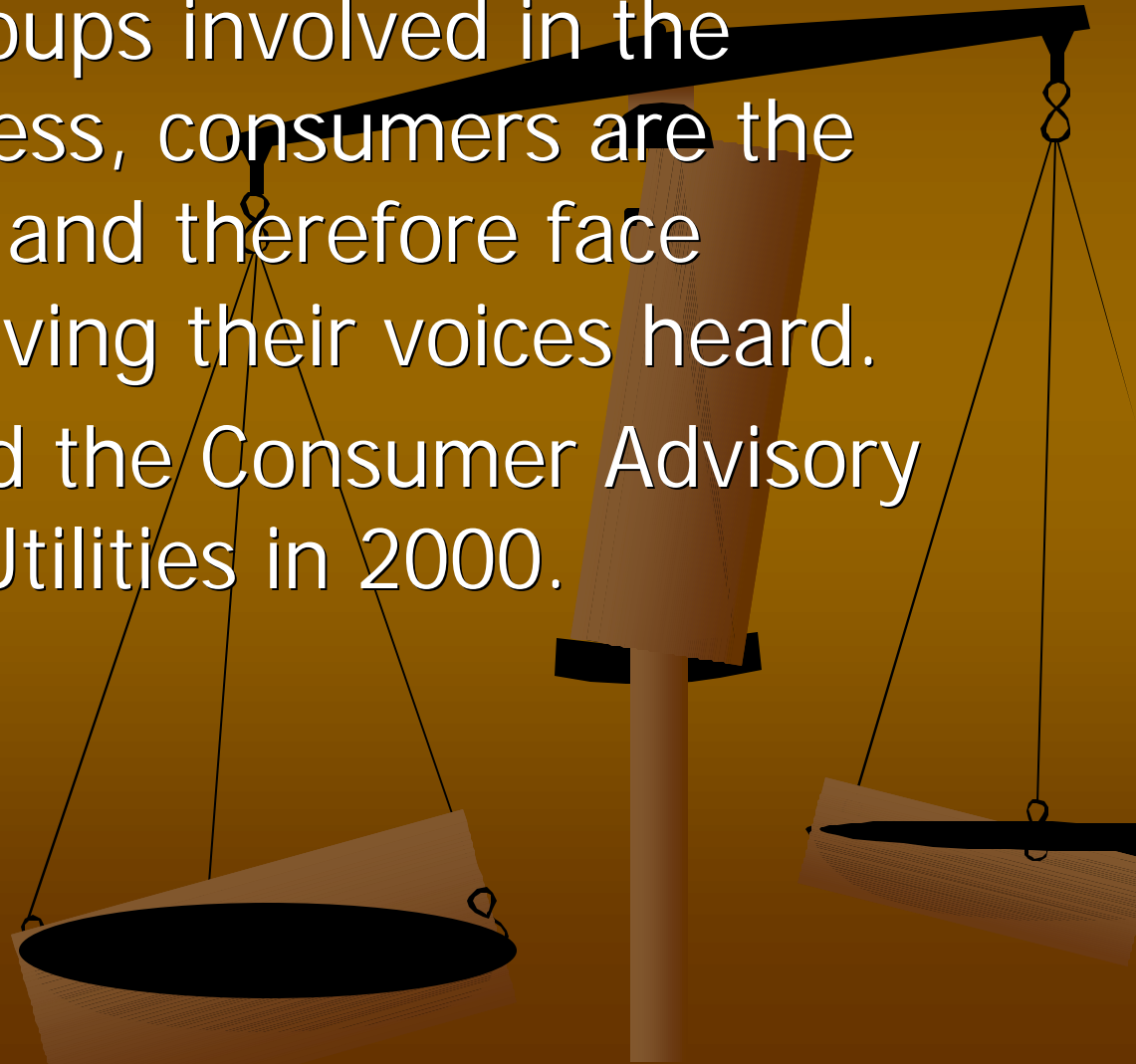
Role of the Consumer in Regulating Utilities

- Involved in the formulation/design of good public policy – e.g. elected vs appointed regulators and the question of independence.
- Influences the process of regulation
- Consultative process – all users
- Public acceptance of the process and the outcome.
- Rules/Results apply to everyone.
- Decision-making fair to all consumer groups.
- Responsibility in the enforcement process.
- Monitors the regulator – transparency, public decision-making, publication of decisions and prohibits conflicts of interest.



