

PSC Staff Restructuring Overdue

Recent coverage by *The Atlanta Constitution* incorrectly suggests that efforts are underway to strip the PSC staff of its independence. State law requires that an independent evaluation of utility rates be conducted by staff and no one is suggesting this be changed. Most agencies in state government have undergone an efficiency review by Governor Sonny Perdue's *Commission for a New Georgia* that brings fresh perspective and new ideas. Why should the PSC be immune from improvement?

In deciding whether the rates of a utility are just and reasonable, our staff is assigned to two separate divisions. The Adversary Staff opposes the utility and functions as the prosecution. The Advisory Staff acts like law clerks to the Commissioners, who serve as judges.

The Adversarial system is inherently biased against the utility and does not provide Commissioners with the impartial guidance needed to render a proper decision. The bulk of staff and consultative resources are granted to the Adversary Staff. Since they work for the judges, their positions are unfairly given far more weight than that of other intervening parties in the case. In staking out a litigation posture, the Adversary Staff hires biased consultants of questionable competence who offer extreme positions.

Not until a few days prior to the final hearings does the advice of the Advisory Staff become available and it is not part of the official record. Making matters worse, members of the Advisory Staff often report to the Adversary Staff, which means the advice may be less than forthcoming or neutral. Faced with insufficient and less than reliable evidence, the Commission is often put into a position of forcing a compromise that may not always be in the best interest of the ratepayer or the utility.

Not one option under consideration "guts" the staff that would fight utility increases as suggested by this newspaper. One option calls for an independent staff who would present an impartial case, for or against the utility, based on sound evidence. A second option places the Advisory Staff on equal footing with the Adversary Staff and they would no longer report to one another. A third alternative, once proposed by Representative Mary Margaret Oliver, would create a Public Advocacy Staff that would be housed under a separate agency, such as the Consumers Utility Counsel. States all across the country use each of these models.

Georgians enjoy reliable utility rates that are below the national average. This has been accomplished by keeping the utilities financially healthy and allowing them to invest in new infrastructure while paying down old debt. Other states have not been so fortunate where lower returns for utilities have resulted in higher borrowing costs and inadequate infrastructure investment, which leads to interruptions in service.

By looking at the best practices of other states, we may find a better means of accomplishing our state mandate of balancing the interests of the ratepayer and the utility while continuing the fiscal conservatism that has allowed our state to prosper.

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Chairman, Georgia Public Service Commission