



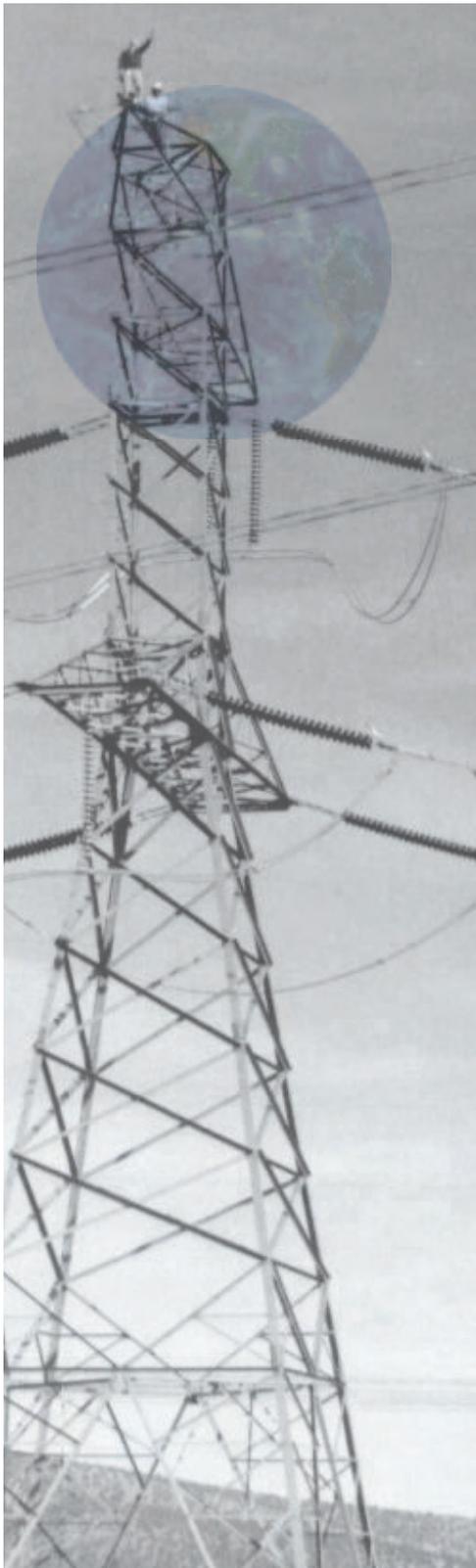
USAID
FROM THE AMERICAN PEOPLE



National
Association of
Regulatory
Utility
Commissioners

The Role of Consumer Organizations in Electricity Sector Policies and Issues

Results of NARUC's
Global Survey



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ASPEC	Peruvian Association of Consumers and Users
BAZ	Broadcast Authority of Zimbabwe
BERC	Bangladesh Energy Regulation Commission
CA	Consumers' Association (Malta)
CAB	Consumer Association of Bangladesh
CACP	Croatian Association for Consumer Protection
CAG	Consumer and Civic Action Group (India)
CCZ	Consumer Council of Zimbabwe
CENN	Energy Services Consumers' Association (Republic of Georgia)
CERC	Consumer Education and Research Centre (India)
CI	Consumers International
CLCV	Consumer Law Center Victoria (Australia)
CONCORI	The Consumer Association of Costa Rica
CUAC	Consumer Utilities Advocacy Center (Australia)
CUTS	Consumer Utility and Trust Society (India)
DCSCR Deputy	Collaboration for Supporting Consumer Rights (Armenia)
EGAT	Electricity Generating Authority of Thailand
ERB	Energy Regulatory Board (Zambia)
ERRA	Energy Regulators Regional Association
EU	European Union
HUZP	Croatian Association for the Protection of Consumers
ICE	Costa Rican Electricity Institute
KEPKA	Consumer Protection Center of Greece
MIC	Media and Information Commission (Zimbabwe)
MP	members of parliament
NARUC	National Association of Regulatory Utility Commissioners (U.S.)
NASUCA	National Association of State Utility Consumer Advocates (U.S.)
NEM	National Energy Market (Australia)
NERC	National Electricity Regulatory Commission (Ukraine)
OCA	Office of the Consumer Advocate (Pennsylvania) (U.S.)
OCC	Office of Ohio's Consumers' Council (U.S.)
PCR	Protection of Consumer Rights (Armenia)
POTRAZ	Postal and Telecommunication Regulatory Authority (Zimbabwe)
PROFECO	Federal Consumer Advocate of Mexico
PUC	Pennsylvania Public Utility Commission (U.S.)
UCPA	Union of Consumer Protection Associations (Croatia)
USAID	United States Agency for International Development
ZACA	Zambia Consumers Association
ZECRC	Zimbabwe Electricity Regulatory Commission
ZINWA	Zimbabwe Water Authority

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This report would not have been possible without the assistance and survey results of all of the consumer organizations listed below. NARUC hopes to build upon the initial contact established with the survey and this report in order to encourage greater collaboration between regulators and consumer organizations around the world.

Armenia
Australia
Bangladesh

Benin
Cameroon
Canada
Chad
Chile
Costa Rica

Protection of Consumers' Rights (PCR)
Consumer Law Centre Victoria (CLCV)
Consumers Association of Bangladesh (CAB)
American Chamber of Commerce in Bangladesh
Que Choisir Benin
Mouvement National des Consommateurs (MNC)
Union des Consommateurs
Association pour la Défense des Droits des Consommateurs
CONADECUS AC.
Consumidores de Costa Rica



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Czech Republic	The Association of Large Energy Consumers (SVSE)
Dominican Republic	Fundacion por los Derechos del Consumidor (FUNDECOM)
Ethiopia	AHa Ethiopian Consumer Protection Association (AHaECoPA)
Georgia	Energy Services Consumers' Association
Greece	KEPKA – Consumer Protection Center
Guyana	Guyana Consumers' Association
India	Citizen Consumer and Civic Action Group (CAG)
	Consumer Education and Research Centre (CERC)
	Consumer Unity & Trust Society (CUTS International)
	Prayas, Energy Group
Ireland	Consumers' Association of Ireland
Jamaica	National Consumers League (NCL)
Lebanon	Consumers Lebanon
Lesotho	Ministry of Trade & Industry
Mali	Association des Consommateurs du Mali
Malta	Ghaqda tal-Konsumaturi
Mexico	Procuraduría Federal del Consumidor
Moldova	Association of Energy Consumers of Moldova
Peru	Liga de Consumidores y Usuarios del Peru
Slovakia	Klub 500
	Association of Consumer Organizations in Slovakia
South Africa	Sustainable Energy Africa
United Kingdom	Energywatch
United States	Citizens Utility Board (Wisconsin)
	Citizens' Utility Ratepayer Board (Kansas)
	Division of the Public Advocate (Delaware)
	Indiana Office of Utility Consumer Counselor
Zambia	CUTS-Africa Resource Centre
	Zambia Consumers Association
Zimbabwe	Consumer Council of Zimbabwe

NARUC

This report will be posted on NARUC's Global Regulatory Network Website which can be accessed at:

www.globalregulatorynetwork.org

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EXECUTIVE SUMMARY

This report discusses the results of a global survey of consumer associations and consumer advocates conducted by the National Association of Regulatory Utility Commissioners (NARUC) in May-June 2006.¹ The survey was developed to better understand how and to what extent consumer groups around the world interact with regulators, utilities, and government ministries on electricity issues. A regulatory body functions best when it is accountable not only to investors, but also to consumers.² Therefore, as arbitrators, regulatory bodies should strive to fairly balance the needs and goals of these two constituencies. While some regulators have developed rigorous public awareness, public participation, and outreach programs, the burden of representing and advocating for consumers is on civil society-based consumer associations and governmental agencies, such as consumer advocates.

With the end of the Cold War and the growth of market economies, an increasing number of countries created regulatory bodies for essential services, such as energy and water. Due to the technical characteristics of these network industries, they are natural monopolies and therefore require regulation.

The development of regulatory bodies in many countries has been encouraged by the donor community as a way to promote good governance and transparency of the operations of network industries as well as attract investment. However, many times the newly created regulator focuses almost exclusively on the investor aspect of regulation to the detriment of consumer issues. Given the deficiency of generation, the lack of wires or pipes, and the age of the infrastructure, significant capital investments are necessary simply to keep the existing networks operational, let alone increase access to a greater number of people.

Although understandable, the approach of concentrating on investor issues has led to some significant problems in the function and operational capacity of regulatory bodies created over the past fifteen years and their ability to address consumer issues. However, the primary impetus for creating regulatory bodies in the United States and Canada arose from the outcry of consumers, not that of the investors. And furthermore, conditionalities on donor loans are often not enough to result in a functional regulatory body—the value of regulation needs to be embraced by the consumers, and for that the regulator must be of value to the consumer.

Before formally administering its survey, NARUC first contacted regulators around the world, requesting information on consumer organizations that had appeared before their agencies or others they knew about. This information was then supplemented with extensive web research, resulting in a database of more than 300 consumer associations, consumer advocates, and environmental groups.

¹ The primary focus is on interaction with regulators, but to a lesser extent the survey also covered interaction with utilities and the government. For the sake of practicality, the decision was made to limit this report to the electricity sector. However the authors recognize the importance of other sectors, such as water, natural gas, telecommunications, etc., and as related to consumer issues.

² The term “consumer advocate” denotes government agencies whose primary mission is to represent consumers. The terms “consumer association” and “consumer group” are used interchangeably throughout this report to denote non-governmental associations. The term consumer organization is used to denote both non-governmental associations and governmental offices of consumer advocate.

In constructing the survey, NARUC attempted to capture information about the structure and daily functioning of the consumer organizations as well as data about how the organizations interact with the regulator, utility, and/or relevant ministry. As illustrated below, the survey was structured around three broad areas: policy, internal capacity, and public outreach and then further subdivided into 12 areas.

Table 1: Sections of the NARUC Global Survey

Section	Brief Description
1.1	Policy—General Information
1.2	Policy—Key Areas of Involvement
1.3	Policy—The Regulator
1.4	Policy—Internal Capacity
1.5	Policy—Miscellaneous Policy
1.6	Policy—Privatization & Competition
1.7	Policy—Practical Application Questions
2.1	Internal Capacity—General Information
2.2	Internal Capacity—Staff
2.3	Internal Capacity—Funding & Expenditures
3.1	Public Outreach—General Information
3.2	Public Outreach—Collaboration

The survey posed a total of 76 questions to consumer organizations and requested that the respondents send any literature or background information about themselves. In total, 52 consumer organizations in 38 countries responded to the survey. A full list of the consumer associations that participated can be found in the Acknowledgements section.³

It is important to note that NARUC is an association of regulators; most of its experience overseas is with regulation and working with regulators. The goal of this report is to build understanding between regulators and consumer organizations. There have been several studies about the capacities of regulators to work with consumers; the purpose here is to analyze the capability of consumer organizations to work with the regulator.⁴

A key limitation of a survey is that it only provides a two dimensional view. For a truly in-depth view, one would need to visit each organization and witness first-hand the daily operations of the organization. NARUC therefore attempted to supplement the information gained in the survey by conducting in-depth web research, telephone interviews, and visiting

³ Several organizations asked not to be acknowledged and thus are not included in the appendix but are counted in the total number of responding organizations. In addition, not all charts and graphs will add up to 52 because not all organizations filled out every single question on the survey.

⁴ Best Practices in Consumer Service: A Comparative Study, prepared by Brain McCotter and the Academy for Educational Development for the U.S. Agency for International Development (2005). One of the most detailed studies of regulatory governance in the world is the ongoing study: The Electricity Governance Toolkit: Benchmarking Best Practice and Promoting Accountability in the Electricity Sector; undertaken by The World Resources Institute, National Institute of Public Finance and Policy, and Prayas (http://pdf.wri.org/egi_toolkit_1-1.pdf).

several organizations. This effort resulted in the country case study section which includes the countries of Bangladesh, Costa Rica, Croatia, and the United States.⁵

The reader will find a discussion on the results of the survey and research, divided into chapters on: the internal capacity of consumer groups; consumer associations' interaction with regulators, utilities, and government; and public outreach. The internal capacity chapter describes consumer organization development, structure, human capacity; the development of policy positions; and financial resources. The chapter on consumer organization involvement in regulation and the electricity sector describes the relationship between consumer organizations and regulators and utilities, the type of work consumer organizations undertake, how they participate in regulation, and how they participate in overall electricity policy discussions. The chapter on public outreach describes how the survey respondents advocate on behalf of consumers, how they engage the public, as well as how they collaborate with other stakeholders and organizations.⁶ After the case study chapter, the survey's key findings are presented, along with a discussion of issues that require greater research.

The authors of this report welcome comments and feedback as well as additional information about the activities of consumer groups. Please send all comments and questions to consumersurvey@naruc.org.

⁵ It is the author's goal to continue to expand this section. In particular, we would like to include a case study on Zambia, which from initial indications, look to have a robust civil society based consumer network.

⁶ As with any report, the authors are required to make some generalizations. However, we recognize that there are exceptions to all generalizations, and where practical, we try to point out different methodologies and experiences.

I. THE INTERNAL CAPACITY OF CONSUMER ORGANIZATIONS

A. TYPES OF CONSUMER ORGANIZATIONS

Fifty-two consumer organizations in 38 countries responded to the NARUC global survey. Of the total number of respondents, 71% indicated that they represent the general public, 18% represent environmental groups, 8% represent trade groups, and the rest are divided between chambers of commerce and academic institutions.

A number of the responding organizations deal with a wide variety of consumer issues, such as food security, health, truth in advertising, etc. However, NARUC's survey focused exclusively on electricity issues. Although electricity is a peripheral issue for some of the respondents, the majority of those who participated in the survey appear to be significantly involved in energy issues in their countries.

Based on the responses to the survey, consumer organizations typically have two roles: (1) the organization deals with individual consumers, handling consumer complaints and at times acting as a facilitator between the consumer and the utility or the regulator; (2) the organization focuses on policy issues, economic, legal, social, and environmental issues affected by energy and regulatory poli-

While consumer organizations representing trade groups are a minority of the survey respondents, Slovak's Klub500 is actively engaged in the energy sector on behalf of its members (Slovakian companies employing more than 500 employees). The organization has approximately 8 full and part-time staff with expertise in the electricity sector and public relations. Klub500 also hires outside experts and conducts research on energy issues. Klub500's staff develops its competency in electricity sector issues by using consultants, engaging in discussions with industry and regulatory officials, and conducting research. Klub500's energy interests stem from its goal to create a competitive and healthy business environment in Slovakia and contribute to Slovakia's full integration into the European Union. www.klub500.sk

B. HISTORICAL INFORMATION

Some of the consumer organizations who participated in the survey were established well before their countries formed energy regulators, while others began operation after the regulator was already created and energy sector restructuring was already underway.

The oldest consumer organization who participated in NARUC's survey, the Consumer's Association of Ireland, was founded in 1966. The oldest consumer advocate responding to the survey, the Indiana Office of Utility Consumer Counselor, was founded in 1933. Approximately

half of the participating organizations were formed after 1994, while the remaining organizations were formed from the early seventies to 1994.

Table 2: Establishment of Organizations By Region

Region	Number of Respondents that Listed their Year of Establishment	Range of Years Respondents Established	Average Age (Year of Establishment)
Africa	12	1971 - 2001	15 (1991)
Asia	7	1978 - 2004	15 (1991)
Australasia	1	1992	14 (1992)
Caribbean	2	1966 - 1999	24 (1992)
Europe	14	1966 - 2005	16 (1990)
Latin America	7	1976 - 2003	14 (1992)
North America	3	1933 - 1988	40 (1966)

Most of the participating consumer organizations outside of United States were established in the early to mid 1990s, which is when many countries began the process of creating energy regulatory agencies as well as undertaking liberalization measures such as unbundling.⁷ The similar timeframes for regulatory and consumer advocacy development is no coincidence; liberalization did create a space for a consumer voice. However, it can be difficult for consumer organizations to compete with the level of resources and influence of international corporations that invest in electricity infrastructure.

In Zimbabwe, consumer protection in relation to electricity began in 1955 with the formation of a vigilance committee. The Consumer Council of Zimbabwe (CCZ) emerged from this organization in 1975 while the regulator for Zimbabwe was not created until 2005. The Consumer Council of Zimbabwe works steadily to increase its capacity and regulatory knowledge on such issues as pricing, competition, social protections, environmental, and regional matters. In particular, the Council focuses on the quality of consumer service and has created a good working relationship with the regulator. The Council communicates on a regular basis with the regulator about consumer and social issues such as energy conservation, tariff increases, and potential electricity shortages. The CCZ has participated in the few public meetings that the regulator has had to date.

The Consumer Council of Zimbabwe launched its new website in July 2006 (www.czz.org.zw). In addition to strengthening its internal expertise, the Council also provides information on the purpose of regulatory agencies and emphasizes the need for citizens to take responsibility and educate themselves.

⁷ Unbundling refers to breaking up a single electricity company that owns generation, transmission, and distribution (i.e., a vertically integrated company) into separate companies

Excerpt from “Infrastructure Regulation” article, Consumer Council of Zimbabwe (June 22, 2006). In response to the collapse of the notion of public-monopolies, and recognizing infrastructure’s importance for development and growth, Zimbabwe’s government transformed its infrastructure services to run like services rather than bureaucracies and introduced competition. This process witnessed the emergence of new players in telecommunications, media, transportation, broadcasting, and most recently, in the electricity industry, which saw the birth of the Zimbabwe Electricity Regulatory Commission (ZECRC). Other regulatory agencies include: The Media and Information Commission (MIC), the Postal and Telecommunication Regulatory Authority (POTRAZ), the Broadcast Authority of Zimbabwe (BAZ), the Zimbabwe Water Authority (ZINWA), and the Tariff and Competition Commission. The formation of the ZECRC is a welcome development from both a consumer and investors’ perspective. Unfortunately, the arrival of the body has been viewed with a lot of suspicion, and in a bad light. One weekly newspaper referred to the formation by stating that the “government has already established the Zimbabwe Regulatory Commission to control power tariffs.” There is so much negativity about the role of regulatory bodies in Zimbabwe, partly because consumers do not understand the important role these institutions play and how consumers themselves can influence what regulators do. Their functions are shrouded in secrecy and remain a mystery to many, while they also lack transparency or public trust in what they do. It is crucial that regulatory bodies hold periodic public workshops/dialogue in which they explain themselves, how they calculate tariffs and how this will benefit the poor, the economy and future expansion programs. Unfortunately, this has been lacking in the current regulatory scheme, and the Consumer Council of Zimbabwe, urges regulatory bodies to incorporate public hearings and workshop into their plans. Regulatory regimes must be simple, justifiable, transparent, non conflictive – they must enjoy wide acceptance by the majority of players, be fair in the allocation of total costs and avoid unjustified price discrimination as well as excessively fluctuating price levels. Regulatory agencies must rise above being monolithic institutions by becoming people receptive. Regulators should also collect information that can be useful to consumer’s associations so that they can monitor the operators and the control the regulator. In order to perform these functions, information (good quality data in understandable format) must be supplied to consumer associations. The beauty of the Acts, through which all these agencies were created, is that there are provisions for consumer protection, and performance standards and codes for licensees to make sure providers of services perform the function for which they were licensed. http://www.ccz.org.zw/articles/details.php?article_id=2

The Zambia Consumers Association (ZACA) was created in 1998, one year after the Energy Regulatory Board (ERB) of Zambia began operations. While faced with limited staff (less than a dozen full and part-time staff), the association represents domestic consumers of electricity and advocates very actively, as evidenced by the press article below. Furthermore, the ZCA is a member of the Metering Standards Committee, along with the ERB, other trade associations, utilities, government agencies, and universities.