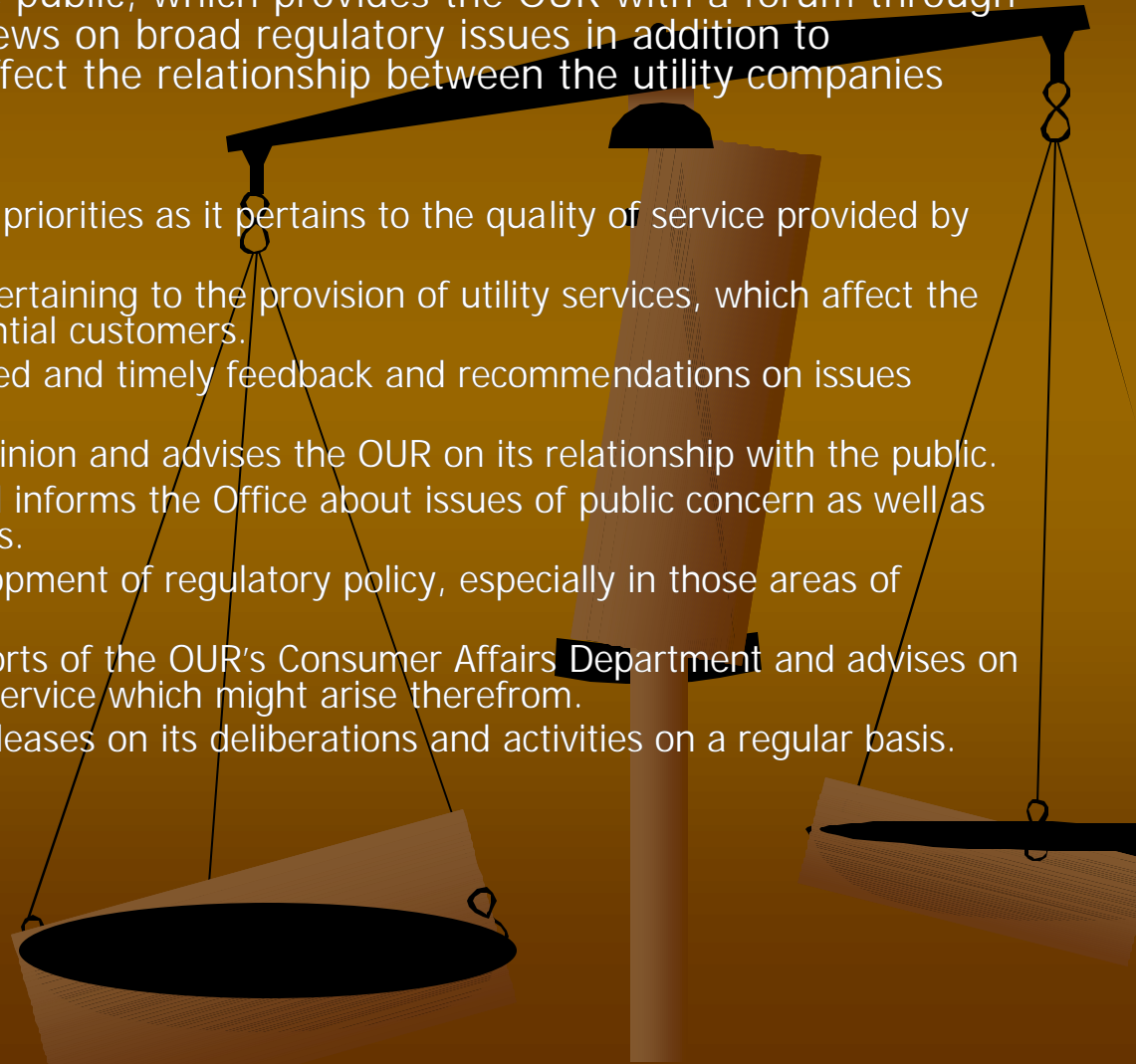
Consumers and the OUR

- Of the three groups involved in the regulatory process, consumers are the least organized and therefore face difficulties in having their voices heard.
- OUR established the Consumer Advisory Committee on Utilities in 2000.

