
Utility Oversight

GAO Examination of Federal and State Roles After EPO Act 2005

Background on GAO

Legislative Branch Agency

Mission: Aid Congress in Oversight

- Federal policy
- Federal agencies
- Federal programs

Undertake Engagements Requested by Congress

- Legislative mandates
- Leadership requests, committee requests
 - Treat majority and ranking requests the same
- Individual Senators/Representatives

Issue Reports and Testimony to Congress, Available to the Public

Outcomes

- Observations
- Recommendations (changes in agency policy/actions)
- Matters for Congressional Consideration (suggestions that Congress do something)

Request

Work Requested by 3 Senators

- Jeff Bingaman (D-NM)
- Senator Sam Brownback (R-KS)
- Russell Feingold (D-WI)

Examination of issues related to

- Passage of the Energy Policy Act of 2005
- Repeal of the Public Utilities Holding Company Act of 1935

GAO Agreed to Address 4 Objectives

- To what extent have PUHCA responsibilities been transferred to FERC & other federal agencies?
- What is the status of federal agencies' efforts to assume these responsibilities?
- How do states differ in their ability to oversee multistate utilities?
(Descriptive, not evaluating the effectiveness of various state efforts)
- What challenges do federal agencies, states, and others face overseeing utilities since EAct?

Scope and Methodology

Currently in “Design Phase”

- Evaluating the questions
- Identifying potential methods of examining the issues
- Identifying potential data and other resources

Beginning Initial Evaluation and Interviews

- Examining relevant reports, studies, and other formal materials
- Interviewing national experts on utility regulation, antitrust, and other issues
- Interviewing federal agency staff (FERC, SEC, others)
- Seeking to interview state regulators (why we are here)

Expected Timeframes

Agreed to Complete Design Phase by October

Expect to Agree to Final Objectives and Methodology in October

Final Report Date Subject to Needs of Requesters and Questions/Methodology

Why Are We Here at NARUC?

Seeking the Insights of State Regulators Regarding

- Are there relevant questions that we should consider as we develop the final objectives?
- Insights into overall methodology
- Evaluate potential for surveying state commissions
 - Authority to adequately oversee utilities, particularly multistate utilities and/or utilities previously subject to PUHCA
 - Need and capacity to assume roles previously executed by federal agencies
 - Emerging issues in overseeing utilities
- Identify potential experts, studies, data, or other resources valuable to our effort
- Identify what states have done that expand and/or limit state regulators' ability to oversee utilities after EAct 2005 and which states we should include when we begin the execution phase of our engagement
- Because you are the experts on doing so much of the heavy lifting in overseeing utilities

How Can You Participate?

During the Conference

- NARUC staff have made available meeting space for us to talk with selected state commissioners and/or staff

After the Conference, but Before We Conclude our Scoping

- Email (Ludwigsonj@gao.gov, Jonesrd@gao.gov, Padillaa@gao.gov)
- Phone (Jon Ludwigson, 303-572-7309; Randy Jones, 415-904-2235; Tony Padilla, 303-572-7308)

During the Execution of our Engagement

- Participate in the pretesting of the potential survey
- Help us collect information from states by replying to our survey
- Facilitate our review of selected states (on the ground work in 3-5 states?)