

From the Desk of Hon. Maurice McTigue



Louisiana Streamlining Commission

Suggested Recommendations to Advisory Committee Chairmen

Preamble:

The following comments on this cover sheet have been prepared at the Mercatus Center by Hon. Maurice McTigue. The purpose of the analysis was to identify issues that the committee might pursue and finally develop into recommendations to the full commission.

- The suggested recommendations are based on very limited information and the committee's local knowledge may determine that the suggestions are not viable. In that case the Committee should discard the suggested recommendation.
- If the Committee thinks the suggestion has merit then they should refer it to officials for their analysis.
- Some of our suggestions may be recommending a practice that is already in place, in which case the recommendation may be put aside or may be worded to endorse that practice or to extend it further than is the current practice.

Louisiana Public Service Commission

- The activities of this Commission should have zero impact on the state's budget. All the activities of the Commission should be fully recovered by fees charged. The fee fixing process should be fully transparent and published prominently on the Commissions website.
- The Commission should be required by its statute to take into account the impact on the competitiveness of Louisiana as it carries out its duties.
- The Commissions fees and charges should be subjected to the new cost recovery criteria.

Savings

- Savings across all programs: \$8,270,934

STREAMLINING
GOVERNMENT
COMMISSION

The Streamlining Government Commission would appreciate your assistance by having you complete the following worksheet. We understand that some of this information is available online and possibly in other documents, but we believe that it is important that you provide this data to ensure that you know what the Commission is reviewing regarding your Department, Agency, or Office. In order to review and compile the data before the next regularly scheduled meeting of the Commission, please complete and return these worksheets to prathert@legis.state.la.us by September 8, 2009. Thank you for your cooperation.

<p>Department name:</p> <p>Louisiana Public Service Commission</p>
<p>State in one sentence the core business of your department:</p> <p>The Louisiana Public Service Commission, (LPSC) is a governmental regulatory agency established by the Louisiana Constitution mandated to “regulate all common carriers and public utilities.”¹</p>

For each program managed by your agency, provide the following information. Please limit your answers for each program to ***no more than half a page*** and simply write ***“unknown”*** next to each program question you are unable to answer.

- **Program name:**

Public Utilities Regulation

The Louisiana Public Service Commission, (LPSC) is a governmental regulatory agency established by the Louisiana Constitution mandated to “regulate all common carriers and public utilities.”² Public utilities regulated by the LPSC include electric providers, telecommunications carriers, water and wastewater (sewer)

¹ Article IV § 21 of the Louisiana Constitution of 1974.

² Article IV § 21 of the Louisiana Constitution of 1974.

providers and natural gas local distribution companies. The LPSC’s constitutional jurisdiction over public utilities excludes those utilities owned, operated or regulated by a political subdivision of the state at the time the Constitution of 1974 was established. The Commission’s jurisdiction over public utilities includes the regulation of rates, terms and conditions of service of those entities. Accordingly, the LPSC receives, analyses and establishes just and equitable rates for the Louisiana consumers and the utility industry in accordance with federal, state and local laws and regulations. This would include for example: applications, petitions, audits and requests received from regulated utilities and carriers to increase rates, transfer or purchase assets, issue securities, construct new generation facilities, purchase wholesale power, and review applications to provide regulated services. Additionally, the LPSC investigates consumer and industry complaints; investigates and prosecutes those entities in violation of state, federal, and LPSC regulations and promulgates rules and regulations required to perform its constitutionally and legislatively mandated duties. Utility regulation is one of the most demanding of time and expertise at the LPSC. Due to changes in federal energy, telecommunication and environmental policies, this area is an area of law that is in a constant state of flux, and requires corresponding changes to the laws, rules and regulations promulgated by the LPSC.

Transportation & Common Carriers

LPSC jurisdiction over “common carriers” includes the regulation of intrastate transportation services including passenger carrier services, waste haulers, household goods carriers, and intrastate pipelines. The LPSC in accordance with La. R.S. 45:180.1 is also mandated to regulate the towing and recovery industry. The LPSC sets and enforces rates for nonconsensual tows and storage.

Do Not Call

The *Louisiana Do Not Call Telephone Solicitation Relief Act of 2001* directs the Louisiana Public Service Commission to promulgate regulations and to compile and maintain a *Do Not Call Register*. The Register consists of telephone numbers of Louisiana residential telephone subscribers who have elected to reduce telephone solicitations. Business numbers may not be included on the list. The law required the *Do Not Call Register* to be operational by January 1, 2002. To support this requirement the LPSC uses the Do Not Call application developed and maintained by the LPSC. This application is used to manage the import of new phone numbers from consumers registering online, by phone, or on the Federal Do Not Call List. The Register is made available to registered solicitors on a quarterly basis. The DNC application is also used to track registered solicitors, consumer complaints, and complaint resolution. The application is used extensively in the day to day operations of the Do Not Call division.