Times of Zambia (April 28-May 6, 2005 edition)

ZACA Protests Against Hiked Zesco Tariffs, The Zambia Consumers Association (ZACA) has called on the Energy Regulation Board (ERB) to consider reducing the 11 percent electricity tariff increase awarded to Zesco last week. The association's chief executive secretary, Muyunda Ililonga said in an interview yesterday that the hike would have a negative impact on consumers, especially the low-income category. Mr Ililonga said ZACA was disappointed with the ERB's decision to award Zesco's tariff adjustment exceeding 10 per cent and called on the board to consider a single digit percentage increase. "Our expectation was that the board would award Zesco an increment not exceeding 10 percent. The 11 percent will have a negative impact on consumers, especially the low income earners." He said Zesco's aim should be to attract more people to access the commodity instead of making it unaffordable. He said the increment reportedly aimed at increasing revenue for Zesco, but that it could backfire as many customers would fail to pay their bills, resulting in poor revenue collection. "Already, Zesco is owed a lot of money in unsettled bills. What makes the company feel that people would pay their bills if they increased the tariffs? It could even be worse," he said. He said Zesco should work towards intensifying debt collection.

In the United States, both consumer advocates and energy regulators have been in existence for a number of years. In fact, regulation developed in the United States because of the outcry of farmers who were dependent on the first network monopoly industry—railroads. The United States has adopted the model of consumer advocate to represent consumers before state and federal regulatory commissions. While they differ by state, a general explanation of an office consumer advocate is that it is an agency of the state—the head of the agency is appointed by the Governor of the state—and it is usually funded by a levy on the utility (however, it is important to note that this cost is passed on to the consumers in the electricity rates). Forty-two states and the District of Columbia have established offices of consumer advocate.⁸

There are also a number of non-governmental organizations and public interest groups that participate in the regulatory process in the United States, such as the AARP (formerly the American Association of Retired Persons), the Consumer Federation of America, Consumers Union, and the Consumer Energy Council of America, to name a few. Environmental groups are also prominent, such as: the American Wind Energy Association, the National Wind Coordinating Committee, the Union of Concerned Scientists, and the Natural Resources Defense Council (there are many state based environmental groups as well). A number of organizations representing industry and large consumers also exist such as the Electric Consumers Resource Council and the Edison Electric Institute.

⁸ Source: website of The National Association of State Utility Advocates, www.nasuca.org.

C. GOVERNANCE AND STAFFING PROVISIONS

More than 96% of the consumer organizations who participated in the NARUC survey represent legally registered organizations; their leadership is usually elected by the general members. The governing bodies of most organizations meet on a monthly or quarterly basis. However, the general members of most groups meet only once a year.

Forty-three survey respondents indicated that they had anywhere from 2 to 25 board members, with the highest number of organizations indicating they had between six and nine board members. Of the four respondents who indicated that they represented a specific industry or trade, three have either five or seven board members and one has as many as 15 board members. Overall though, most consumer organizations follow a typical non-profit practice of having less than 10 board members. This allows enough diversity to ensure adequate representation of different perspectives, while also keeping the board to a manageable size.

Figure 1: Number of Governing Board Members by Region

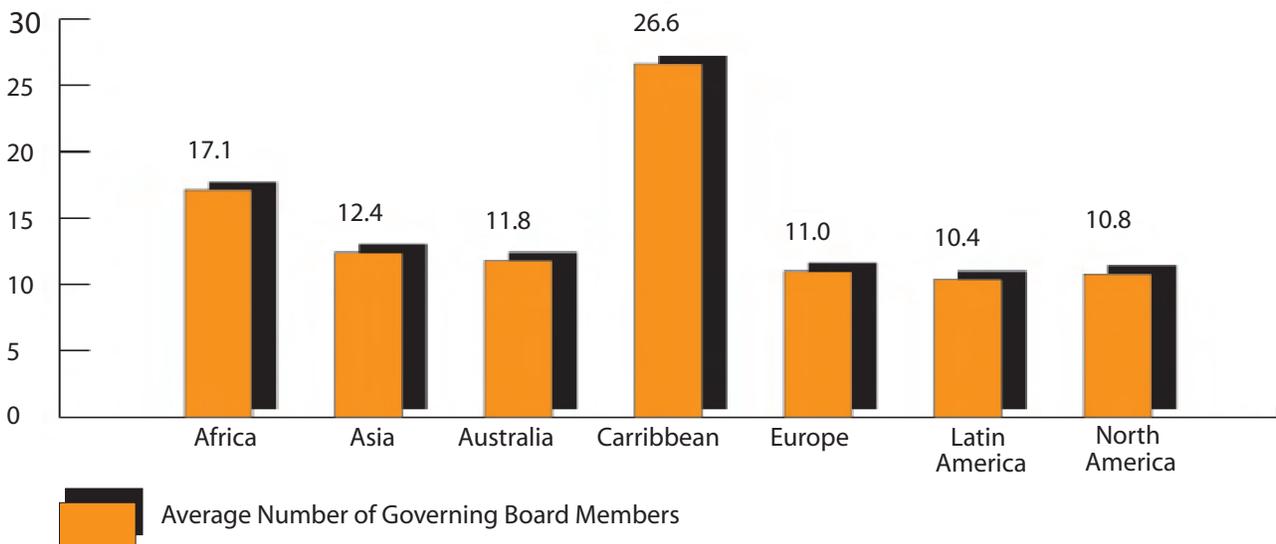


Figure 2: Number of Paid Staff



It is important to note that 67% of survey respondents indicated that some of their members also sit on government committees or other official organizations; however only 37% have members who sit on the board of utilities. This may be an indication that many consumer organizations see the need for separation from the utility in order to advocate effectively for the general public, or they simply do not have the opportunity to have an official presence at the utility. However, several respondents indicated that their board members or staff participate in governmental working groups or committees to share their policy perspectives with decision makers (chapter III examines consumer organizations’ public outreach efforts in more detail).

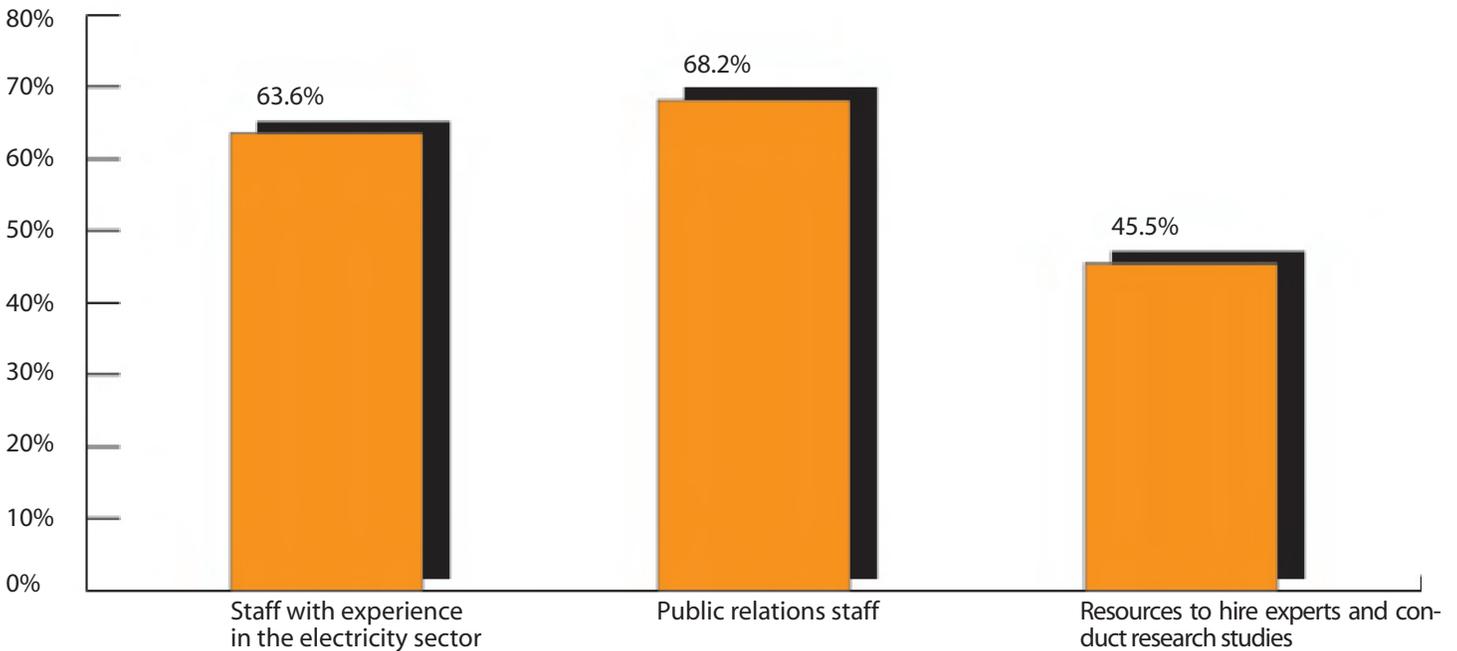
The survey results illustrate an array of goals and accomplishments of consumer organizations, which is particularly impressive given that most groups have a relatively small number of staff. Almost all respondents indicated that they face financial constraints that affect their ability to provide more services and undertake more activities. At the same time, it is clear that consumer organizations realize the importance of having in-house staff with knowledge about the electricity sector, in addition to public relations experts, in order to better serve their constituents. It is also important to note that 46% of respondents indicated that they have resources to hire outside experts and conduct research and/or collaborate with local universities. This indicates that consumer organizations are spending valuable resources to understand electricity and regulatory issues and not simply making arguments that the cost of electricity is too expensive. In other words, consumer organizations are basing their positions on empirical data.

The Consumers Lebanon Association was created in 2000 and is a legally registered organization. It employs approximately eight full and part-time staff. The Association has staff expertise in electricity sector issues and public relations.

Full time organization staff members are typically well educated, with more than 90% of the organizations reporting that their staff has advanced degrees. In fact, 64% of respondents report that they have staff

with experience in the electricity sector. As will be discussed further in the public outreach chapter of this report, organizations listed public relations as key to their operations and it comes as no surprise that 68% of respondents have public relations staff.

Figure 3: Distribution of Staff



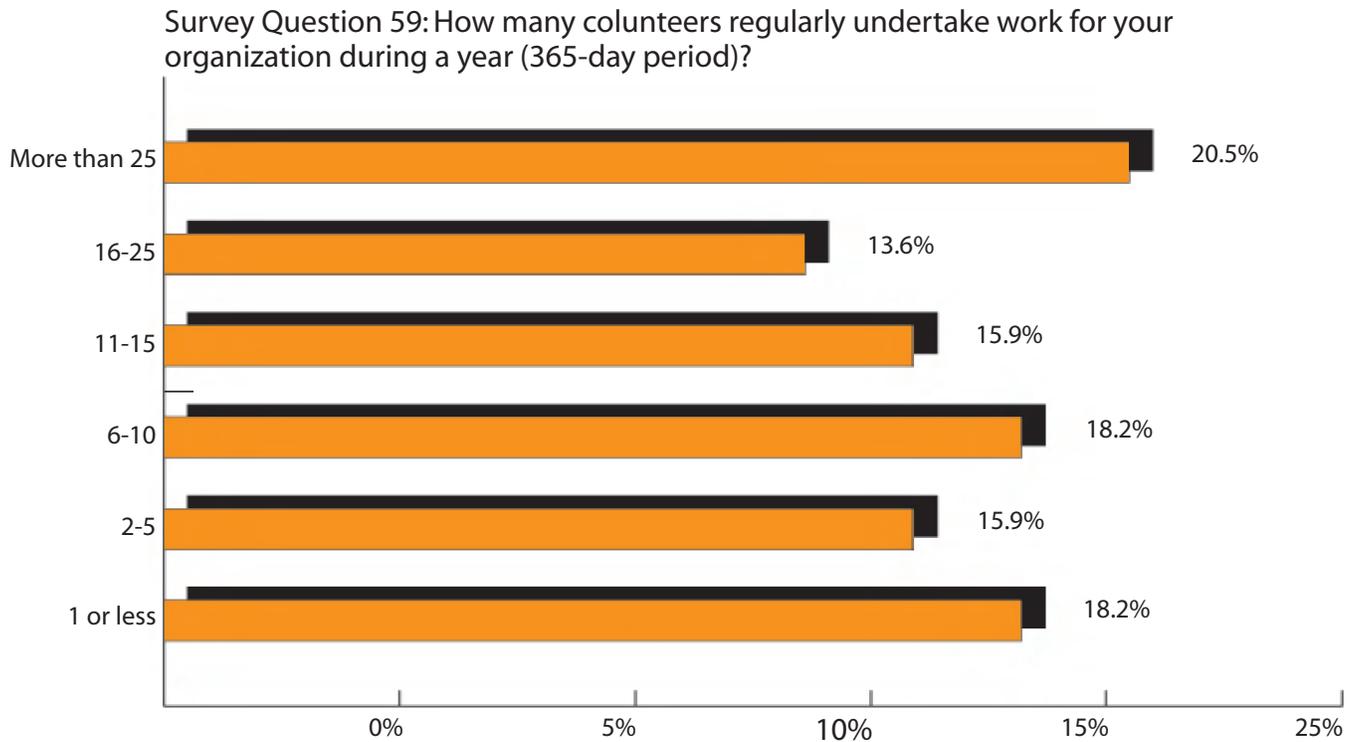
More than 80% of the responding organizations use volunteers to assist with their work. For instance, in Bangladesh, the Consumer Association of Bangladesh relies on a network of more than 250 volunteers to disseminate consumer information outside of the capital of Dhaka. The Federal Consumer Advocate in Mexico, a government agency funded by appropriation from the Mexican Congress, engages university students to assist in its outreach efforts. The Consumer’s Rights Defense Committee of Bolivia has approximately 150-200 volunteers and the Consumer Unity & Trust Society (CUTS International) in India has volunteers working in 150 villages of the Rajasthan province at the grassroots level.

The important role of volunteers cannot be underestimated. The field of regulation is complex and technically challenging. The ability to fully understanding the complexities of a modern electricity system requires legal, economic, and technical expertise. As a result, some consumer organizations cooperate with professional organizations. For instance, the Consumer Association of Bangladesh cooperates with the Bangladesh Environmental Lawyers’ Association. In India, the Consumer Care Society relies on attorneys to donate their time to assist consumers to take action on their grievances.

While many organizations take advantage of significant support from volunteers, most organizations only use approximately eight to 15 volunteers a year. Based on the information

gathered by NARUC's survey and case studies, it appears that consumer organizations use volunteers primarily for dissemination of information. Some organizations are principally voluntary, such as the National Consumers' League of Jamaica, established in 1966. However, the League notes that financial constraints have limited their ability to serve consumers.

Figure 4: Number of Volunteers



Many respondents indicated that they are members of Consumers International (CI). CI provides a forum for consumer associations to exchange technical information and experience to strengthen capacity. For organizations with limited capacity, CI provides important information and forums for the exchange of information.

Consumers International (CI)

Consumers International (CI) is a federation of consumer organizations dedicated to the protection and promotion of consumers' rights worldwide through empowering national consumer groups and campaigning at the international level. It currently represents over 230 organizations in 113 countries. Consumers International's members include a wide range of different independent consumer organizations. At one end of the scale is the Consumers Union in the US, which was founded almost 70 years ago and has more than 300 staff and 4.5 million individual consumers as its own members. At the other end are semi-voluntary associations providing information and advice and concentrating on education and community development to improve access to food, water and other basic services in some of the world's poorest countries. The range of members spans from government ►

affiliates, such as major competition and fair trading agencies, to recently established government departments in small countries addressing consumer issues for the first time. About two-thirds of member organizations are in Latin America, Africa, Asia and Central/Eastern Europe and in countries of the former Soviet Union, the other third in Western Europe and North America. The provision of basic services such as energy, water, and telecommunications is of critical concern to all consumers. Consumers International carries out research, policy development, training and advocacy towards consumer participation in privatization, regulation and the monitoring of utilities. By training consumer advocates and developing research projects, consumer representation has added a valuable point of view to regulation. It has also helped to enhance service coverage, and achieve transparency and fair and reasonable prices." www.consumersinternational.org

D. FUNDING, TRANSPARENCY AND SUSTAINABILITY

Consumer organizations are funded by a variety of mechanisms. The majority of the responding consumer organizations are funded wholly or partially through government appropriations, fees on regulated utilities, donor support, and donations. Other funding sources include membership dues, fees from publications or training programs, and advocacy.

In the United States, most consumer advocates are funded by fees on regulated utilities. For instance, the Citizens' Utility Ratepayer Board of Kansas represents residential and small business consumers and receives its funding from levies on utility rates. This model is also used outside of the United States. Alternatively, the Consumer Council of Zimbabwe, established in 1975, is 100% government funded.

The Protection of Consumers' Rights (PCR) NGO in Armenia is a prime example of the success that consumer organizations can achieve when they receive international donor funding. During its 10 years of existence, PCR has engaged in a variety of projects ranging from food safety to health care and general consumer rights. In late 2005, PCR began a new project: "Consumers' Rights Initiative in Public Utilities in Armenia," with funding provided by the Eurasia Foundation. This project includes a public awareness campaign and the monitoring of public utility services in Armenia. The PCR has created a consumer resource center, hotline, and detailed tri-lingual website (www.consumer.am). With solid sources of funding, PCR has built up a network of 1,000 constituents and partners, including non-governmental organizations, governmental agencies, and international organizations.

The Consumers' Association (CA) of Malta, established in 1982 and legally recognized under the Consumers' Affairs Act, is one of the few survey participants that is financed solely by membership fees and receives no assistance from the government. The membership fee is set at one Maltese lira (approximately \$3 USD) to allow all citizens to join. In addition, the CA is staffed exclusively by volunteers and states that it operates very effectively on a limited budget.

Energywatch

Energywatch, of the United Kingdom, was established in 2000 through the Utility Act. It is a large consumer organization, employing 30-35 full and part-time staff. The staff has competencies in electricity and public relations, with resources to hire outside experts as necessary. It is funded exclusively by license fees on gas and electricity utilities. Energywatch has become a significant player in UK's energy sector in a relatively short amount of time and considers itself an independent watchdog over the electricity and gas sectors. UK's energy market developed prior to the establishment of Energywatch, but the organization is very active on competition issues, especially on mergers and acquisitions.

As mentioned, offices of consumer advocate in the U.S. receive their funding from fees on regulated utilities, which are passed on to the consumer through the utilities' rates. The number of staff at most U.S. consumer advocate agencies is similar to that of other consumer advocates and consumer groups around the world; most employ only a few full-time staff. Like a regulatory agency, offices of consumer advocates in the United States are politically influenced because their leadership is usually appointed by the governor of the state. However, because the funding mechanism of most offices of consumer advocate is independent from the normal governmental budgetary process, the agencies have a degree of autonomy. By being funded through a levy on utility rates, the consumer advocate is not beholden to the legislature to apportion funds (though, in many states the legislature reviews the budgets of all independent agencies). This funding structure allows consumer advocates to have some political autonomy, maintaining "an arms length" relationship with the government, utilities, and other stakeholders.

Sixty-five percent of survey participants stated that their organization's revenue sources do not have an effect on their policy goals. Not surprisingly, trade organizations and some government-funded consumer groups stated that their policies are influenced by their sources of funding. Overall, the survey demonstrated that consumer organizations strive to preserve their independence from their funding sources, serve consumers' needs, and participate in the electricity sector on very limited budgets.

Good fiscal governance carries over to the internal operations of most consumer organizations as well. The survey demonstrates that consumer organizations are true examples of the importance of transparent and responsible fiscal behavior, especially for organizations representing the public. Almost 85% of survey participants indicated that they conduct annual audits. Of that number, more than 52% have their audits performed by external firms.

In transitional and developing countries where both consumer associations and regulators have only been established within the past 15 years, many respondents indicated that their organizations are significantly dependent on donor funding and donations. As indicated above, only 7% of the survey participants represent trade groups. However, while trade groups may find membership dues to be a reliable source of operating funds, this is not the case for the majority of consumer associations, especially those that serve the general public. As will be discussed in greater detail in the key findings chapter of this paper, other avenues of support may be necessary for the sustainability of consumer associations currently dependent on donor funding.