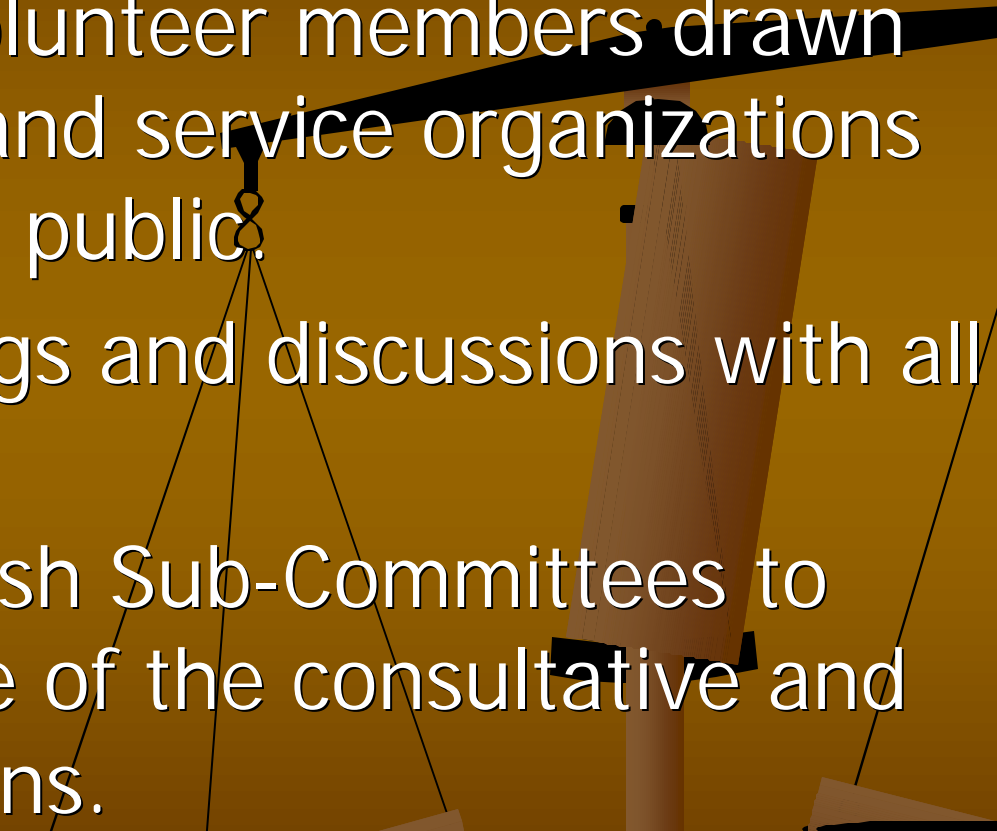


The Consumer Advisory Committee on Utilities (CACU)

- An independent group from the public, which provides the OUR with a forum through which it receives consumers' views on broad regulatory issues in addition to perspectives on issues which affect the relationship between the utility companies and consumers.
- The CACU has as its mandate:
 - Advises the OUR on consumer priorities as it pertains to the quality of service provided by each utility.
 - Reports to the OUR, matters pertaining to the provision of utility services, which affect the interests of customers or potential customers.
 - Provides appropriate, considered and timely feedback and recommendations on issues referred by the OUR.
 - Acts as a measure of public opinion and advises the OUR on its relationship with the public.
 - Generally advises the OUR and informs the Office about issues of public concern as well as offer solutions to specific issues.
 - Advises the OUR on the development of regulatory policy, especially in those areas of consumer concerns.
 - Reviews the activities and reports of the OUR's Consumer Affairs Department and advises on the implications for customer service which might arise therefrom.
 - Publish reports, articles and releases on its deliberations and activities on a regular basis.



The Consumer Advisory Committee on Utilities (CACU) cont'd.

- There are 14 volunteer members drawn from statutory and service organizations and the general public.
 - Monthly meetings and discussions with all utilities.
 - Established Parish Sub-Committees to widen the scope of the consultative and advisory functions.
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Consumers and Utility Regulation

If consumers are to benefit from infrastructural development through the private and/or public sectors and if commitments to investors are to be protected and if the economy as a whole is to benefit from the process, then regulation has to be independent, competent and fair. Consumer involvement guarantees regulatory effectiveness and acceptance.

