

The Coalition for Reliable Power
Statement supporting the appointment of Robert Rodecker as Public Service
Commissioner

The WV PSC Needs to Respond to Change

The West Virginia Public Service Commission has been constantly in the news the last few years. In particular, our state's energy and water systems are increasingly owned by out-of-state interests that operate on national and international scales. Issues before the PSC have gotten much more complicated as the scope of their work reaches far beyond our state's borders.

More and more citizens, small businesses, advocacy organizations, unions and local governments have responded to the growing complexity of West Virginia's utility situation and are now very active in most major rate cases and applications for new transmission lines. Public utilities commissions in other states, like the Maryland PSC and the New Jersey Board of Public Utilities have increasingly stood by their states' citizens and have advocated for more state control of their water and electrical utilities. The West Virginia Public Service Commission, in case after case, has sided with national regulators and out-of-state power companies against the interests of West Virginia businesses and citizens.

PSC Chairman Michael Albert's recent remarks before a West Virginia legislative Joint Standing Committee on Judiciary epitomize the stagnant and captive nature of our current PSC leadership. Albert told the committee that the days of cheap utilities are over and that the only remedies for consumers who cannot afford higher utility costs are conservation or budget and consumer assistance programs. <http://www.wvgazette.com/News/201106151119> Instead of investigating creative solutions, which the PSC is empowered by law to do, Mr. Albert throws in the towel and goes along with the claims of West Virginia's Ohio-based electric companies.

West Virginia law requires the Public Service Commission to balance the interests of all parties; and its vision includes improving the standard of living and quality of life of the people of West Virginia. The people of West Virginia are growing increasingly dissatisfied with the decisions of the PSC and are calling for change in Commission leadership.

West Virginia's Challenges

We need a more responsive PSC that can bring utilities together with affected residents, businesses, schools and local governments to help find innovative and mutually acceptable solutions to West Virginia's energy and utility dilemmas.

The PSC's appointed Consumer Advocate cannot represent this wide array of interests from within the PSC bureaucracy. While the Consumer Advocate's Office provides many useful services, it is no substitute for direct involvement by citizens in cases which directly affect their lives, their money and their property.

Here are some examples of the challenges now facing the West Virginia PSC Commissioners:

- **WV has seen steadily rising electric rates for the last 5 years, with AEP's APCO saying they will request another one next year.** APCO's CEO, Charles Patton, says that rising coal prices are causing the rate increases and there is no relief in sight. The WV PSC must develop an innovative, independent vision to contain rate increases by diversifying fuel sources and providing citizens with the ability to produce their own power from small scale solar and wind. The PSC needs to advocate for a robust renewable credit program in West Virginia to serve as a strong incentive for homeowners and small businesses to install their own renewable electricity systems.
- **West Virginia citizens no longer believe that the PSC represents our state's interests against the interests of increasingly distant utility conglomerates.** Thousands of people have registered opposition to rate hikes in the form of letters and petitions filed as part of the public record in case files at the PSC. They all want the PSC to respond and protect their interests.
- **Schools, small businesses and non-profit organizations are struggling to meet high utility bills and keep decrepit HVAC systems operating in poorly insulated, hard to heat buildings.** The PSC needs to provide clear leadership on reducing electricity use in our state by increasing the efficiency of consumers' electrical equipment and instituting viable, long term demand management. The Pennsylvania Legislature recently set mandatory reduction targets for peak load for all electrical utilities in that state. These limits have sparked innovation and new investment. The WV PSC needs to advocate for similar targets in our state.
- **In the PATH transmission line case, the Commission took numerous actions to prevent West Virginia property owners and rate payers from participating in the case.** The PSC set an artificial deadline for petitions to intervene, although statute permits intervention up to the date a case is called for hearing. Despite their promise to consider petitions that were late due to good reason, no later filers were accepted. In one order in the case, the Commission referred to the record number of citizen intervenors turning the PSC process into "a circus," although all of these intervenors had been approved by the PSC. The Commissioners granted repeated delays, at the power companies' request, holding up the case for nearly two years, increasing the expense for intervenors and taxpayers who pay PSC staff salaries. In Virginia, the SCC denied power company delays and ordered additional analyses to be performed by PJM, the regional transmission operator. These analyses showed that PATH was not needed within PJM's 15-year planning horizon and were the reason PATH was ultimately suspended by PJM. The comparison between the WV PSC and the Virginia SCC in the PATH case shows clearly why we need Commissioners who will stand up for West Virginians.
- **Citizen frustration is not limited to electricity cases.** There have been several recent cases involving exorbitant water and sewer rate increases in Jefferson County where the affected citizens feel they were not fairly heard.

Attorney Robert Rodecker Can Provide Needed Leadership on the PSC

West Virginia needs a new PSC Commissioner with a track record of responsiveness to citizens, a thorough knowledge of regulated industries and experience in utility cases. Charleston attorney Robert Rodecker has this unique combination of experience and knowledge. Mr. Rodecker began his legal career as a public interest lawyer and remains committed to helping West Virginia citizens and businesses. He has served as General Counsel to the West Virginia Public Service Commission, and since then has become one of the leading utility lawyers in the state.

Mr. Rodecker pioneered special protections for seniors when he represented the Council of Senior West Virginians before the PSC in 1976-78. The citizens later won protections from sudden loss of utility service and heat in the winter following Mr. Rodecker's advocacy for the special rule on winter shut offs by utilities. As has been shown in recent rate cases, elderly West Virginians are speaking up loudly, as individuals and through the AARP, concerning rising utility costs.

New leadership from our Public Service Commissioners can create a fresh vision for West Virginia's utility regulatory future that is responsive to the concerns of the public while also allowing utilities to earn a fair return on their investment in regulated service. By being responsive to the needs of all parties, new leadership can bring both the public and the utilities to the table to collaborate on innovative solutions that will ensure a bright future for West Virginia.

Acting Governor Tomblin has the opportunity to appoint Robert Rodecker to the PSC when the term of Commissioner Jon McKinney ends on June 30, 2011. It is a change that West Virginia has needed for a long time.

The Coalition for Reliable Power

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