E. CONCLUSION

While public utilities and the energy sector are sometimes newer areas of focus, consumer organizations are striving to enhance their expertise to better serve their constituents. However, limited funding remains a consistent challenge for many organizations. Finding staff with public relations and electricity sector experience does not appear to be a problem. Some organizations are able to supplement their legal capabilities by having attorneys volunteer their time to disseminate information to consumers. This is especially true in rural areas. As will be discussed further in the public outreach chapter, many consumer organizations have reached out to local universities, other non-governmental organizations, utilities, regulators, and other government agencies to advocate for better consumer protection and rights.

While most consumer groups only have limited funds and small staffs, they are able to effectively advocate for consumers. In fact, some consumer organizations offer limited legal advice or resource centers that will intervene with utilities and/or regulators on behalf of individual citizens. Other organizations are focused exclusively on policy development and do not intercede in individual complaints, but take positions on system wide issues and environmental issues.

II. CONSUMER ORGANIZATION INVOLVEMENT IN REGULATION AND THE ELECTRICITY SECTOR

A. ROLES OF CONSUMER ORGANIZATIONS AND ENERGY REGULATORS

The majority of consumer organizations that participated in NARUC's global survey indicated that their countries have a regulator clear understanding of the regulator's role in balancing the needs and desires of consumers and utilities. They recognize the need for regulators to ensure that consumers receive quality service at an acceptable price while allowing utilities to earn a fair rate of return.

Survey Question: What is the role of an energy regulator?

- "A well balanced regulatory regime promotes the interests of consumers, service providers, and state/government which is an essential factor for the success of a private sector led liberal economic system." Consumer Unity and Trust Society-Africa Resource Centre, Zambia (www.cuts-international.org)
- "The regulatory agency's purpose is to ensure that by the proper and adequate monitoring of the conduct and performance of the industry or utilities which it regulates, the rights of the consumers are protected." National Consumers' League, Jamaica
- The regulator's role is "to foster efficiency in the sector so as to protect the consumer from monopoly behavior." Zambia Consumers Association

While the primary data used in this report come from a survey to consumer groups, NARUC has also worked on consumer issues through its other international projects. During an Energy Regulators Regional Association (ERRA) (www.ERRAnet.org) workshop on regulatory participation and communication in October 2005, more than 20 regulators from Central/Eastern Europe and Eurasia gathered with consumer organizations to discuss better cooperation and communication.⁹ To better protect consumers, ERRA member regulators recognize the need for consumer departments within regulatory agencies, the expansion of consumer associations, and increased information dissemination, especially in rural areas.

According to the survey participants, in most countries where both consumer organizations and regulators exist, there is strong communication. Both groups recognize their responsibilities in protecting consumer interests. The Croatian Association for Consumer Protection states that they actually lobbied for the establishment of an independent regulator.

⁹The workshop was co-organized by NARUC and funded by USAID.

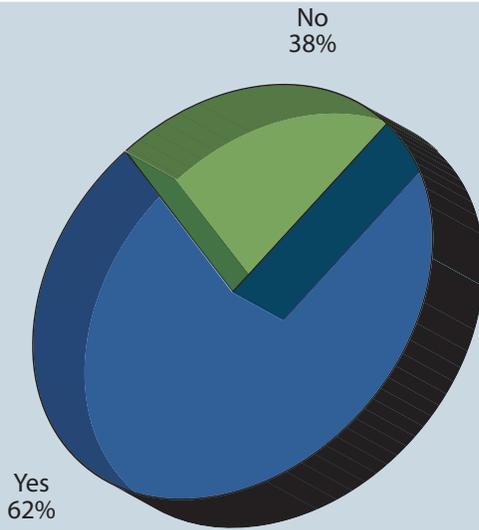
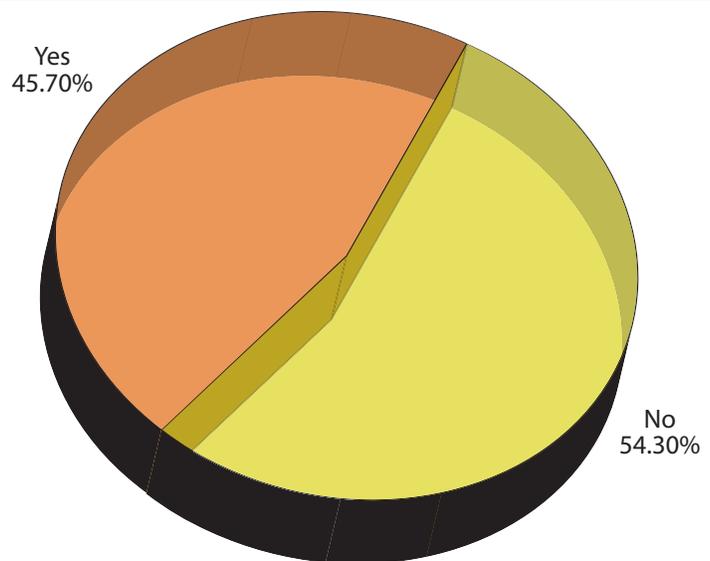


Figure 5:
Percent of Regulators with Consumer Departments

Survey Question 13:
Does the regulator have a consumer department or consumer centers dedicated to handling consumer issues and concerns?

Figure 6:
Adequacy Rating for Consumer Departments at Regulatory Agencies

Survey Question 14:
Do you feel the consumer department/consumer centers adequately meet the needs of consumers?



While most consumer organizations indicated that the regulator in their country has an internal consumer relations department, the majority (54%) stated that these departments do not adequately meet the needs of consumers. As evidenced during the ERRA October 2005 workshop described earlier, regulators do see the need for consumer relations department within regulatory agencies and will hopefully allocate more staff resources for consumer relations and outreach. Regardless of whether regulators already have an internal department for consumer protection, the workshop demonstrated that regulators and association share similar perspectives on consumers' rights and responsibilities.

For example, ERRA regulators prepared a sample code of consumer rights and responsibilities during the October 2005 workshop (see Appendix B). Following their brainstorming session, they compared their document with the Electricity Consumer Chart of Zambia (Appendix C), prepared by the Zambian Energy Regulatory Board. Regulators from two different areas of the world, with different social, economic, political, and infrastructure requirements, prepared almost identical lists of consumer rights and responsibilities.

In Lesotho, the Ministry of Trade and Industry maintains a Consumer Office to protect consumer rights and educate the general public. The Consumer Office has successfully convened meetings with the utility to resolve consumer complaints. The Consumer Office reports that it only involves the regulatory agency when there is a need for change in legislation or policy.

Almost all consumer organizations in the survey (85%) indicated that the primary purpose of their organization is to represent consumers and advocate for consumer rights. Sixty-seven percent indicated that they also provide informational and educational services, while 42% stated that they perform policy functions. For example, the mission statement of the Citizens Utility Board, Wisconsin (USA) (www.wiscub.org) states that it:

- Provides public interest legal services to ensure effective and democratic representation of residential, farm and small business utility customers before regulatory agencies, the legislature, the courts, and other public bodies;
- Advocates for reliable, affordable and sound utility service;
- Educates consumers on utility service through the preparation, compilation, analysis, and dissemination of information and resource materials relating to utility regulation, energy, and telecommunications policy; and regularly conducts public education sessions on these topics.

However, the Citizens Utility Board states that due to limited resources it is unable to intervene on consumers' behalf with utilities. Instead the organization instructs consumers to contact the Wisconsin Public Service Commission directly.

Another example of an organization that deals directly with consumers is the Energy Services Consumers' Association (CENN) of the Republic of Georgia. CENN works to increase transparency, efficiency of performance, and lower consumption in the energy sector through increasing public awareness and citizens' responsibilities over the use of resources, increasing public participation in the decision making processes at all levels, and has successfully launched a nation-wide constructive dialogue between all stakeholders on energy sector governance. CENN has also successfully settled directly with the utility incorrect bills amounting to: 60,000 GEL (~\$33,000 USD), and 70,000 GEL (~\$38,000 USD) worth of debt was restructured.

The Federal Consumer Advocate of Mexico (Profeco) of Mexico also works to represent consumer rights and to assist individuals who file complaints against electricity providers. As a government agency, Profeco has a limited policy role and clear legal requirements that limit its ability to interfere in the mandate of other government agencies. Profeco has created several smaller consumer groups through which it interacts with the general public.

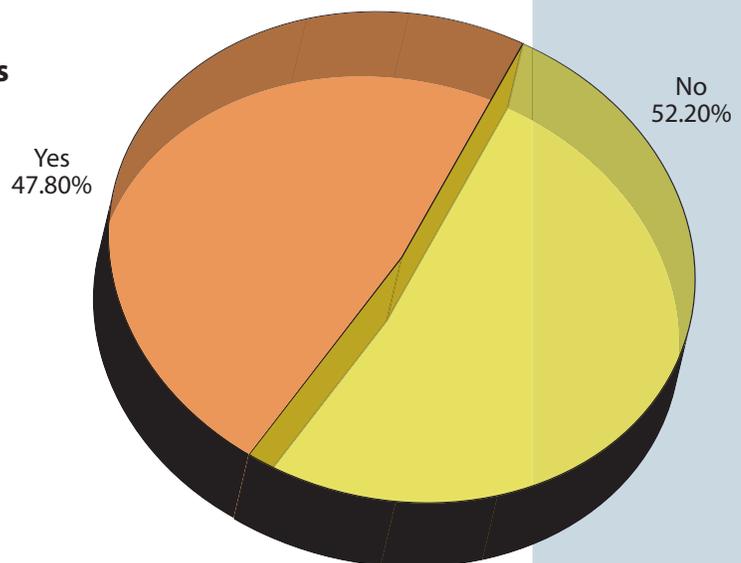
Conversely, the Prayas Energy Group (India) reported that it focuses on broader policy issues and does not become involved with individual consumer complaints. Prayas interacts with India's regulatory agencies, making policy recommendations and participating in regulatory proceedings. Prayas has a high degree of technical knowledge and uses its experience to delve into the technical minutia of energy regulation and policy directives to determine how governmental policies will affect consumers and the environment. Prayas then takes a position on the issues and in turn makes its positions known to government ministries and regulatory agencies.

B. WORK WITH UTILITIES

Most of the survey participants indicated that they work on behalf of individual consumers by providing information and/or taking complaints, and then engaging the utilities directly, even though not all organizations claim that this approach has been successful. The National Consumers' League of Jamaica typifies many respondents in stating that it contacts the regulator only if negotiations with the service provider are unsuccessful. The survey results indicate room for improvement because less than half of the responding consumer organizations admit that they have been successful in resolving consumer issues by dealing directly with their utilities. In fact, in Bangladesh, consumer organizations stated that they did not even know how they could work with the utilities to improve consumer protections and hope that the creation of the energy regulator will allow for increased public participation.

Figure 7:
Organizations That Directly Settled Disputes with Electricity Providers

Survey Question 28:
Has your organization successfully settled any issues directly with the electricity provider, without involving the regulator?



According to the Bulgarian National Consumers Association, each consumer as well as consumer organizations in Bulgaria have the right to submit complaints directly to the provider without involving the regulator. If the complaint is reasonable and there is a mistake on the part of the provider (usually over-charged bills), the problem is settled without the involvement of the regulator.

Conadecus AC. of Chile participates on a consultative council with the main electricity service provider and works to resolve issues directly with the utility. It has worked successfully on two main goals during the past few years: avoiding blackouts and obtaining indemnifications when blackouts occur.

The Consumers Protection Center of Thessaloniki, Greece has successfully resolved issues directly with the utility (such as obtaining provisions on new electricity connections). However, it feels as though the regulator does not sufficiently consult with consumer groups and advocates for increased regulatory transparency.

Overall, it appears as though many consumer organizations regularly interact with electricity service providers, and some organizations like Prayas take policy positions. However, the majority of respondents indicate that there is room for improvement. Problems exist in part because regulators often do not have enough resources to adequately deal with consumer issues to the extent consumer organizations would like to see. Sometimes, under both the investor owned and state owned models, the regulator does not have sufficient authority or political capital to compel utilities to be more sensitive to consumer concerns. Another issue is that consumer organizations often lack legal resources to compel, or at least seek judicial or regulatory intervention, to settle disputes with utilities. There are no quick fixes to these problems, but it is clear that regulators and consumers need to work closely together to improve the service quality of electricity providers.

C. RELATIONSHIPS WITH REGULATORS

The survey results indicate that the relationships and interactions between consumer organizations and regulators take on many different forms, including:

- submitting policy recommendations and opinions before and during the regulatory decision making process;
- preparing petitions to the regulator to introduce new policies and regulations;
- responding to and commenting on policy issues, including competition and/or privatization processes;
- participating in public meetings and hearings, including making statements and/or raising questions;
- conveying consumers' concerns through regular meetings with regulatory agencies;
- monitoring the regulatory process;
- serving as a resource to the regulator on consumer issues and/or environmental standards;
- and circulating information to consumers about the regulator and/or energy sector

Some consumer organizations also feel that they serve a public oversight function, monitoring the decisions of the regulator and disseminating information about regulatory decisions to the public. The Consumer Office of Lesotho supports district-level consumer groups (under the Consumer Welfare Office) to act as watchdogs on consumer issues, including electricity.

“Energywatch works closely with Ofgem, the United Kingdom regulator, to ensure that company performance issues are monitored and where appropriate, evidence is provided to trigger investigations and/or enforcement action. Energywatch also works constructively with companies, initiating changes to their policies, processes and systems that will make them more responsive to the needs of their customers.” www.energywatch.org.uk

Because of the various stages of energy sector reform, the development of energy regulators, and the needs of consumer constituents, consumer organizations have commented on strong areas of cooperation as well as areas for improvement in their relationships with regulators. One possible solution to this latter challenge is the inclusion of consumer organizations in formal committees or working groups. For instance, the Consumer Unity & Trust Society (CUTS International) of India serves on the advisory committees of the Central Energy Regulatory Commission and one provincial energy regulatory commission. The Ministry acknowledges the role that CUTS International has been playing in policy formulation in the energy sector.

SVSE, an association of large consumers in the Czech Republic, states that it enjoys strong cooperation with the regulator, based primarily on the “goodwill of the regulatory staff.” It would like to have its relationship with the regulator defined in the law, a request echoed by several other respondents.

“Our relationship with regulatory bodies requires constant work – we need to continue to provide submissions and feedback and invite the regulator to present to consumer roundtables. During the development of the national energy market (NEM), the CLCV created a capacity-building project. This project coordinates a network of community sector advocates from around the country to work on, meet and discuss issues arising from the NEM.” - Consumer Law Center Victoria (CLCV), Australia

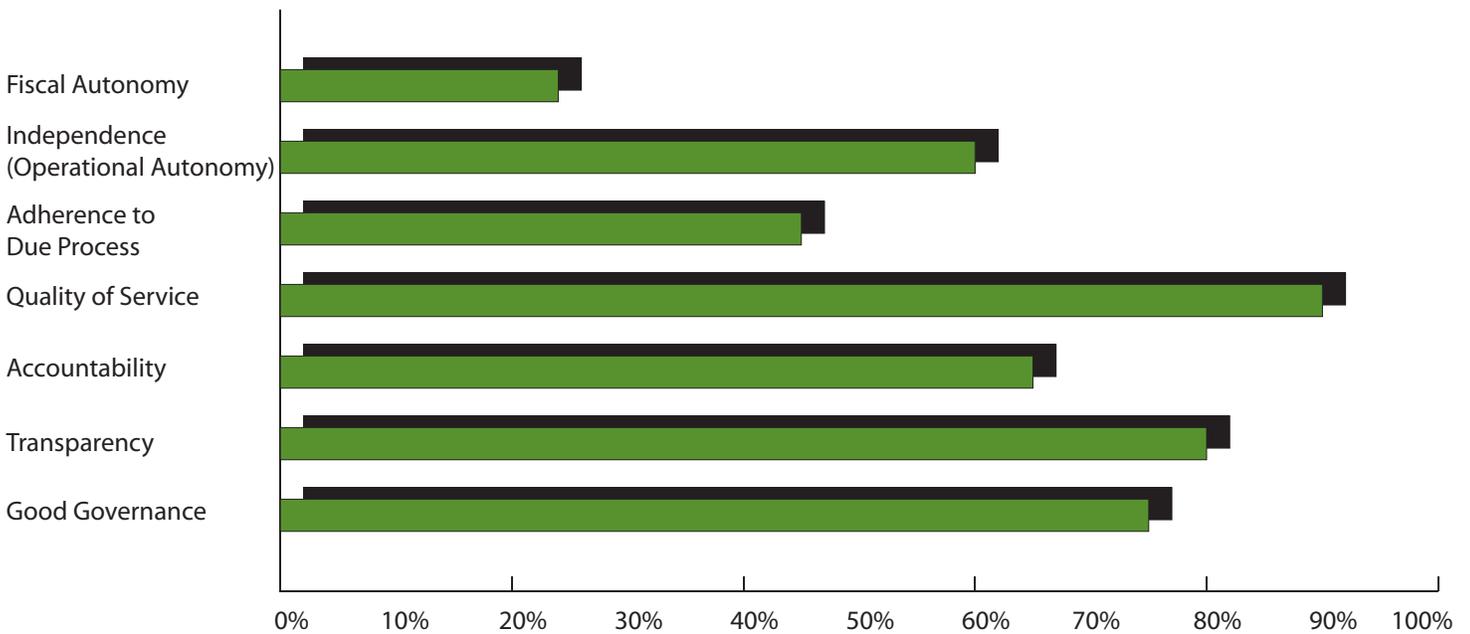
While 19 responding organizations did not answer the question on the survey that asked whether they believe that the regulator in their country acts independently, it is encouraging to note that of the 38 organizations that did respond, a strong majority feel that the regulators in their countries act independently of industry, government, and parliament. However, several consumer organizations—from developed, transitioning, and developing countries—commented that the energy regulatory agencies in their countries are weak and do not act as independent bodies. This seems to be one of the most significant issues that adversely impacts consumer groups’ efforts to coordinate and communicate consumer and social issues.

Most consumer organizations take the initiative of examining a variety of regulatory functions, with quality of service, transparency, and good governance being the most important. Despite the overall response that the regulator is autonomous, several organizations noted the need for the increased autonomy of the regulator. In addition, several consumer groups criticized

their country's regulators for not being transparent enough. For example, CENN (Georgia) feels that the regulator's decision making process is neither sufficiently independent nor transparent and recommends that more public and community-based organizations should have the opportunity to be involved in the decision making processes.

Figure 8: Regulatory Functions Reviewed by Consumer Organizations

Survey Question 16: Please check the areas of regulatory functions that your organization periodically examines.



Benin does not have an energy regulator, but the Consumer's Defense League in Benin successfully works to make electricity available to all consumers at a reasonable price and to establish a dialogue between the industry and consumers. The League has played a key role in the development of the Law on Consumer Protection, which is currently under review by the National Assembly.

While 91% of survey participants indicated that an energy regulator exists in their country, and most stated that one of the purposes of an energy regulator is to protect consumers, NARUC also received responses from countries without an energy regulator.

