

Continuous improvement

***Presentation to
CAMPUT conference***

by

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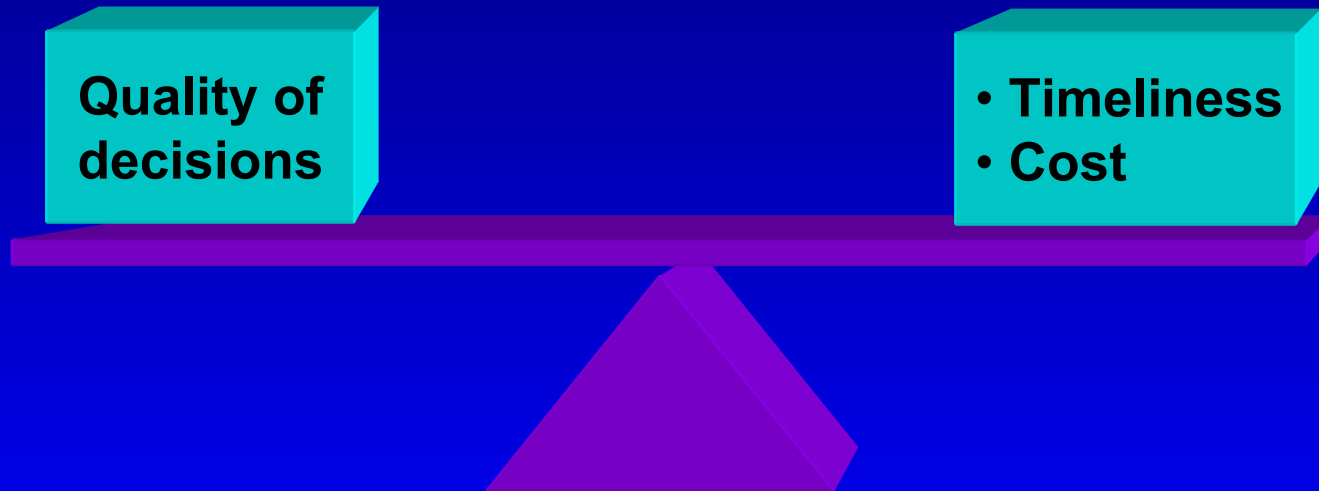
May 6, 2003



Outline

- **What constitutes regulatory ‘quality’ and ‘efficiency’?**
- **Is the regulatory system broken?**
 - **Symptoms**
 - **Causes**
 - **Solutions**
- **Directions for continuous improvement**