- **Outcome addressed by this program:**

Public Utility Regulation

1. Promulgate and enforce reasonable and transparent rules, regulations, and procedures for the fair and efficient regulation of public utilities and for carrying out constitutional and legislative mandates in the State of Louisiana.
2. Provide compliance oversight to protect consumers and the public interest; take fair and appropriate action to address instances of non-compliance.
3. Encourage efficiency and innovation among regulated utilities and the responsible use of resources and technology.

Transportation & Common Carriers

1. Promulgate and enforce reasonable and transparent rules, regulations, and procedures for the fair and efficient regulation and registration of common carriers, and for carrying out constitutional and legislative mandates in the State of Louisiana.
2. Provide compliance oversight to protect consumers and the public interest; take fair and appropriate action to address instances of non-compliance.
3. Encourage efficiency and innovation among regulated transportation companies and common carriers and the responsible use of resources and technology.

Do Not Call

The LPSC DNC Program is designed to reduce the number of telephonic solicitations to those LA residential telephone subscribers who wish to enroll in the program. In addition, the LPSC DNC Program meets the needs of our citizens across a wide spectrum of related matters, assisting consumers (and our sister agencies) by answering questions with regard to debt collection, fraud, identity theft, the federal DNC program, political and market research telemarketing.

- **How many members of the public are directly involved in or affected by this program:**

Approximate Number of Customers, subscribers and enrollment of Louisiana Consumers that fall within the regulatory authority of the Louisiana Public Service Commission.

Utilities	<u>Customers/Subscribers</u>
Investor Owned Electric Utilities.....	1,430,000
Electric Cooperatives	418,000
Natural Gas Distribution Systems.....	690,000
Telecommunication Service Providers	
Incumbent Local Exchange carriers	1,709,563
Competitive Local Exchange Carriers.....	449,000
Commercial Mobile Radio Service.....	3,895,938
Do Not Call Enrolled Subscribers.....	2,114,489

Note: The statistics listed above represent the number of utility accounts. All consumers in the State of Louisiana are affected by the actions of the Louisiana Public Service Commission on a number of different levels. The 2000 census had the State of Louisiana with a population density of 4,468,976 and with an average family size of 3.15 to 3.29 persons. It should also be pointed out that virtually every Louisiana resident that has a residential telephone or mobile phone number has the option of participating in the “Do Not Call” program. The number of customers that have subscribed to the program is an affirmative response by the general public of its acceptance and a testimony to its popularity.

How much money was expended on this program in the last fiscal year (The most recent data available are acceptable even if they are from FY 07-08):

FY 08-09

Public Utilities Regulation: \$7,236,921
 Transportation and Common Carriers: \$761,429
 Do Not Call: \$272,583
 Total Agency: \$8,270,934

- **Measure used to determine success:**

- 1.) Savings to utility rate payers through prudent review of existing and proposed rate schedules.
- 2.) Percentage of orders issued within 30 days.
- 3.) Percentage of complaints resolved.
- 4.) Complaints for electric, telecommunications, gas, water, sewerage, common carriers, and telephonic solicitation.
- 5.) Percentage of rate cases completed within one year.

- **Level of success during each of the last three years:**

Savings to utility rate payers:

FY 07-08 \$719,972 (millions)

FY 08-09 \$708,972 (millions)

Percentage of orders issued within 30 days:

5 year average is 85%

5 year average is 435 orders per year

Percentage of complaints resolved:

5 year average is 97%

5 year average is \$18,843 complaints annually

Percentage of rate cases completed within one year:

5 year average is 72.9%

FY 07-08: 80%

FY 08-09: 92%

- **The societal issue addressed by this program is getting *better, remaining static, or deteriorating*:**

The Louisiana Public Service Commission is continually improving all of its managed programs to meet the needs of Louisiana consumers. Without question, the LPSC addresses those societal issues that fall within its jurisdiction and readily provides its support when requested to assist other governmental and nongovernmental agencies to address those societal issues to which they are responsible.

Public support of the whole concept of Do Not Call has always been overwhelmingly positive and continues to remain supportive. Legitimate telemarketing solicitors have evolved from an original position of resistance to an understanding that Do Not Call requirements are realistic and manageable, often providing a much more positive atmosphere for their solicitation efforts.

Mercatus Center

George Mason University

Confidentiality Statement!

The information contained in this electronic message from the Louisiana Department of Revenue is privileged and confidential. If you are not the intended recipient, you must not disclose, copy, distribute, or use any of the transmitted information, or take any other action based on the contents of this information. If you have received this transmission in error, please immediately notify the transmitter by return e-mail.

Tim Prather
Director - Governmental Affairs Division
Louisiana Senate
Tel - (225) 342-8299