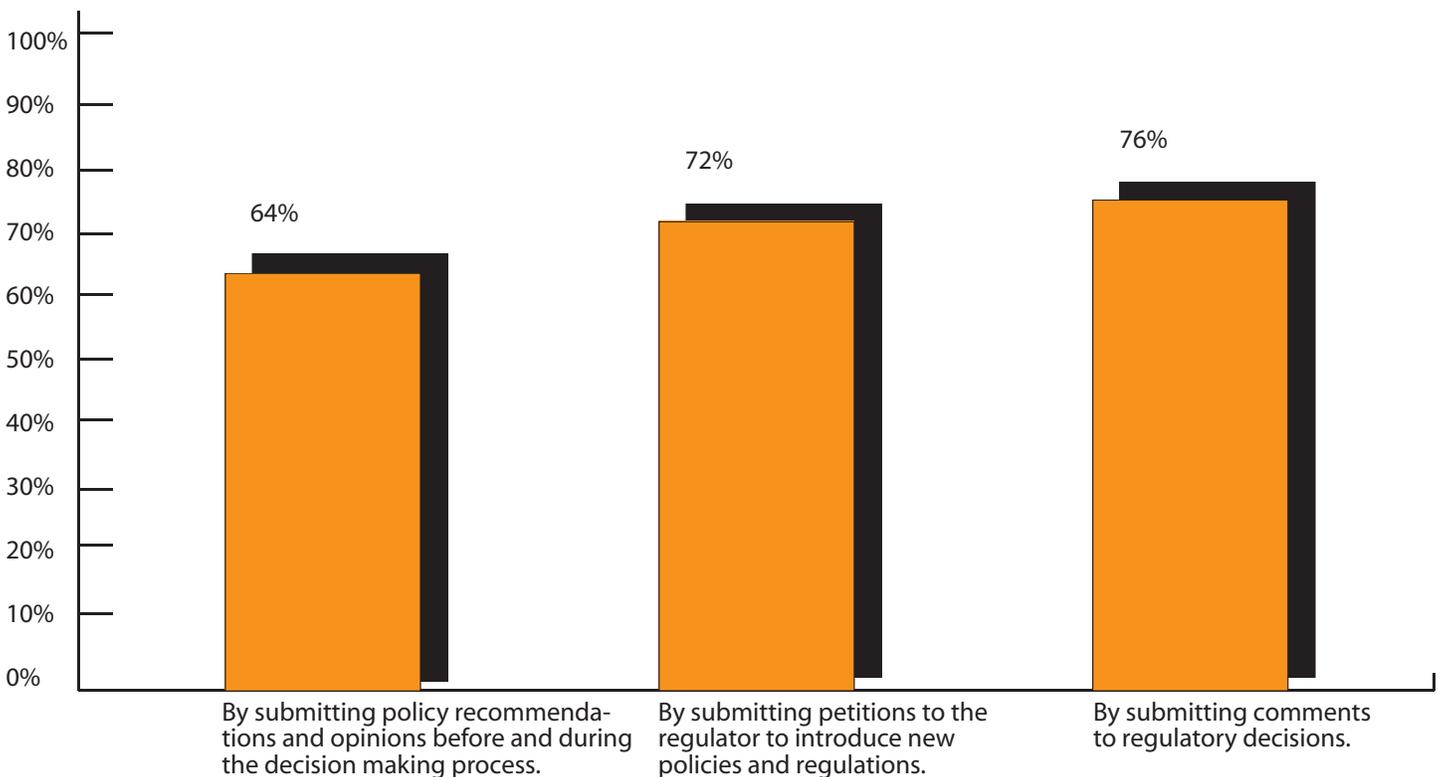
In Lebanon, the electricity sector is under the jurisdiction of the Ministry of Energy and Water since no autonomous regulator exists. Through written requests, the Consumers' Association of Lebanon advocates for the creation of a regulatory body before the privatization of the electricity distribution company. Members of the Association develop their knowledge of the electricity sector through the use of consultants, discussions with industry and government officials, and by attending international conferences. In 2005, the Consumers' Association of Lebanon participated in eleven governmental meetings about the utility sector, including three

meetings on electricity issues. The association feels that the price per kilowatt hour in Lebanon is very high and that the country has significant problems with non-payment and collections. The association stated that it seeks to improve an electricity sector with widespread corruption, but faces political challenges in achieving this goal. It has successfully worked on behalf of citizens regarding the exchange of old gas cylinders for new ones and even formally petitioned the Ministry of Energy to investigate why the old cylinders are not being replaced, especially in low-income regions. However, the situation remains unresolved.

D. PARTICIPATION IN THE REGULATORY PROCESS

Consumer groups engage in all stages of the regulatory decision making process by submitting petitions for new policies, presenting recommendations during hearings, and providing comments to regulatory decisions. Slovakia's Klub500 is just one of 75% of survey participants that communicates with the regulator on a consistent basis. Most consumer organizations, including Klub500, indicated that they ask questions or make statements during regulatory proceedings and attend meetings between the regulators and industry.

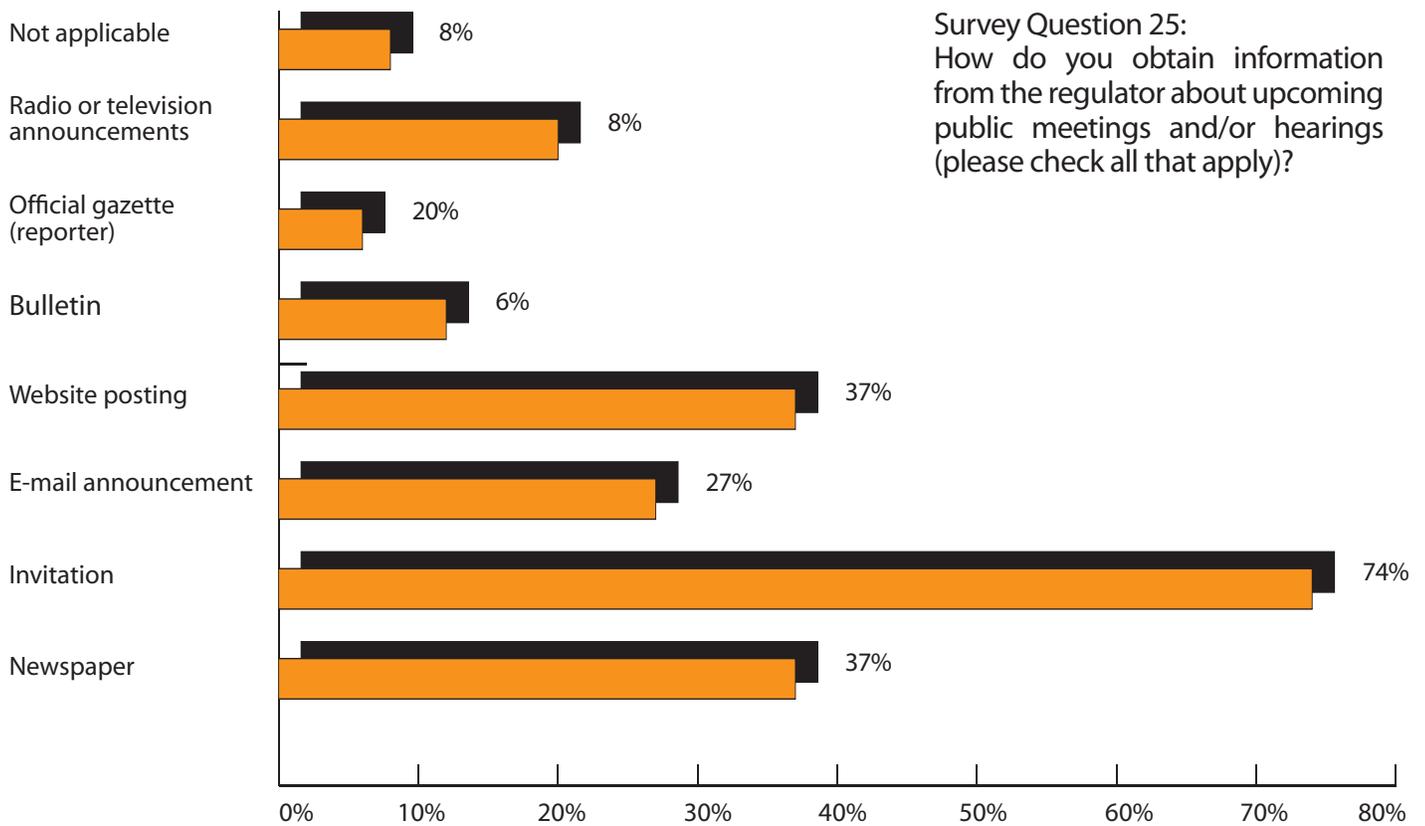
Figure 9: Ways Consumer Organizations Participate in the Regulatory Process
Survey Question 17: How does your organization participate in the regulatory process?



Communication between consumer organizations and the regulators is a two-way process. Seventy-seven percent of responding consumer organizations stated that the regulator consults with them on public consumer issues, while 44% are consulted on environmental standards. Likewise, 76% of consumer organizations indicated that they participate in public hearings or meetings held by the regulator.

Three-quarters of responding consumer organizations receive direct invitations from their regulators to participate in public meetings and hearings. Other common ways consumer organizations learn about public meetings are newspapers and postings on regulators' websites.

Figure 10:
How Consumer Organizations Learn about Regulatory Meetings



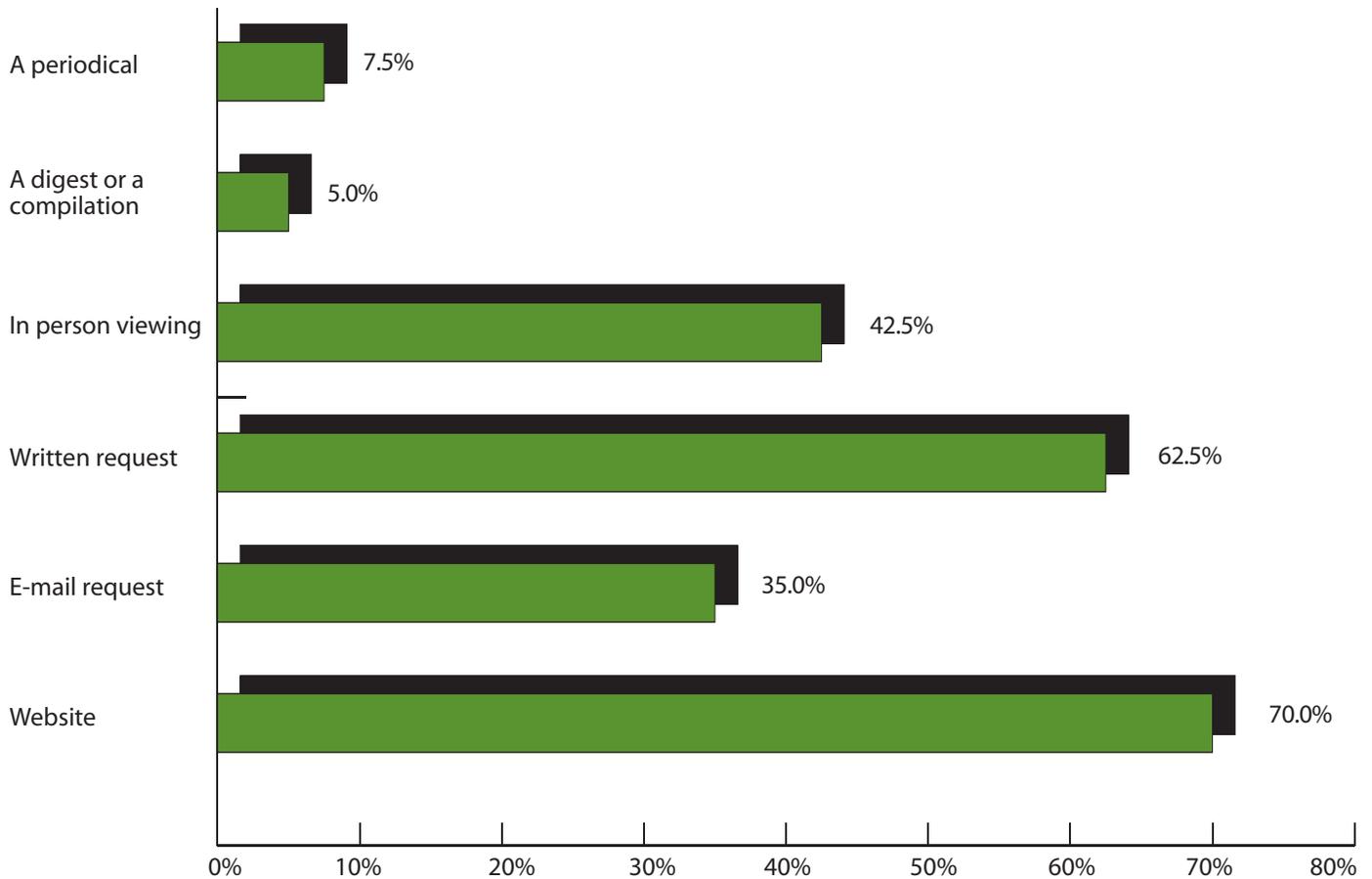
Energywatch (UK) participated in ten public meetings/hearings during 2005 but also has experience successfully settling issues directly with industry (such as disconnections, compensation for consumers, etc). On rare occasions it refers issues, such as compliance problems, to the regulator as well as industry-wide policy issues that arise following bilateral negotiations with the utilities.

Seventy-seven percent of survey participants indicated that the regulator makes its documents open and accessible to the public. The question then, which will be explored further in the key findings section, is why consumer organizations feel that regulators need to act in a more transparent manner.

Figure 11: Accessibility of Regulatory Documents to the Public

Survey Question 27:

If the regulators' documents are open and accessible to the public, how are they accessible (please check all that apply)?

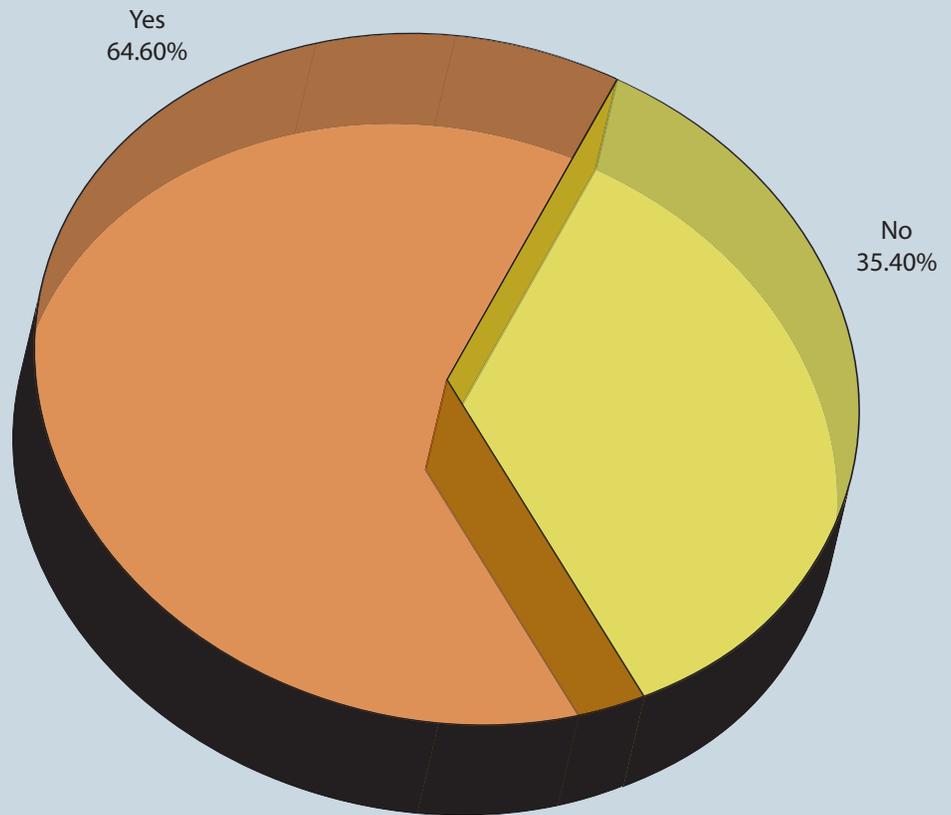


E. INVOLVEMENT AT THE LEGAL LEVEL

As discussed, most consumer organizations work to educate their staff on technical energy issues and participate in regulatory proceedings. Not surprisingly, given the financial constraints faced by consumer organizations, only one-third of survey participants stated that they hire legal counsel to represent their members in front of the regulator. This is a significant challenge since regulatory procedures and the methods of intervening, or even appealing a regulatory decision, can be intimidating for an individual or organization without legal training.

The National Consumers' League of Jamaica notes that it has the desire and need to go to court to challenge some of the regulator's decisions but lacks adequate resources.

Figure 12:
**The Legal Right to Appeal
Regulatory Decisions in Court**
Survey question 30:
Does your organization
have a legal right to appeal a
regulator's decision in a court?



Yes
22.90%

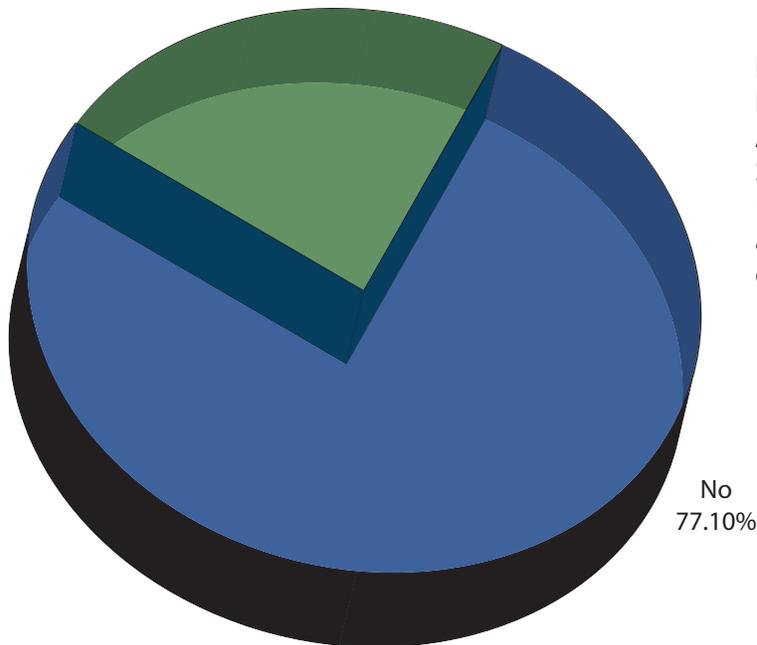


Figure 13:
**Percent of Organizations That Have
Appealed Regulatory Decisions**
Survey question 31:
Has your organization ever
appealed a regulator's
decision on electricity issues?

While consumer organizations may not always have the resources to hire outside counsel, many draw upon their internal (staff) expertise to participate in regulatory hearings. Several respondents provided information on successful interventions. For instance, the National Consumers' Movement of Cameroon filed a request with the regulator in 2005 against an electric company which sent consumers invoices but did not show correct usage levels. The regulator required the company to provide refunds for the mistaken portion of the bills.

In 2002 and 2003, Klub500 submitted appeals to the Slovak Constitutional Court claiming that the regulator's decisions infringed on its members' basic constitutional rights. As a result, some of the regulator's decisions were changed. The appeal concerned large gas suppliers (Slovmag Lubenik, SHP Harmanec, the Novaky Chemical works) that argued against the the Regulatory Office of Network Industries' (RONI) decision in November 2002 to increase gas prices by 29%. According to the Constitutional Court, the Slovak regulatory agency infringed upon the companies' rights by not disclosing a legally-binding regulation and a regulatory timeline on energy price-setting and tariff increases. The court decision set a precedent for other companies as well, and several companies challenged prior regulatory decisions concerning electricity tariffs.

The Citizen Consumer and Civic Action Group (CAG) in India was recently involved in a partially successful court case in the state of Tamilnadu. The state government allowed the appointments of new regulators to lapse, rendering the agency non-functional. The government then attempted to introduce a tariff revision. The CAG challenged the government; the court agreed with CAG and asked the government to appoint commissioners to the regulatory body. The newly appointed commissioners refused to review or overturn the government's tariff revision because they were appointed after the revision. CAG challenged the new regulator's decision, but the Supreme Court did not support their argument.

The Consumer Law Center in Victoria (CLCV) Australia provides a specialized free consumer legal practice for low income and vulnerable consumers.