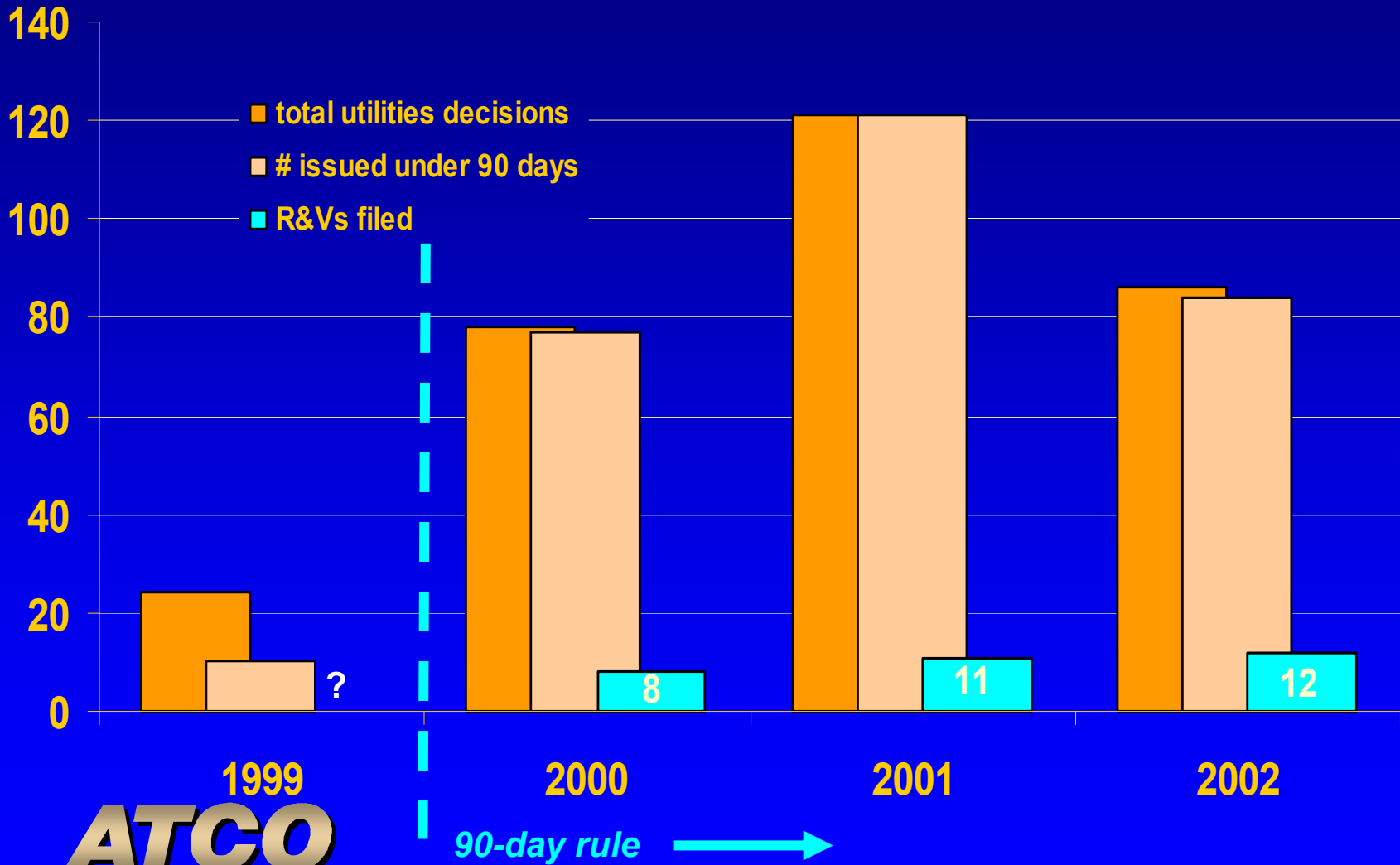
Balancing efficiency and quality



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The AEUB's record



Balancing efficiency & quality



Symptoms of regulatory stress

- **Longer hearings**
- **Higher costs**
- **More IRs**
- **Review & Variances**

***Is the system broken ...
or merely under stress?***

Possible causes

- **Deregulation**
 - New issues to resolve & no road map
 - Number and complexity of issues
- **Increased litigiousness**
 - More detailed 'micromanagement'
 - Requests for updated actuals

Efforts to find a solution

- Performance-based regulation
 - Not a cure-all

Efforts to find a solution

- Performance-based regulation
- **Take consumer advocacy 'in-house'**
 - May not satisfy consumers

Efforts to find a solution

- Performance-based regulation
- Take consumer advocacy 'in-house'
- **Negotiated settlements**
- **Generic cost-of-capital hearings**

Efforts to find a solution

- Performance-based regulation
- Take consumer advocacy ‘in-house’
- Negotiated settlements
- Generic cost-of-capital hearings
- **Re-energize prospective regulation**
 - Back to basics

Continuous improvement

Examples of potential improvements:

- **Stricter intervention rules**
 - Funding
 - Collaboration/minimize duplication
- **Clearer rules for applications**
 - Requirements for actuals?

The goal: continuous improvement



For utilities:
**Attractive climate
for investment**

For consumers:
**Infrastructure available
at reasonable rates**

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