As this chapter has discussed, many consumer organizations are engaged in the energy sector at both a macro- and micro-level. The majority of consumer organizations put forward their policies and positions through direct involvement in the regulatory process, including participation in public hearings. Pricing and service quality matters are typically the most important topics for consumers and their representative organizations. Some consumer organizations are also working to address these issues through policy recommendations to the regulator, and on the individual level, through direct interventions with the utility.

While it is encouraging to see that consumer organizations are becoming increasingly involved in the energy sector, it is important to recognize that energy issues constitute only a small part of consumer organizations' overall work. In reviewing the websites of many respondents, it is evident that most consumer groups' main focus continue to be on more traditional consumer topics such as food and water safety. Of course, the allocation of limited resources plays a significant part in determining the priorities of consumer organizations as well as the fact that there are many consumer issues to be addressed.

F. POLICY GOALS AND SUCCESSES

Consumer organizations ranked electricity prices, social issues concerning electricity, and competition as the three most important areas for their policy development and advocacy work. Consumer organizations around the world are working to increase the public's involvement in the energy sector, focusing on education as well as activism. Consumer organizations large and small, representing diverse countries, share common policy goals to:

- "Increase the transparency and efficiency of performance and consumption in the energy sector through increasing public awareness and citizens' responsibilities over resource use, increasing public participation in the decision-making processes at all levels and launching a nation-wide constructive dialog between all stakeholders on energy sector governance." Energy Services Consumers' Association, Republic of Georgia
- "Enhance civil society participation in the electricity reform process to build our own capacity on electricity issues, and to push the regulator to being more citizen-friendly. We have made some efforts on both - but with rather limited success." Citizen Consumer and Civic Action Group (CAG), India
- "Educate the consumers how to save energy. We distributed leaflets about household energy consumption to Croatian businesses and consumers regarding the Kyoto Protocol." Croatian Association for Consumer Protection (CACP)

"The goal is that all consumers have access to high quality, properly regulated energy services on a fair, safe, equitable and affordable basis. Objectives:

- To identify and address consumer interests in energy industries, with a particular focus on the interests of low-income and vulnerable consumers.
- That a significant proportion and broad cross-section of the community will be aware of changes occurring in energy industries and the implications of those changes.

These goals will continue to be advanced throughout the short-to-medium term. The following objectives have been met: we influence regulatory decision-making through submissions to the regulator, and we continue to build capacity in the community to respond to changes occurring in the industry." – Consumer Law Centre Victoria, Australia

Figure 14: Issues on Which Consumer Organizations Take Positions

Survey Question 5: Does your organization actively take a position on the following issues?

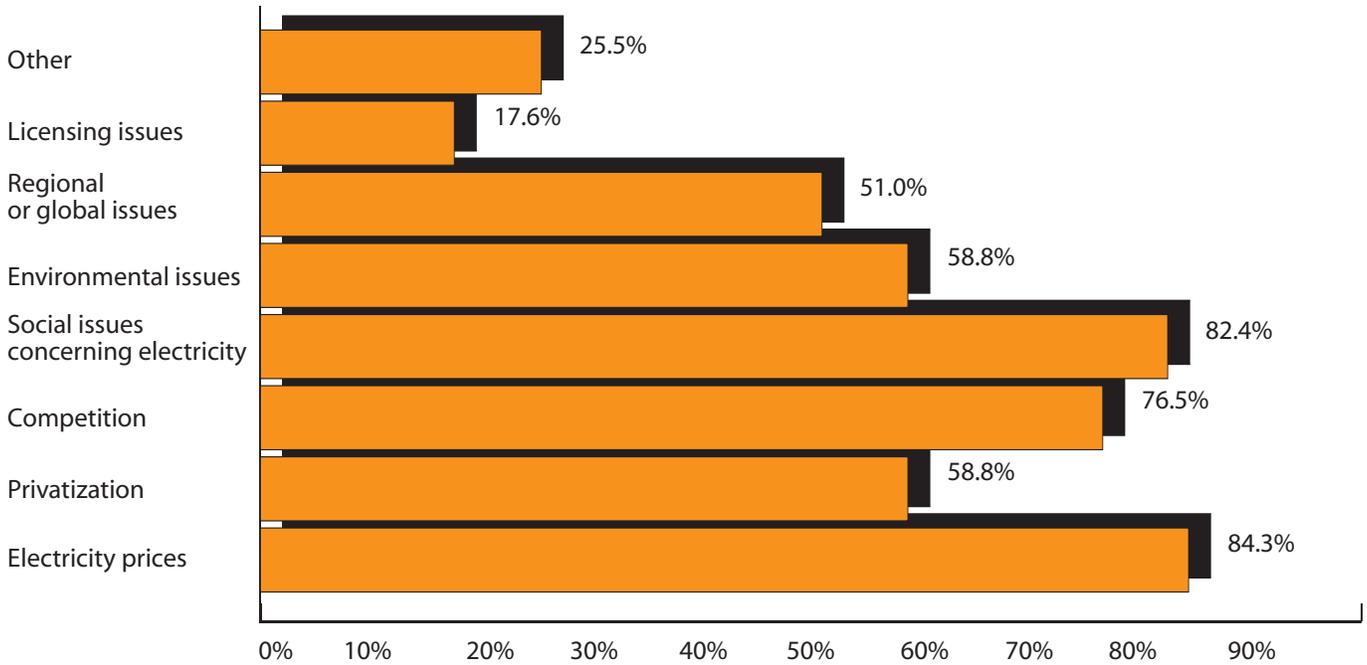
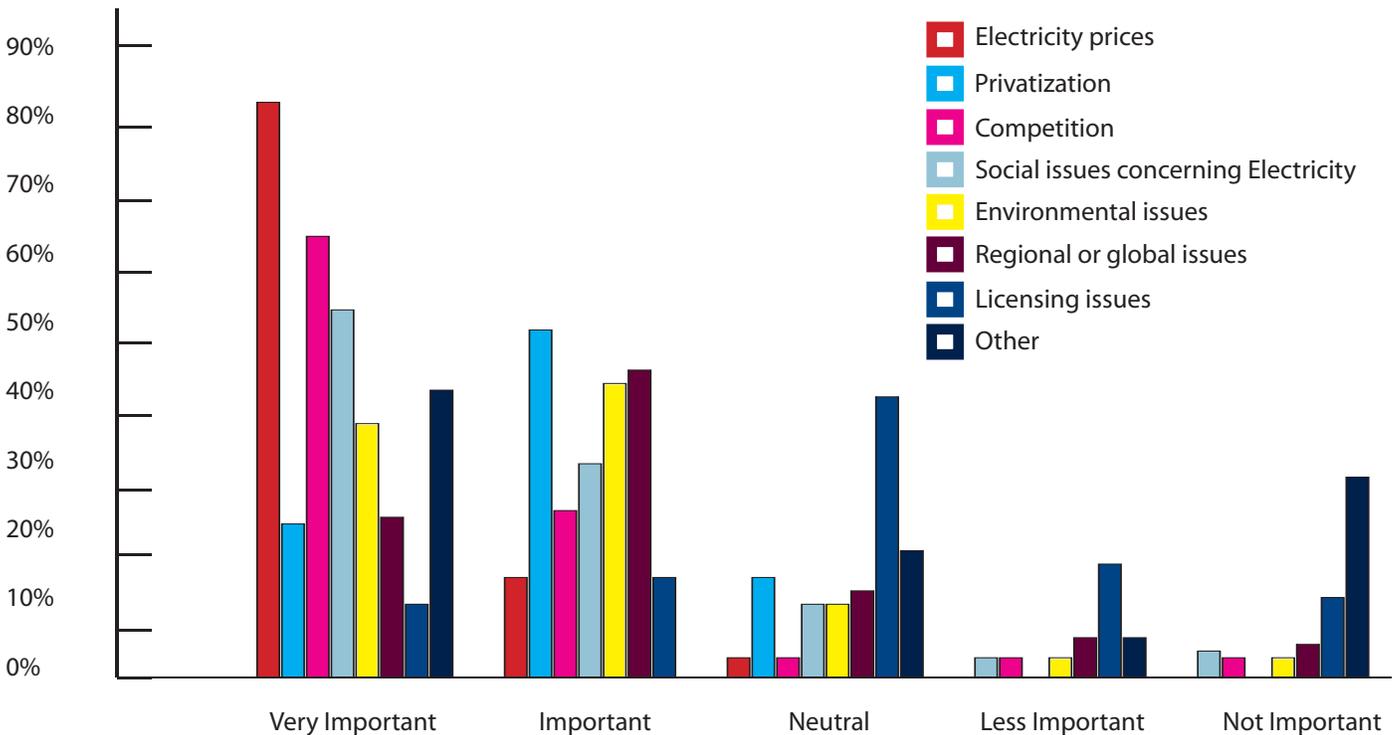


Figure 15: Importance of Various Regulatory Issues to Consumer Organizations

Survey Question 6: Please rank each of the above answers according to the importance of the issue to your organization.



Eighty-one percent of survey participants ranked pricing as a very important issue. In many developing and transitioning countries, consumers are seeing significant and relatively frequent price increases. This is especially true in countries where a regulator was recently established and the electricity sector is in the process of reform and/or privatization. Beyond advocating for reasonable prices, consumer organizations also work to improve billing/metering as well as access/connections.

In recent years, Energywatch (UK) has achieved the following goals:

- improving the quality and accuracy of bills
- better debt prevention policies
- improving the customer transfer process
- ending disconnections made in error
- eradicating mis-selling for vulnerable consumers¹⁰
- lobbying for smart metering

“A campaign on mis-selling resulted in a massive reduction in marketing complaints and the industry introduced a voluntary Marketing Code of Practice. Disconnections fell from 17,000 to 3,000 in 2005, and the industry agreed to a new code to protect vulnerable consumers from disconnection. In addition, Energywatch issued its first ‘super-complaint’ to the regulator regarding billing problems, and the regulator decided to reduce the time period in which companies can back bill customers.” Energywatch, UK

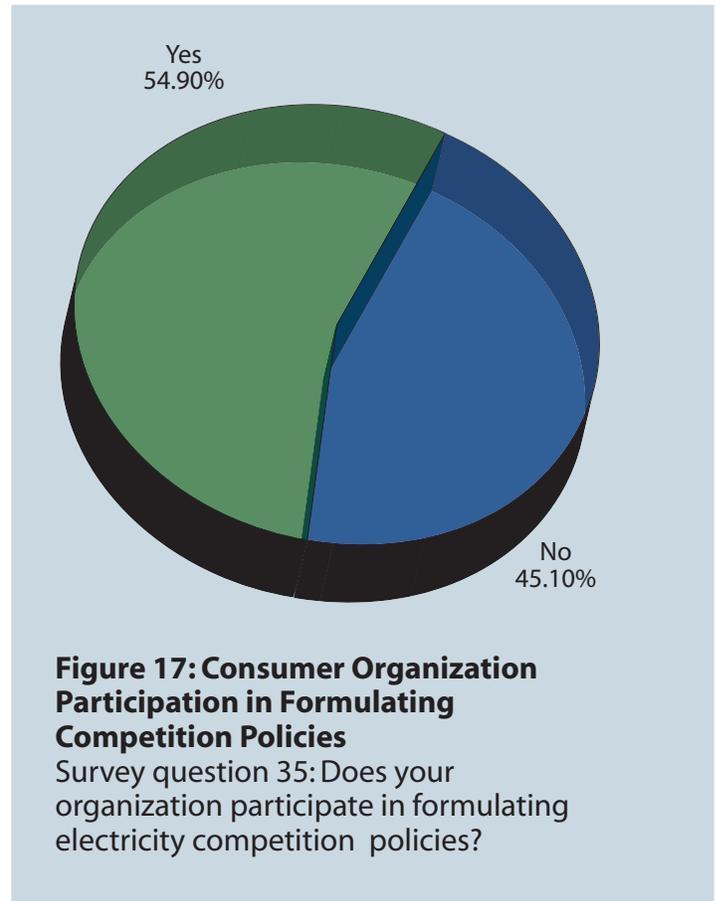
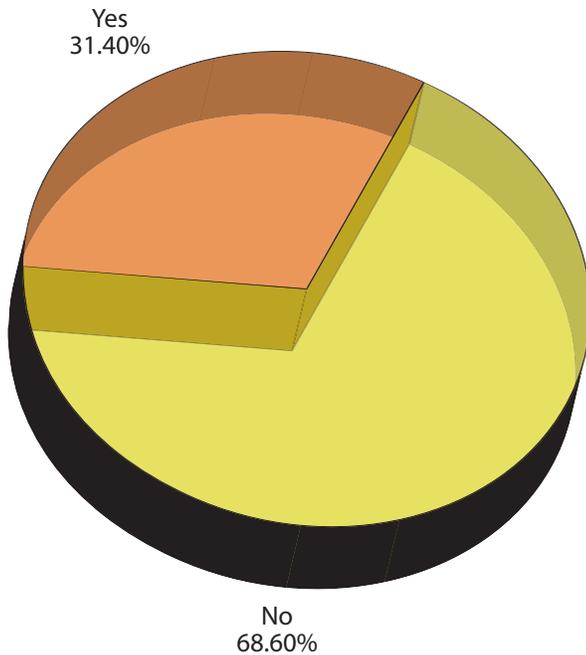
In Zambia, the Zambia Consumer’s Association successfully achieved one of its three major goals by increasing electricity access for the urban poor by 25%. Currently, the association is working to increase metering and reduce the backlog of unsettled consumer complaints. Also in Africa, the Consumer Office of Lesotho set a goal of increasing electricity connectivity to 20% in semi-urban areas. To date, 8% of these regions are connected.

The goals of consumer organizations vary, but they are clearly influenced by the socio-economic and political situations in each country. In many developing countries, consumer organizations focus their efforts on advocating for increased electrification and access. In transitioning countries, where access is not a significant issue, such as in Eastern Europe and the former Soviet Union, consumer organizations are more focused on pricing issues and protecting vulnerable customers. In more advanced energy markets, such as the UK and US, consumer organizations address these issues as well as new issues introduced by competition, including consumers’ abilities to select from more than one supplier.

¹⁰ In the UK, examples of mis-selling include: switching customers of one utility to another without the consumer’s permission, and providing consumers with incorrect or misleading information about a competitor.

Figure 16:
Consumer Organization Participation in Electricity Privatization Policies

Survey question 34: Does your organization participate in formulating electricity privatization policies?



As shown in figures 16 and 17, there is a difference in the amount of work consumer organizations undertake on electricity privatization versus competition issues. One may infer from this that privatization issues are undertaken by the government as part of overall sector restructuring, with less public participation.¹¹ There are exceptions though, such as in Lebanon and Thailand, where civil society groups demand the establishment of a regulator and other reforms before electricity sector privatization. In most cases, utilities undergoing privatization are state-owned, and a ministry or privatization board is conducting the privatization in order to attract investment for infrastructure improvements. Because of the government's significant role (and often the involvement of international financial institutions), it appears from the survey results that civil society organizations, such as consumer groups, are not as readily consulted on electricity sector privatization.

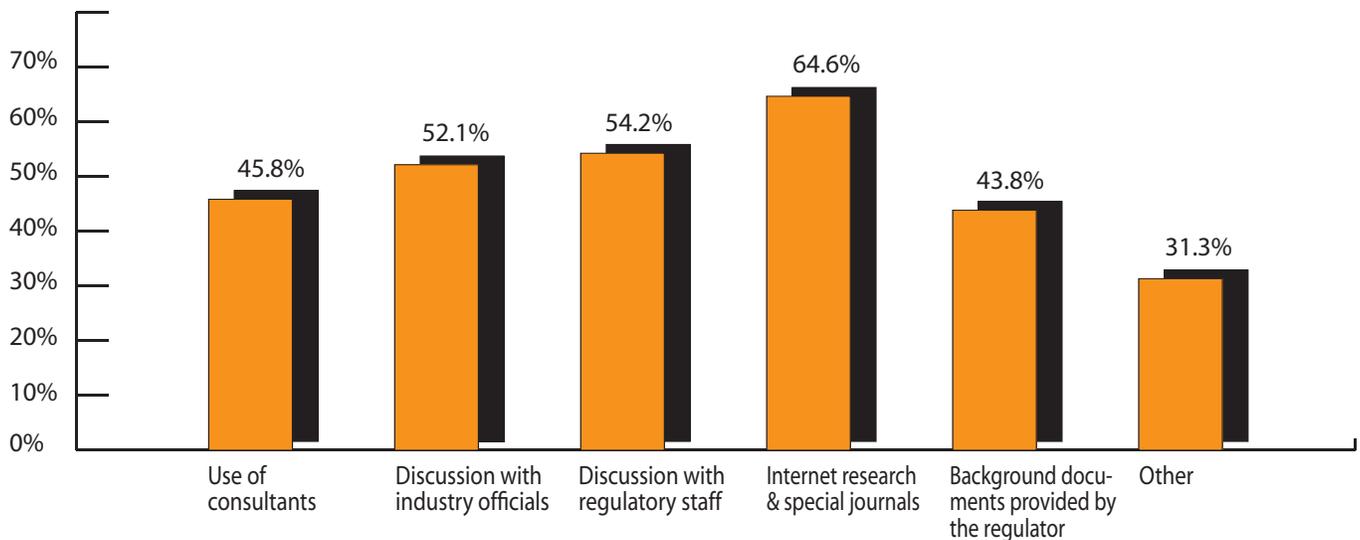
Given the fact that consumer organizations tend to be more experienced in dealing directly with utilities, it is no surprise that involvement in competition issues is more prevalent. While privatization is an important issue for consumer organizations to consider because it directly affects consumers, competition is the area where consumer organizations appear to have a stronger voice. Competition in the electricity sector affects metering and billing, access and requirements for providers of last resort, and consumer choices in providers. Thus, the effects on consumers can be more tangible.

¹¹ In fact, electricity sector restructuring is often a condition of a donor loan. Public participation in the negotiation of these loans is often minimal.

Overall, consumer organizations are active in taking policy stances on electricity sector issues.¹² Seventy-three percent of the consumer organizations surveyed indicated that they have the opportunity to share their positions with their regulators and governments on electricity sector policies. Seventy-eight percent stated that they provide written statements about their positions, 73% share their perspectives during public meetings and hearings, and 62% participate in official working groups or committees. Several respondents noted that their countries' electricity sectors have not been restructured, but they hope to participate in the policy framing process if and when their governments undertake restructuring.

Figure 18: Methods Consumer Organizations Use to Develop Knowledge/Position about Competition and Privatization in the Electricity Sector

Survey question 38: How does your organization develop its knowledge and position about competition and privatization in the electricity sector?



The Consumer Education and Research Centre (CERC) of India achieved success by working with the city of Ahmedabad on a joint meter testing project.

CERC and the city of Ahmedabad reached an agreement in January 2001 where engineers from the Ahmedabad Electricity Company (now Torrent Power AEC Ltd.), the Office of the Chief Electrical Inspector, the Government of Gujarat, and the CERC periodically visit different categories of consumers (domestic and commercial). Once a week, based on a random sampling, the group tests electronic and electromechanical electricity meters, and if they are found to run too slow or too faster, the company replaces them immediately. The Gujarat Electricity Regulatory Commission approved this arrangement.

The project has resulted in:

- (a) Effective monitoring of meter accuracy,
- (b) Raising consumer awareness about energy conservation and safety,
- (c) Improving voltage levels and frequency fluctuations.

¹² It was not within the scope of our survey to learn the positions of consumer association on the topic of privatization and competition.

G. CONCLUSION

As energy reforms move forward, consumer organizations are keeping pace by proposing innovative methods for collaborating with regulators, utilities, and the public. As energy sectors around the world continue to evolve, the level of consumer organization involvement will continue to increase. To properly serve consumers, the number of consumer organizations and their level of technical expertise will need to continue to evolve as well. Undoubtedly, many consumer organizations will continue to be restricted in their efforts to advocate for their constituents by budgetary constraints. For this reason, new methods of financing consumer involvement need to be further explored as well as ways to encourage attorneys and other experts to volunteer their expertise.

In addition, as regulators become more sophisticated, it is important for both the regulator and consumers to work together to serve and protect the public. Just as consumer organizations need to be actively involved in the regulatory process to accomplish this, regulators must also provide information and forums for consumer organizations to represent their constituents and advocate for the public good.

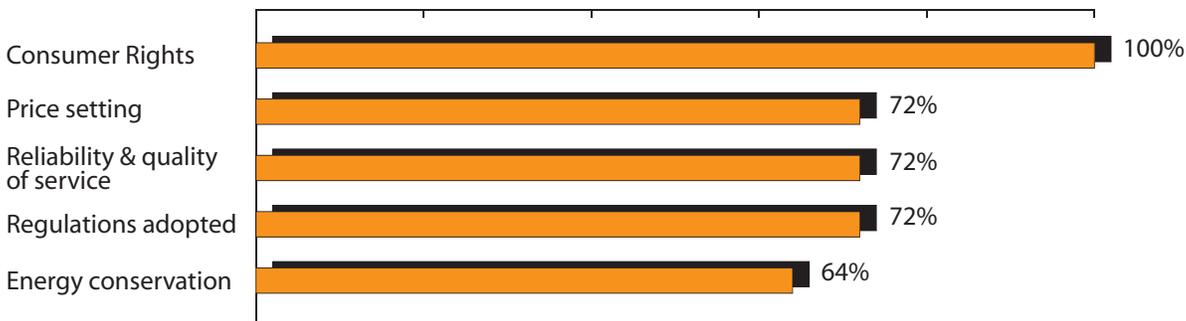
III. PUBLIC OUTREACH AND COLLABORATION

A. GOALS AND PURPOSE

Consumer organizations share a common mission that transcends national borders: to promote and defend consumer interests through research, awareness, advocacy, and training. Thus, education and participation become vital to empowering consumers. Not surprisingly, all consumer organizations that responded to the NARUC survey identified the general category of consumer rights as a primary main issue of which they strive to educate the public (Figure 19). The issues of price setting, reliability and quality of service, and regulations adopted by the regulator also ranked high with 72% of the responses. As described in Chapter II, consumer organizations are also actively involved in competition, privatization, and social impact issues.

In 2002, the Government of Argentina called for public hearings to discuss tariff increases ranging from 36% to 175%. One group, the Consumers of Argentina, moved into action and tried to block the price hikes on the grounds that the service providers breached their contracts. The group also argued that tariffs should be in harmony with income distribution in society and that bills should not be fixed (a common situation when consumers do not have individual meters), but rather reflect real levels of consumption. However, the Consumers of Argentina was not completely successful, unable to sway the decision of the gas regulator at the public hearings. Natural gas transmission and distribution companies were granted tariff increases for large consumers.

Figure 19: Consumer Issues Organizations Focus on to Educate the Public
Survey question 65: Which issues does your organization strive to educate the public?



In Ecuador, the government took steps to defend consumer rights by attempting to eradicate the concept among utilities of *pagar primero y reclamar después* (pay first, complain later). The government passed a law ordering electric utilities to provide optimal service at just prices. At the same time, the government recognized that consumer rights also entail consumer responsibilities. The law also instructs consumers to utilize electricity properly and responsibly, to avoid safety risks associated with tampering and theft. The law encourages the dissemination of information about consumers' rights and responsibilities.

Also in South America, the Peruvian Association of Consumers and Users (ASPEC) was instrumental in the creation of Consumer Councils within four regulatory agencies in Peru:

OSINERG (energy), OSIPTEL (telecommunications), OSITRAN (transport), and SUNASS (water), as a mechanism to promote participation in the decision making process. By law, the Consumer Councils may give recommendations, participate in public hearings, carry out training, represent the position of consumers, and propose action items. Cognizant of the risks that these councils meetings might digress into mere criticism sessions, ASPEC emphasizes the need for constructive criticism and collaboration.

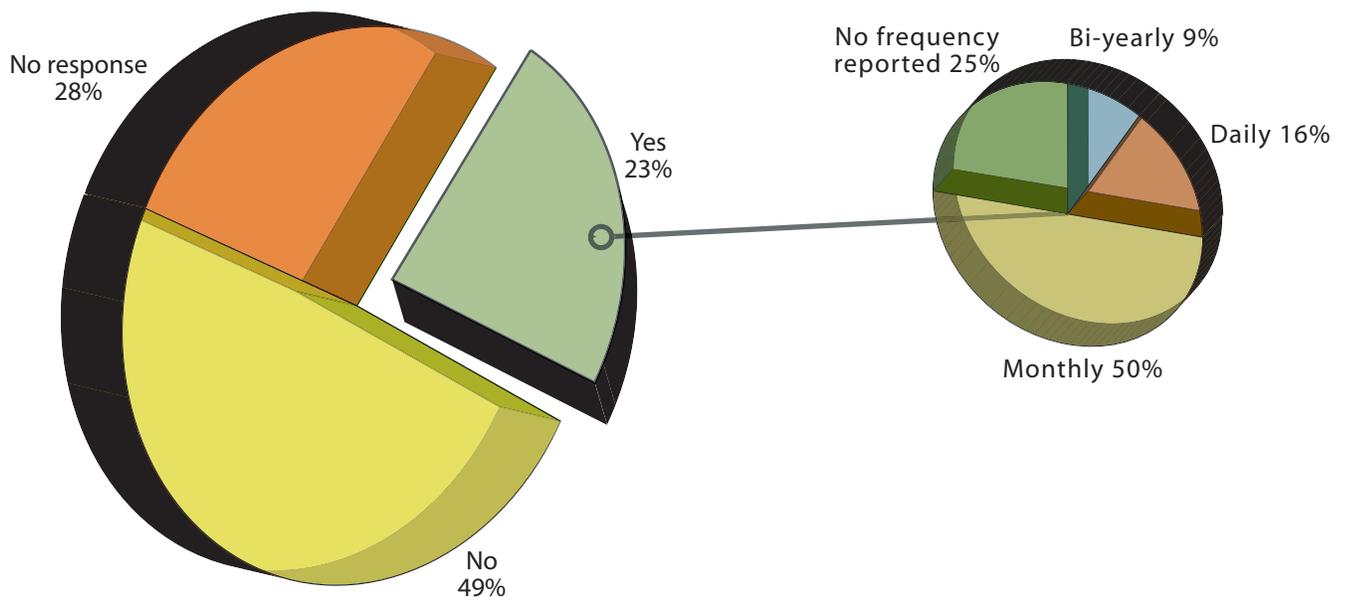
CIVIC GROUPS PUSH BACK PRIVATIZATION EFFORTS IN THAILAND

The Supreme Administrative Court revoked two Royal Decrees authorizing the privatization of the Electricity Generating Authority of Thailand (EGAT). According to activists, they do not oppose privatization per se but argue that privatizing EGAT without implementing reforms would not eliminate the high cost of overcapacity, which is placed on consumers' shoulders. Currently, electricity demand is 7,000 MW short of the 26,000 MW available. Civil society groups call for breaking up EGAT's monopoly by separating its generation and transmission units and increasing accountability by establishing an independent regulatory body.

B. ENGAGING THE PUBLIC

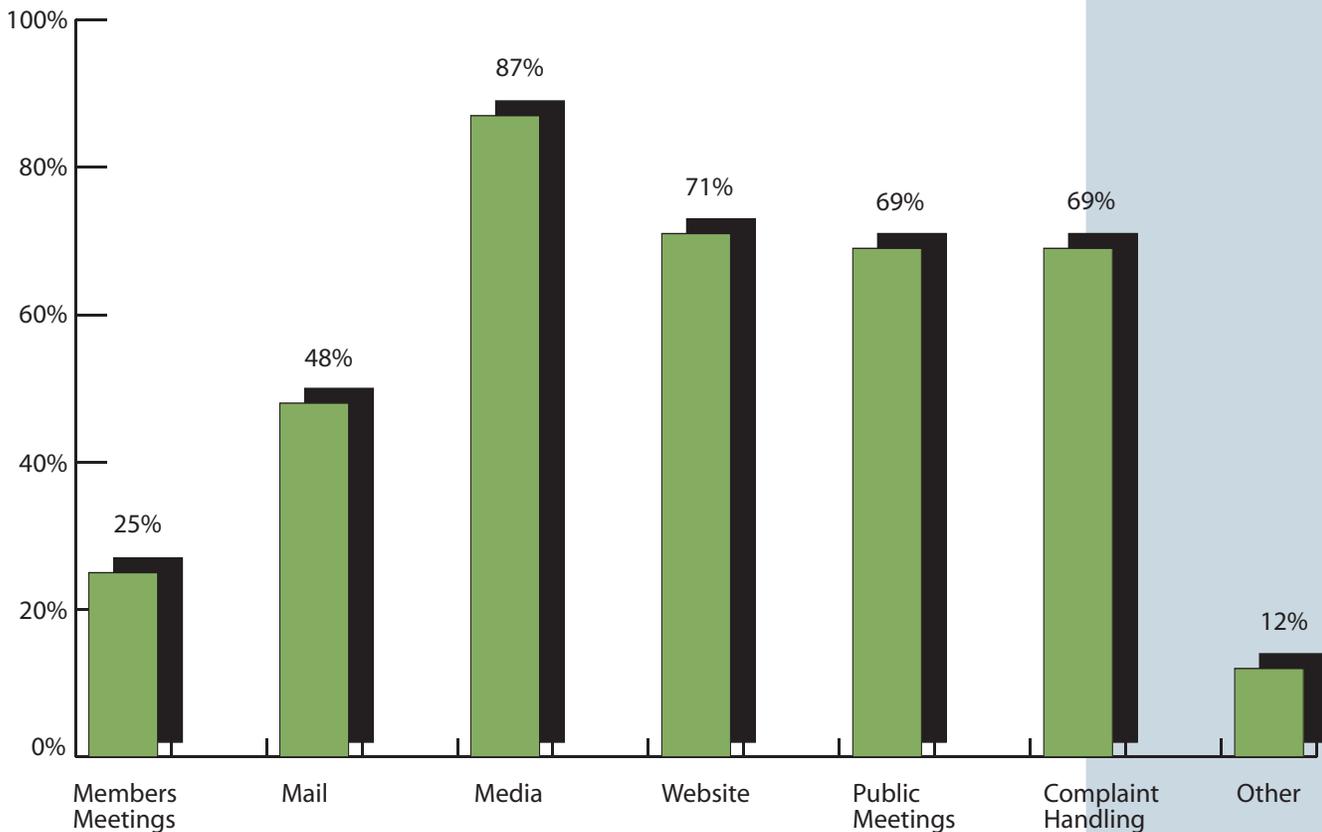
It is imperative for consumer organizations to convey their messages in an effective, targeted manner. The survey results indicate that only 23% of the consumer organizations surveyed engage in advertising. This is not surprising given the costs of advertising and the lack of financial resources among many consumer organizations. However, based on comments collected, it appears as though a number of consumer organizations rely heavily on volunteers to disseminate information. The use of a volunteer network also allows consumer organizations to reach out beyond their countries' major cities.

Figure 20: Percent of Consumer Organizations That Advertise
Survey question 69: Does your organization advertise?



However, 87% of survey participants indicated that regardless of not being able to advertise, exposure is crucial and the media is their preferred method of engaging the public. Similarly, the Internet, public meetings, and handling complaints are popular means of reaching out and interacting with the public.

Figure 21: Methods Consumer Organizations Use to Engage the Public
 Survey question 66: By what means does your organization engage the public?



The Federal Consumer Advocate of Mexico (Profeco) produces a daily television magazine show and radio program. Broadcasting is limited to public channels and mainly in the morning hours between midnight and eight o'clock in the morning, with occasional showings in the afternoons and evenings. Of particular interest is the radio show *El Cuarto del Consumo* (The Consumer's Room) geared toward young consumers, which incorporates the innovative approach of broadcasting topical songs such as "Let Me Cry," "Bad People," or "My First One Million." These songs describe cases of breach of service, piracy, and home-buying fraud.

Similarly, Consumers of Costa Rica (CONCORI) also puts on a daily radio program called "Active Consumers" in partnership with one of the most popular AM radio stations in the country. The show is funded through the sale of advertisement packages ranging from \$75 USD to \$195 USD and discusses current legislative and regulatory decisions, mergers and acquisitions in the public utility sector, and market conditions among other issues.

In Malta, the Consumers' Association (CA) states that it finds its regulator, the Malta Resource Authority, to be ineffective as the state monopoly ENEMALTA determines its own prices and the regulator "rubber stamps" the decisions. Through its website and the use of newspapers, CA indicates that it has succeeded in applying public pressure to guarantee consumer interests.

The Consumer Protection Center of Greece (KEPKA) also advises consumers on a wide range of issues through television, radio, and newspapers, averaging 490 broadcasts per year. In the opinion of the KEPKA, the regulator lacks complete transparency and "the use of mass media in order to attract politicians' attention to consumers' problems is very useful." The Consumers' Association of Ireland shares this view and believes that to gain visibility in the regulatory process, consumers must "demand to be heard and use the media to voice demands as much as possible."

For instance, Consumers International, the worldwide federation of consumer organizations, signed an agreement in 2004 with the pan-African news agency PANAPRESS to provide coverage, in English and French, about its activities across the continent. Consumers International also negotiated to be highlighted on PANAPRESS' website.

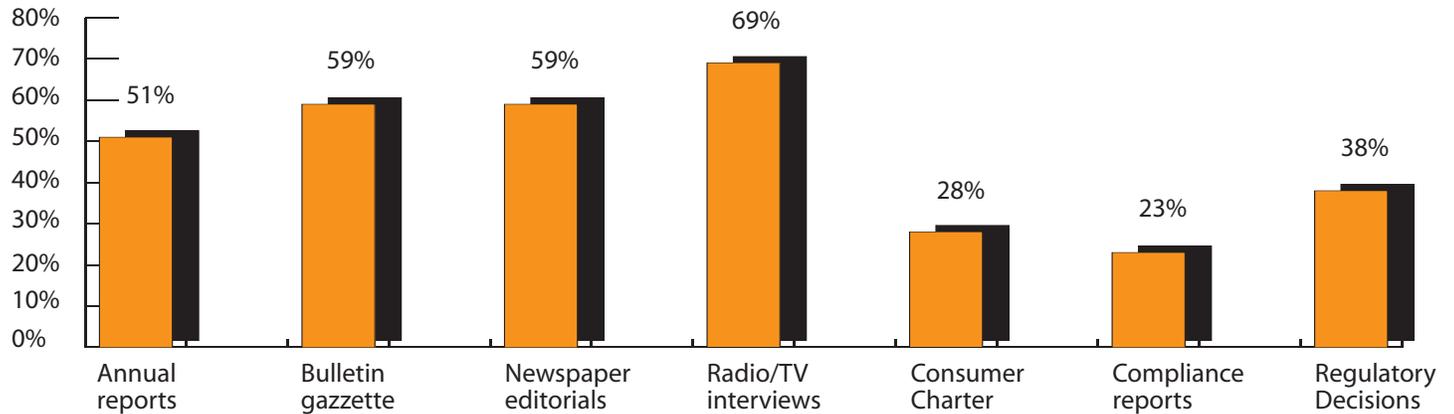
C. TOOLS OF INFORMATION DISSEMINATION

In order to bring consumer protections to the forefront, and to create significant debate about electricity sector policies, it is necessary for consumer organizations to have well established channels of communication and the ability to obtain accurate information. However, incorrect information sometimes circulates faster, and consumer organizations must mitigate this problem by providing extensive information to their constituents through media releases, opinion pieces, advocacy, and others public awareness campaigns to educate the public on relevant issues.

Most survey participants (69%) said they used taped radio or television programs and interviews to communicate with the public. Newspaper columns and editorials are also popular methods to reach the public. Mass media represents a direct and far-reaching tool, but airtime is not abundant and poorer sectors of the population often lack access to television, particularly in developing countries. For this reason, consumer organizations diversify their methods of getting their message out by participating in regional fairs, produce annual reports, activity bulletins, consumer charters (prominently displayed at electricity payment centers), and thematic reports.

Figure 22: Documents Consumer Organizations Make Available to the Public

Survey question: What types of documents do you make available to the public?



In addition to employing the activities and methods of information dissemination indicated in Figure 22, ASPEC of Peru organizes various expositions throughout the year to provide consumers with interactive exercises to raise awareness and increase consumers' capacity to defend their rights. ASPEC also distributes a guide with interactive exercises to children and teenagers to instruct them on how to become informed and responsible consumers.

Since 2001, the Consumer Law Center Victoria (CLCV) of Australia operates a free consumer legal service that provides telephone and online legal advice, as well as representation, to low income consumers on electricity, water, gas, and telephone disputes. The Center produces "fact sheets" about common consumer problems ranging from public transportation fines and door-to-door sales, to electricity, gas, and water debts. At the policy level, CLCV takes an active role, issuing a public consultation report in December 2005 on the National Framework for Energy Distribution and Retail Proposal. CLCV argued that consumer protections and benefits were being undermined at the expense of regulations favoring distributors and retailers.

In September 2004, the Protection of Consumers' Rights (PCR) NGO further augmented its position within Armenia by creating "Deputy Collaboration for Supporting Consumers' Rights" (DCSCR) group with seven members of parliament (MP) from the National Assembly. This was the first officially announced cooperation group in the history of Armenia. PCR provides information to DCSCR which allows the deputies to focus on consumer affairs issues and make recommendations to the executive branch.

The Consumers Utilities Advocacy Center (CUAC) of Victoria, Australia, is also active in policy and regulatory debates by producing reports on utility service. In July 2006, CUAC published a report for the Energy Users Association of Australia on "More Efficient Use of Urban/Rural Cross Subsidies." The report deals with subsidies in the post deregulation era. That same month, the Center organized a second Rural Energy Consumers Forum to follow up on earlier discussions about electricity quality, supply reliability, rural customers' empowerment, low-income consumer issues, and other topics. CUAC informs the public by publishing a Rural and Regional Network bimonthly newsletter that features interviews, position papers, case studies, consumer profiles, energy saving tips, and more.

Similar to the CLCV in Australia, the Protection of Consumers' Rights (PCR) of Armenia provides free legal consultations through its hotline and Resource Center. Currently, the PCR is cooperating with the Eurasia

Foundation on the “Consumers’ Rights Initiative in Public Utilities in Armenia” project to increase public awareness and monitor utility services.

Consumers Lebanon set up a hotline through which consumers can voice their complaints. During its first six months of operation, the hotline received over 284 complaints. The group also publishes a monthly newsletter distributed through daily newspapers and schools across the country. The newsletter gives recommendations on energy and water conservation, and is published in cooperation with the Ministry of Environment.

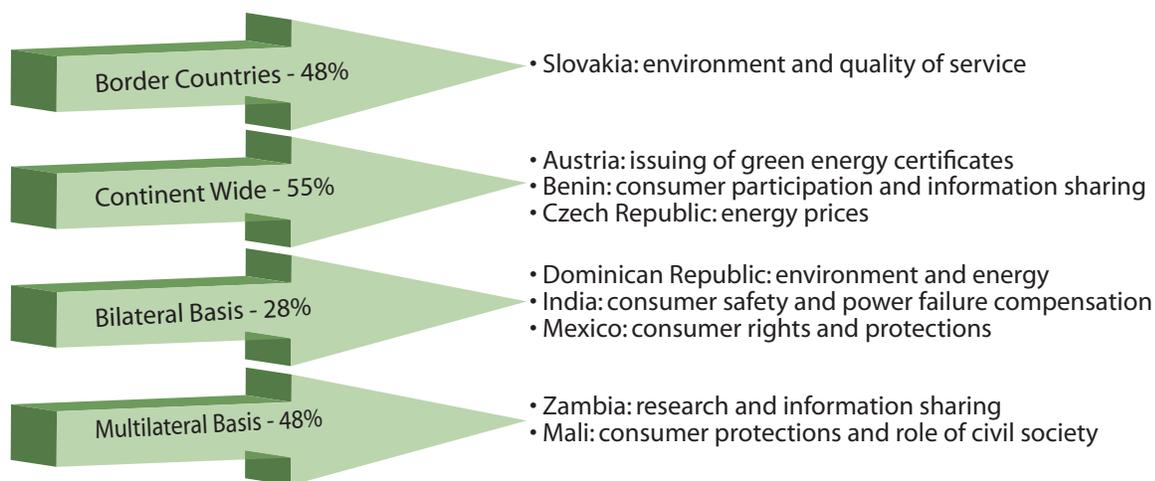
D. NATIONAL AND INTERNATIONAL COLLABORATION

In addition to serving on official government and utility committees, consumer organizations influence policy by forming partnerships with other civil society groups and academia in order to defend and guarantee the rights of consumers. Collaborating with other in-country organizations or abroad provides additional alternatives or opportunities to exchange information, practices, and learn innovative ideas about how to improve public outreach efforts.

Seventy-one percent of survey participants said that they work with other organizations, both within and outside their countries. For instance, the Consumer Education and Research Center (CERC) of India cooperates at the national and international level by hosting interns from small consumer groups within India, students from England and the United States, and activists from Sri Lanka, Kenya, Nigeria, Pakistan, and other countries.

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Figure 23: Consumer Organizations’ Working Relationships with Other Entities



One surprising result of the survey is that only 43% of respondents stated that they collaborate with universities. One consumer organization indicated that it is reluctant to work with universities because it fears it could lose control of its activities and possibly even some of its funding. The most common collaboration between consumer organizations and universities is in the use of volunteers. However, of the 43% who use

volunteers in this capacity, a sizable number of organizations indicated that they collaborate with universities to conduct research and develop policy positions.

Both the Zambia Consumers Association (ZACA) and the Energy and Environmental Concerns for Zambia seek expert advice from the Zambia and Copperbelt Universities to develop positions which are submitted to the regulator. They produce joint studies, research environmental issues, and test products. The electricity regulator, the Energy Regulation Board (ERB), also understands the added value of university participation in the regulatory process and reserves one appointment to its Executive Board (out of seven) for a member with an academic background.

In Australia, the CLCV works with a variety of organizations in executing outreach projects. For example, it partnered with Victoria's Indigenous Consumer Unit, Consumers' Federation of Australia, and the Financial and Consumer Rights Council to produce free training workshops about dealing with electricity debt and other topics. The CLCV has also collaborated with Monash University to produce a report that assessed beneficial outcomes to Victorian customers resulting from the implementation of reforms in the electricity sector.

The Prayas Energy Group in India works with a number of consumer groups, such as farmer organizations, irrigation societies, and others, but collaboration with universities, engineering colleges, and academic institutes is considered on a case-by-case basis and usually consists of organizing joint workshops, training courses, or introducing new curricula on electricity regulation.

In Costa Rica, the opening of the electricity sector is rather recent, and little consumer capacity building has been achieved on competition matters. In response, Consumers of Costa Rica (CONCORI) joined forces with the College of Political Science at the University of Costa Rica to put on courses about the rights of consumers relating to utility services, which is a prerequisite for graduation. The group also works extensively with the chamber of commerce, utilities, development agencies, and others.

Consumers Lebanon has also formed alliances with various Lebanese universities and set up consumers' clubs to work on related projects at the American University of Beirut (College of Science and Technology), the University of Saint Joseph, and El Manar Tripol.

REGULATORS ENCOURAGE CONSUMER PARTICIPATION IN ZAMBIA

Recently, three regulatory bodies in Zambia, the Energy Regulation Board (ERB), the Communications Authority of Zambia (CAZ), and the National Water and Sanitation Council (NWASCO), joined forces to launch the first Consumer Watch Group to encourage public participation in the energy, telecommunications, and water sectors. The initiative seeks to ensure improved service and foster collaboration between providers, consumers, and regulators.

What is expected of this and future watch groups?

- Use consumer feedback to review regulatory guidelines, regulations, and improve quality of service
- Promote and educate consumers about their rights and obligations
- Facilitate dialogue and assist in the resolution of complaints and disputes
- Convey important information to the community

The ERB also developed an Electricity Consumer Charter aimed at protecting consumers and ensuring the obligations of energy utilities and consumers are rightly stated. A series of public meetings took place throughout the country to collect people's views and ensure the enactment is backed by public participation (see appendix C).

E. CONCLUSION

The NARUC survey illustrates that consumer organizations adapt their public outreach strategies to meet the demands of their constituents and to maximize coverage. The use of the media ranks as the most common method, but as illustrated, some consumer organizations have the means to produce their own television and radio broadcasts. Collaboration between consumer organizations and academia is less clear. USAID is currently funding a project in Karnataka, India to create linkages between the state energy regulator, consumer groups, and academia in order to strengthen the capacity of consumer associations to advocate on behalf of consumers. Based on the survey results, it appears that for the most part, regulators make available documents and other regulatory and industry information to the general public and consumer organizations. The problem lies in the ability to interpret and use this information to take policy positions and advocacy work, though some organizations such as Prayas and CLVC have the capacity to put this information to use for the benefit of consumers.

IV. CASE STUDIES

A. THE CONSUMER ASSOCIATION OF BANGLADESH (CAB)

1) Background

The Consumer Association of Bangladesh (CAB) is a non-governmental, non-political, non-profit voluntary organization founded in 1978 in Dhaka, Bangladesh. CAB began as a group to protect consumers against unsafe products and price gauging. In 1983, CAB registered with the Department of Social Services and in 1986 registered with the non-governmental organization, Affairs Bureau. CAB's vision is that the "rights of consumers are established and ensured." Specifically, its mission is:

"To make people aware of their rights and responsibilities as consumers and motivate them to take action for the protection of their rights and interests."

The primary objective of CAB has been to generate awareness about consumer rights and responsibilities among the Bangladeshi people. CAB employs 10 full-time staff and three part-time staff, most of whom are university educated.

The majority of CAB's funds come from membership dues, which are supplemented by donations and support from donor organizations. CAB has its own office and a network of 250 volunteers outside of Dhaka that help raise awareness about consumer issues. The Executive Committee is made up of nine members and it is elected from the general membership, which number more than 300. There are nine Executive Committee members and an Advisory Committee of seven. In addition to its base in Dhaka, CAB has encouraged the development of 47 district committees (out of 64 districts nationwide) with each district committee having at least 100 members. CAB follows Consumer's International's guidelines for accepting new members and only charges 200 taka (approximately \$3 USD) to join and 100 taka (\$1.50 USD) in annual dues. The general membership meets once a year at an annual meeting. The senior staff regularly participates in Consumers International training activities where they have the opportunity to exchange experiences with other consumer groups in the region.

CAB has taken on a number of consumer issues such as a campaign against tobacco (they were successful in the passage of a ban on cigarette commercials on Bangladeshi television and radio), false advertising (milk companies passing powdered milk as real milk), importation of harmful drugs (pushing for the adoption of a national drug policy), a code for pesticides marketing, etc. However, CAB's participation in energy issues has been minimal because of the lack of an outlet for voicing consumer concerns. With the creation of the Bangladesh Energy Regulation Commission (BERC) in 2004, CAB has become more interested in energy issues. NARUC began working with CAB in 2006 to build their capacity on energy issues and participation in the regulatory decision making process.

2) Policy Involvement, Outreach, and Performance Indicators

CAB has been very effective on a number of issues, ranging from environmental issues to fairness in pricing. CAB's first activity concerning energy issues was its participation in March 2006 in World Consumer Rights Day which focused on "Sustainable Energy Access for All." Only about a third of Bangladeshis have access to electricity, and supply is erratic due to frequent load shedding. Furthermore, the issue of readily available and fairly priced electricity directly affects other areas of CAB's focus, such as food security, health, water sanitation, etc.

In May 2006, CAB held its first energy workshop. Attendees included the Energy Reporters' Forum of Bangladesh and CAB's Dhaka membership. At the workshop, CAB and NARUC discussed the procedural aspects of regulation, such as public hearings and public meetings. Some of the legal concepts discussed included notice of regulatory meetings and intervening in regulatory proceedings. Shortly after its participation in the workshop, "Energy & Power," an independent bimonthly magazine about energy issues in Bangladesh, published an article outlining the challenges facing the BERC and Bangladesh's energy sector.¹³

CAB's policy involvement and outreach activities occur not only in urban areas, but in rural communities as well. In fact, one of CAB's primary objectives is to encourage consumer groups and activism in rural areas. CAB achieves its goals by organizing group meetings, conferences, workshops for training, and rallies to campaign for consumer rights and interests. One of CAB's long standing activities is its market monitoring group which reviews consumer prices. In addition, CAB is developing Consumer Education Groups (CEGs) to expand discourse on consumer issues throughout the country.

CAB also runs a Complaints Cell to receive and document complaints from consumers. The complaints are received either in person, by letter, or by telephone. Based on the quantity and quality of complaints received, CAB then conducts further research and initiates an investigation. Based on its findings, CAB seeks to remedy the situation by resorting to arbitration and mediation. CAB has initiated investigations on electronics merchants, food dealers, etc. However, CAB does not have the resources to regularly go to court, and there are no formal mechanisms for arbitration and enforcement in Bangladesh at this time.¹⁴

Due to the economic, social and political realities of Bangladesh, CAB finds it useful to organize rallies and demonstrations about consumer abuses. While this may be frowned upon by some as de facto agitation, CAB undertakes peaceful demonstrations with the goal of raising awareness, not the creation of disorder. In a country with high levels of illiteracy and poverty, CAB finds that demonstrating on a consumer issue is one of the best ways to bring about change.

CAB is also involved in the election process by publishing a manifesto which outlines the different parties' stance and track record on consumer issues. In addition, the organization mails out post cards with information about the parties' positions, but indicates that it faces difficulties because business interests fear the rise of consumer rights and businesses wield a great deal of

¹³ http://www.ep-bd.com/archive/22th_issue_06/index.html

¹⁴ CAB has gone all the way to the Supreme Court of Bangladesh on several occasions, on issues such as the iodization of salt and the safety of river ferries.

influence on politicians. CAB also undertakes signature campaigns to raise awareness about consumer issues within the government.

In general, CAB feels that it is hampered by the lack of a consumer protection law and has been spearheading the adoption of such a law for several years. It points out that several countries within the region have already adopted such laws, including India and Nepal.

3) Key Findings

CAB's involvement in electricity issues is recent, but a good deal has been learned in a short time. First, it has learned the importance of engaging the media. In Bangladesh, reporters who are interested in energy issues have formed the Energy Reporters' Forum (ERF). CAB includes the ERF in its electricity related activities, thereby reaching a wider audience through partnership with the media. In fact, the General Secretary of CAB is a journalist as well as two members of the Executive Committee. CAB works with the media to highlight grievances and to publicize information about companies that engage in unscrupulous activities.

Energy issues appear on the front page of Bangladesh's major newspapers almost every day. It is CAB's duty to ensure that the consumer's point of view is represented in the media and to work with the media to ensure that their message is disseminated.

The second important finding is the association's participation on governmental and non-governmental panels. One CAB member sits on the Board of the national grid company of Bangladesh (PGCB), and other members are active at the Bangladesh Standards and Testing Institute; and the Ministries of Commerce (specifically on the price standardization task force), Health, and Industry.

The third finding is the importance of building representational capability within the association. In most countries, developed or developing, it is usually impractical for the average, individual consumer to participate in regulatory decision making on a consistent basis. As a result, it is important that consumer organizations are up to date on utility issues, rate filings, legal procedure, new projects and policies, etc. NARUC and CAB are working to build this capacity, which is especially important considering the regulator does not have a consumer department and is unlikely to have the resources to fully deal with consumer issues for some time.

4) Other Associations in Bangladesh

Bangladesh's civil society continues to grow and become more vocal on a range of issues. On electricity issues however, Bangladesh has less of a history of public participation, to the detriment of consumers. In the province of Kansat, several consumers who were protesting electricity quality and prices were killed by the police while demonstrating in early 2006. Furthermore, the electricity supply situation continues to deteriorate, averaging at least several hours of blackouts a day. As the situation continues to worsen, it will become even more important for consumer groups to become involved in electricity issues. Some groups that have the potential to play a significant role in electricity issues include the American Chamber of Commerce, Dhaka University, and the Bangladesh Environmental Lawyers' Association.¹⁵ In fact, NARUC and CAB are exploring greater collaboration with these groups in order to enhance public participation in Bangladesh.

5) Summation of Key Findings

1. Integrate media participation in association activities in order to reach a broader audience and raise awareness about electricity issues.
2. Encourage association participation in governmental and non-governmental committees to ensure that consumers are represented.
3. Build capacity within the association to participate in regulatory proceedings by training staff in electricity and regulatory issues such as the rate making process, legal procedure, and general understanding of the laws governing the electricity sector, etc.

¹⁵ CAB has worked with both faculty and students on product testing and research and has used volunteer students for their educational groups and the dissemination of information.

B. THE CONSUMER ASSOCIATION OF COSTA RICA (CONSUMIDORES DE COSTA RICA(CONCORI))

1) Background

Consumer Association of Costa Rica (CONCORI) is a non-profit association dedicated to the promotion of mutually beneficial relations between the government, consumers, and service providers as well as the development of a new culture of informed consumption. Founded in September 2003, CONCORI is legally registered under the Public Registry of Associations and with the Ministry of Economy, Industry and Commerce. By conducting research, capacity building, and information sharing, CONCORI seeks to become a high profile organization able to influence the processes of commercial opening, quality control, and representation of consumers in the public utilities sector.

Based in the city of San Jose, CONCORI retains between two and five full-time professional staff for its day-to-day operations and at different times draws upon between 16 and 25 volunteers to perform work for the organization. Consultants and experts are also employed to conduct research on specific issues. Its governing body meets monthly and is made up of seven members elected from the general membership. The membership meets once a year at its annual meetings.

CONCORI receives up to 50% of its funding from membership dues and relies to some extent on donations from individuals or companies. These donations are properly registered and controlled by internal and Costa Rican accounting norms. CONCORI also receives income from seminar registration fees and selling advertising space on its daily radio program.

2) Policy Involvement and Outreach

In Costa Rica, the state-owned Costa Rican Electricity Institute (ICE) supplies nearly 80% of all electricity, while municipal, cooperative, and private distributors provide the remainder. Electrification figures illustrate that the level of access has remained steady at 97%, and contrary to other developing nations, electrification is not a major issue for the country. Rather, the problem lies with respect to the sustainability of the system as demand for electricity and investment has grown significantly in the past few years. The opening of the electricity sector to competition in Costa Rica is a recent development, and CONCORI is taking steps to understand the challenges ahead and considers consumer education as one of its primary functions.

CONCORI organizes periodic seminars for civil society groups and others on such topics as consumer rights, service provider obligations, consumer association formation, and advocacy. The organization has also formed an alliance with the University of Costa Rica to develop a project aimed at strengthening civil society groups. The project allows for six postgraduate students in political sciences, three in economics, one in communications, one in social sciences,

and one in law to work with CONCORI on consumer education campaigns, research studies, and to evaluate the organization's communications strategies.

In addition, CONCORI has successfully lobbied on a wide range of consumer issues, including public transportation (a 42% tariff increase was repealed by the regulator due to CONCORI's opposition), postal service (the regulator granted a 35% postage increase, far from the 75% originally requested), pricing transparency (the courts recognized a petition by CONCORI requesting the Ministry of Economy, Industry and Commerce to conduct public hearings when setting the price of products), and false advertising. CONCORI also maintains a permanent monitoring program at the Legislative Assembly that allows it to keep current on those initiatives that may affect consumers and different areas of the national economy, resulting in targeted legislative reports.

3) Key Findings

The scope of CONCORI's involvement in consumer issues is broad, but the organization has done a great deal in keeping pressure on service providers—public transportation in particular—by reducing or blocking eight tariff increase attempts in 2005-2006. The association understands the importance of maintaining a strategic relationship with the Public Utilities Regulatory Authority and regularly engages staff within the regulator's consumer department when drafting positions.

CONCORI actively promotes consumer rights through media campaigns and alliances with technical and academic groups. Furthermore, the organization's board members provide an array of expertise in political analysis, market regulation, education, public communications, and other areas.

4) Summation of Key Findings

1. Faced with budget constraints, enhance existing human resources by replicating successes in one utility sector to apply to others.
2. Where possible, collaborate with former or current regulatory, business, academic, or media people to increase the profile and expand the knowledge base of the association.

C. THE CROATIAN ASSOCIATION FOR THE PROTECTION OF CONSUMERS HVRATSKA UDRUGA ZA ZAŠTITU POTROŠA A (HUZP)

1) Background

The Croatian Association for the Protection of Consumers (HUZP) is a non-profit, independent non-governmental organization founded in November 1997 in Zagreb, Croatia. The HUZP was established as the first national consumer association with the goal of providing an educational platform for consumers to learn about their fundamental rights and promote their basic interests. In 1999, the HUZP registered with the Croatian Ministry for Legal Administration, and in 2004, the association registered with the Municipal Administration of the City of Zagreb.

The HUZP is staffed by a small group of volunteers, including the president of the organization who is a professor at the Zagreb University of Economics, and two board members. The HUZP also employs a lawyer who represents the legal interests of the group and provides legal education to consumers on matters concerning food safety, sanitation, the usage of electrical appliances, genetically modified food, and other critical issues.

Membership in the HUZP is voluntary, and its members rely on just a few limited sources of funding. Thus, resource mobilization often poses the biggest challenge for this emerging leader in Croatian consumer advocacy and protection and prevents the organization's office from being open to the general public for more than two hours twice a week. The HUZP has approximately 1,300 members who pay annual dues of 30 Kuna (USD \$5.50). Of the 11 original founding members, four still serve on its Executive Board. Membership dues are voluntary and have provided only minimal financial sustainability. The HUZP also relies on various grants and funds from the donor community, such as the European Union and other organizations. Its strongest financial support is currently drawn from the EU's "CARDS" Project (Community Assistance for Reconstruction, Development and Stabilization).

2) Policy Involvement, Outreach, and Performance Indicators

The HUZP started its consumer advocacy work in the field of general product safety and food sanitation, which is a significant problem in Croatia as well as other Central and Eastern European countries. The association has held several seminars and hosted roundtables for small meat producers and enforcement agencies in the late 1990s and early 2000s. The HUZP also provides advice to the general public about how consumers seek redress when there is a problem. To date, the HUZP has distributed several publications, particularly on the enforcement of food standards.

In cooperation with the major state electricity (HEP) and gas (INA) companies, the HUZP has devoted a limited amount of its educational and informational resources to addressing energy issues. The only notable policy success achieved by the HUZP with regard to network industries has been in its fight against increased water rates.

A water utility company on the island of Krk created a special tariff for households using small quantities of water. Most of these consumers own seasonal homes that are occupied only part of the year. Since the national consumer protection legislation does not allow utility companies to charge a lump sum for water, the company created a special tariff to charge these small-scale users 10 times more than the permanent island residents. The HUZP insisted on a single tariff for all users and succeeded in having the higher rate revoked. However, in the telecommunication sector, the HUZP lost its battle with the fixed-line local operator in 1999-2001. The company was charging customers for unmade calls and value-added services that were not used. Certain fixed-line subscribers were obliged to pay expensive bills. If they did not pay, the operator would discontinue service and sue the customer. The courts ruled against the consumers. The HUZP claims that they had little success in resolving any of these complaints due to the complexity of dealing not only with the fixed line operator but also with resellers and other agents of the telephone company.

Under the Stabilization and Association Agreement between the Government of Croatia and the European Union, Croatia has committed itself to harmonizing its legislation on consumer protections and to promoting a policy of general consumer protection and active legal counsel for consumers. Until 2003, there was no legislative framework on consumer rights in Croatia, and the only indirect references were found in fragmented pieces of national legislation. The Ministry of Economy, Labor and Entrepreneurship, in close co-operation with the State Inspectorate and two major consumer organizations, the HUZP and Potroša (Consumer), achieved a substantial reorganization of the legislative framework in 2003 when laws on consumer protection and on general product safety were passed. However, much work remains, particularly in the area of liability for defective products and product safety as well as setting up a market oversight system.

The biggest challenge for the HUZP is its own institutional and financial sustainability. As elsewhere in Central and Eastern Europe, independent consumer organizations in Croatia face a shortage of resources, both financial and professional, which has continued to limit their expansion and effectiveness. Despite help offered through the pre-accession EU financial mechanisms, the HUZP has yet achieve financial independence. Whether they can gain a sustainable source of independent funding through membership dues remains to be seen.

3) Key Findings

Currently, there are no organizations in Croatia working specifically on consumer rights and protection issues in the energy sector. The reasons could be several: universal electricity coverage and thus disinterest of the general public or the lack of consumer information about how to become involved. The Croatian Energy Regulatory Commission has had a tumultuous history, suffering from a lack of resources and lack of political support. The state energy companies however, have a good deal of political capital. The lack of a forum for consumer participation in Croatia's energy sector is at least part of the reason why the HUZP's advocacy and consumer education work on electricity issues is sporadic. The HUZP has limited itself to fielding isolated inquiries and complaints from disgruntled consumers. Currently, the HUZP refers all customer inquiries about energy issues to the regulatory agency, which in turn refers the customer back to the service provider. There is a need for a more concrete relationship between consumer organizations and the regulator, but the regulator also needs more resources.

4) Other Associations in Croatia

Croatian civil society groups are fairly robust and vibrant and provide an important building block for the continuing democratization process. Non-governmental and grass-roots organizations support the transition to a market system through education and capacity building activities. However, energy issues have not received as much attention and systematic policy treatment as other areas of public interest.

The HUZP is the most prominent and active member of the Union of Consumer Protection Associations (UCPA) based in Split, Croatia, which was registered in March 2006 pursuant to law number 101 on consumer protection. UCPA consists of six regional consumer organizations and is the only legal entity through which the associations may issue opinions on draft laws affecting their advocacy work or represent consumers in parliamentary debates. The Union also consists of the following associations:

1. HUZP – Zagreb
2. Dalmatian Consumer – Split
3. Sibenik Consumer – Sibenik
4. Association for the Protection of Consumers of the City of Samobor
5. Association for Protection of Consumers – Solin
6. Zadar Consumer – Zadar

5) Key Findings/Goals of the HUZP

1. Create an integrated system of consumer consultation platforms that are financially sustainable and invite governments to participate in the public discourse with consumer organizations on electricity issues.
2. Build effective participation and promote the culture of national representation and international networking on consumer interests.
3. Set up a system for public-private partnerships, through which contractual relationships could be developed, enabling independent consumer organizations to provide essential services to consumers, including the energy sector.

D. OFFICE OF THE CONSUMER ADVOCATE OF PENNSYLVANIA (OCA)

1) Background

The Office of Consumer Advocate of Pennsylvania (OCA) is a state agency that represents the interests of Pennsylvania utility consumers before the Pennsylvania Public Utility Commission (PUC), federal regulatory agencies, and state and federal courts. While consumer organizations are relatively new in developing and transitioning countries, and many focus on a broad range of consumer-related issues, in some U.S. states there is a long history of specific agencies that represents consumers exclusively on utility issues.

The OCA was created in 1976 by the Pennsylvania General Assembly (state legislature) as a statutorily independent office, administratively included within the Office of the Attorney General. The OCA serves as a resource for consumers (most importantly residential customers) who have questions or problems with their electric, natural gas, telecommunications, water or wastewater services. OCA's mission statement is:

"OCA is committed to advocating for the interests of Pennsylvania consumers and to keeping consumers informed about their utility service."

2) Policy Involvement, Outreach, and Performance Indicators

• Capacity Indicators

- o Funding-for fiscal year 2006-07 is \$4,899,000.
 - Source of Funding: The OCA's budget is collected through an assessment on the utilities that fall within the jurisdiction of the Pennsylvania Public Utility Commission. The utility is able to recover the assessments as part of its rates, and thus the expense is passed on to consumers.
 - Costs Covered: the OCA's budget covers the costs of the OCA's staff, rent and other overhead costs, and contracts with outside expert witnesses who testify on behalf of the OCA in proceedings before the PUC and other state and federal regulatory agencies.
 - Non-monetary resources: The OCA conducts widespread outreach through consumer groups, legislature-sponsored public meetings, and media events. The OCA also provides press information to statewide media and individual media outlets on a case by case basis.
- o Staffing Capabilities
 - Number of staff: 14 attorneys, 2 analysts and 16 administrative and clerical staff.
 - Staff education: law degrees, MBA, CPA, paralegal.

The OCA functions at the macro policy level as well as dealing with individual complaints. The OCA participates in all major and many minor rate cases that are reviewed by the Public Utility Commission. The OCA also represents Pennsylvania consumers before federal regulatory bodies.

NARUC

In recent years, the Pennsylvania state legislature opened the electricity sector for competition, thereby allowing consumers to choose their electric utility company. The OCA works to ensure that all consumers benefit from these changes and are protected as these changes occur. The OCA remains engaged in policy and legislative debates regarding competition in all utility sectors.

In addition to putting forward its policy positions during state and federal regulatory hearings, the OCA actively participates on the policy-making committee of the PJM Interconnection (regional power market), whose decisions directly affect electricity competition and service in Pennsylvania.

The OCA's primary focus during the past decade has been implementation of the state's electric restructuring program. In 1996, the Governor signed the Electric Choice Act, which enacted rate cap protections as the market moved from a vertically-integrated monopoly model to competition. As the rate caps expire, OCA works to ensure that there is reasonably priced "provider [or supplier] of last resort" service for all consumers. As the regional PJM energy market, of which Pennsylvania is a member, becomes more sophisticated, OCA has increased its interactions with federal and regional organizations to ensure adequate representation of Pennsylvania consumers.

On the individual level, the OCA helps consumers who have problems with their utility bills or quality of service. The OCA responds to all consumer inquiries and resolves disputes directly with utility companies. The OCA devotes significant time and resources to educating consumers about changes in the utility industry. Representatives deliver presentations at meetings across the state to advise consumers about changes in the utility industry. The OCA also distributes to consumers and the General Assembly letters and news announcements about upcoming cases and public hearings.

The OCA publishes a wealth of information on its website (www.oca.state.pa.us) and maintains a toll-free consumer call center. The OCA's website provides information to consumers on their rights, the current situation in each of the utility sectors, and key policies for the state. In particular, there are several user-friendly features which allow consumers to take a more active role in the utility sector. For example, the "Tips for Participating at Public Input Hearings" (see appendix D) provides clear, concise instructions to consumers to help them to participate more effectively in a public input hearing organized by the Pennsylvania Utility Commission. The site also lists the dates and locations for upcoming public hearings.

Furthermore, on the OCA website, consumers can review official testimony and press releases issued by the Consumer Advocate. Consumers can find information on how to choose a utility provider; the Residential Electric and Natural Gas Shopping Guides provide price comparisons for the various service suppliers in specific areas. Customers can learn tips for decreasing their electricity usage in order to minimize their bills, including weatherization programs. The site also lists information for low-income residents who may qualify for special programs.

The OCA currently has approximately 17,000 people on its regular mailing list and about 430 people on its e-mail list. The OCA routinely sends information by mail to customers and groups with interest in specific utilities as well as the state legislators about its intervention in cases and public input hearings. This mailing list has been developed over many years. While the OGA does not usually include information along with utility bills, in one case, the utility agreed to include an OCA shopping and price guide about competition.

The OCA has worked with a wide array of consumer and community groups, including AARP, Community Legal Services, Pennsylvania Utility Law Project, Pennsylvania Coalition Against Domestic Violence and many other groups. The OCA also works with other government agencies including the Pennsylvania Department of Aging and the Pennsylvania Department of Environmental Protection.

The OCA works with the media on a regular basis, including several reporters who cover utility or consumer issues, to address specific consumer questions in addition to assisting them in covering broad utility issues. In addition, the OCA has worked with several local television stations to offer "Lower Your Telephone Bill" events at local malls. These events are usually very successful, enabling the OCA to reach many customers and help them find ways to save money on their telephone bills.

Each year, the OCA must file an Annual Report with the Governor, the Attorney General and the General Assembly, identifying the Office's major activities during the year. In addition, as part of its annual budget submission, the OCA identifies its major priorities and anticipated activities. The OCA's budget must be approved each year after independent hearings before the State House and Senate and must be approved by the Governor as well.

3) Key Findings

Public education and outreach are critical components of the OCA's success. OCA representatives provide presentations as requested by various groups and distribute timely information on key utility issues.

Even in an era of increased competition in some areas of utility service, there is a vital need for consumer representation in order to ensure that consumers continue to receive these vital, life-sustaining services at reasonable prices.

4) Summation of Key Findings

1. “Without adequate consumer education, consumers will not benefit from the increased choices made possible by utility restructuring.” - www.oca.state.pa.us
2. Competition is not an end in itself; it is one means to the end of reliable utility service at reasonable and affordable rates.
3. The OCA seeks to ensure a reasonable level of universally available basic utility service for all consumers through the most effective combination of regulation and market forces.

Featured Snapshot: Office of the Ohio Consumers’ Counsel

www.pickocc.org (excerpted)

The Office of the Ohio Consumers’ Counsel (OCC), the residential utility advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts. The state agency provides information and responds to consumers’ questions about their electric, natural gas, telephone and water services.

The OCC is overseen by a nine-member, bipartisan governing board representing family farmers, organized labor and residential consumers. Each governing board member is appointed by the Attorney General. The OCC has approximately 74 employees and an annual budget of about \$7 million USD.

Since the agency’s inception, the OCC has worked to ensure consumer benefits and protections in a changing utility environment. In the last 10 years, the results of the agency’s formal litigation efforts and negotiation strategies have saved Ohio residential utility consumers more than \$3 billion USD. The OCC’s advocacy efforts have led to stronger consumer protections and more choices for residential consumers in the electric, natural gas and telephone industries.

The agency also educates residential consumers about changes in the electric industry and offers information and resources on electric related issues. In 2001, a state law opened the electricity market to competition. In some parts of the state residential consumers may choose their electricity supplier. In other parts of the state, competition has been slow to develop.

The OCC is a member of the National Association of State Utility Consumer Advocates and actively participates on several state and national councils and committees.

V. KEY FINDINGS AND ISSUES FOR FURTHER DISCUSSION

While the findings contained in this chapter are general in nature, NARUC hopes that they will spark interest and promote further discussion, perhaps leading to innovative ways for consumer organizations to further participate in the regulatory process and advocate on behalf of consumers.

A. FUNDING

The greatest impediment to consumer organization participating in the electricity sector is a lack of resources. Most of the responses to the NARUC survey came from organizations that deal with many important consumer issues, electricity being only one area of focus. Regulation is complicated and requires both legal and economic expertise. To be successful at analyzing sector data and in turn forming a position on electricity sector issues requires organizations to have a broad range of skills. Furthermore, skills in public relations are an absolute necessity if a consumer organization hopes to reach out to consumers to: 1) determine the priorities and needs of consumers, and 2) to translate consumer goals into an effective advocacy strategy.

Based on the results of the survey, most consumer organizations have robust public relations. Fewer organizations have staff trained in law and economics. Some organizations have bridged this gap by asking attorneys to volunteer their time. For example, in India, the Consumer Care Society in the state of Karnataka is able to bring consumer grievances to arbitration or event to court because it has attorneys who donate their time and effort. In addition, academic institutions are active in facilitating public participation in regulatory hearings by publishing a manual on the procedures of public hearings and the regulatory process.

However, a sustainable stream of resources seems to be lacking for many consumer associations. Almost all of the responding organizations are dependent to some degree on donor or government support.¹⁶ Furthermore, those organizations (e.g., Energywatch in the United Kingdom) that receive some type of levy or subsidy from licensing fees (or a small fee attached to utility rates) are in a much better position to be proactive on electricity issues. The United States has developed the model of the consumer advocate, which is a government agency. The survey reveals that several other countries around the world have developed similar consumer advocate agencies, funded through levies on utility rates. Is it possible for non-governmental consumer organizations to receive a subsidy, through their government, from revenues based on utility fees or rates (ultimately the consumer pays, as this expense would be passed on to utility users)? Of course, there would need to be safeguards in place to discourage corruption, nepotism, governmental interference, and many other possible drawbacks. Is this a service that electricity consumers would find beneficial? If these initial questions are answered affirmatively, is it time to develop model legislation for creating mechanisms for funding consumer organization participation in the electricity sector?

¹⁶The few trade organizations that responded to the NARUC survey appear to have more sustainable streams of revenue than most consumer organizations. For instance, the American Chamber of Commerce in Bangladesh is able to sustain its activities, including a permanent Executive Director, through the collection of membership dues, a trade show, and training activities.

B. INVOLVEMENT IN REGULATION

Based on the NARUC survey results, it is clear that consumer organizations understand that the role of the regulator is to balance the needs of both consumers and investors. However, overall, the survey participants states that regulators do not adequately address consumer issues. In particular, participants noted the lack of (or weak) consumer affairs departments within regulatory agencies as a factor contributing to their perspective that the regulator does not adequately meet consumers' needs. Based on the results of the survey, it appears as though the creation or bolstering of consumer affairs departments with regulatory agencies would go a long way to improving relations between regulators and consumer organizations.

Encouragingly though, most survey participants notes that they have the opportunity to participate in hearings and regulatory meetings. More than 76% of respondents indicated that they participate in regulatory meetings or hearings and the same number responded that they regulator's documents are open and accessible. Giving written statements to the regulator or appropriate ministry is another popular method of participation, as well as participation in official working groups and on committees. In fact, 73% of survey participants indicated that they receive invitations from the regulator to participate in regulatory meetings. Thus, it appears as though there is already a strong level of interaction between consumer organizations and regulators.

Instead, the challenge seems to be in creating substantive policies and regulation for the protection of consumer rights. There are some positive examples, such as in Zambia, where the regulator and consumer organizations worked together to formalize consumer rights and responsibilities. However, in many developing countries, especially where the focus of the donor community has been on encouraging investment, consumer protections and rights have not been addressed by the regulator. In the area of consumer rights, there is a tremendous opportunity for consumer organizations, regulators, and the donor community to take a proactive role in designing substantive consumer protection regulations. Such examples include: consumers' bill of rights and responsibilities, codes for the disconnection of customers, dispute resolution guidelines and procedures, etc.

As is the practice in the United States, consumer organizations around the world first bring consumer grievances to the utility itself. Many of the responding consumer organizations which handle consumer complaints stated that they only seek redress with the regulator if the utility is unable or unwilling to resolve the problem. In some countries however, there are no formal methods for arbitration or enforcement. The Consumer Association of Bangladesh mentioned that the lack of procedures for dispute resolution significantly hampers its efforts to protect consumers. It further stated that pursuing relief in the courts is usually impractical and that a formalized system of dispute resolution would improve the situation in Bangladesh.

However, many consumer organizations realize that it is not enough to deal only with individual consumer complaints, and they have taken a proactive role in bringing about improvement in their electricity sectors. Prayas Energy Group in India is a good example of an

organization that takes a proactive stance on policy issues. Prayas examines the economic data of the electricity sector and develops positions on what types of investments are needed. In addition, Prayas works with other groups to create standards for measuring good governance within regulatory agencies and is proactive on policy issues.

Working to “de-mystify” the regulatory process is an important goal and at times difficult to achieve, especially where regulation is relatively new. In fact, many consumers are not even aware that they have a voice in the process. Prayas recently published the second edition of *Know Your Power: A Citizens’ Primer on the Electricity Sector*. Where regulation is new, the regulator is often viewed as another administrative layer in the government and overcoming this mindset is a key area of work for consumer organizations and civil society.

Roundtable discussions between civil society and regulators are also needed. Sometimes these discussions devolve into criticism sessions. While criticism is often needed, it is also important that consumer organizations work with regulators to find constructive solutions to the problems facing electricity consumers and the energy sector in general. It is not enough to criticize; the difficult part is to find solutions. That is why the Zambian example mentioned earlier is so important and demonstrates that collaboration among consumers, utilities, and regulators is possible and fruitful.

C. CONSUMER ORGANIZATION COLLABORATION WITH ACADEMIA AND OTHER GROUPS

Another key area of the survey concerned whether consumer organizations collaborate with universities and other consumer and environmental groups. Forty-three percent of respondents indicated that they work with universities, and it appears that a number of consumer organizations who collaborate with academic institutions do so for the purpose of conducting research and to have a source for volunteers.

Most survey participants stated that they are members of Consumers International (CI). It is clear both from the survey and the field research that went into this report that CI provides tremendous support and opportunities for consumer organizations to build their capacity by providing resources and forums for the exchange of experiences. For instance, the Consumer Association of Bangladesh mentioned that it learns a great deal by participating in yearly regional meeting of consumer groups organized by CI.

In the United States, offices of consumer advocate are brought together under their umbrella organization, the National Association of State Utility Consumer Advocates (NASUCA). NASUCA provides a forum for the exchange of information and the coordination of policy among the offices of consumer advocate in the states which have such offices.

However, the fact that less than 50% of consumer organizations surveyed work with universities also raises some questions. Based on NARUC’s field experience and interviews, it found that sometimes organizations feel as though they may be overshadowed by working with other groups or universities. As noted in the funding section, resources are often scarce and sometimes organizations are competing for the same resources.

The use of volunteers to disseminate information appears to be the most common form of volunteer participation, based on the survey results. However, the volunteered time of professionals, such as lawyers, is also a valuable resource for the few associations that acknowledged professional in-kind contributions. In-kind professional contributions appear to be an area where consumer organizations have the opportunity to maximize their resources. NARUC is working with the Consumer Association of Bangladesh and other groups, such as the Bangladesh Environmental Lawyers Association, to encourage collaboration on energy issues.

D. OUTREACH AND METHODS FOR REPRESENTING CONSUMERS

As outlined in the chapter on outreach and collaboration, consumer organizations use a variety of methods to reach out to consumers about electricity issues, especially by way of the media and the taking of complaints. The survey results also illustrate two common methods of representing consumers: 1) participation in regulatory hearings and meetings, and 2) having members serve on boards and official committees. As noted, many of the consumer organizations surveyed participate in regulatory hearings and meetings in addition to submitting formal comments to regulators and ministries.

The survey also revealed some innovative ways of working with the media, even to the extent of creating television and radio programs on consumer issues. For instance, the Federal Consumer Advocate of Mexico and the Consumer Protection Center of Greece produce regular television and radio shows. Cooperation with the media ranked as a top priority for most of the survey participants. In fact, journalists are often board members of consumer organizations. Consumer groups work with the media to raise awareness about important issues as well as to influence public sentiment and thus create political pressure about consumer issues. Based on NARUC's field work however, it is relatively easy to persuade the media to cover regulatory and electricity sector issues when something is wrong, but it is much more difficult to raise media interest when something is being done right. However, there are exceptions. For instance, in Bangladesh, many of the members of the Energy Reporters Forum are not only journalists but experts in the field of energy (many are engineers), and they strive to provide objective coverage of all energy sector issues.

Several of the survey participants indicated the importance of having their members serve on governmental committees. This allows consumer organizations to directly influence new policies. However, of those organizations that state that they have members on governmental boards/committees, most were not directly relevant to the electricity sector (food safety and health seem to be the most common areas where consumer groups have official representation). This is an area with a great deal of potential for the expansion of consumer representation on electricity issues.

E. CONCLUSION

NARUC's survey and field work demonstrates that there is a great deal to be optimistic about in the area of consumer organization involvement in the electricity sector and collaboration between regulators and consumers.

Consumer organizations, regulators, governmental officials, and utilities are working together to make their electricity sectors stronger and improve consumer protections. However, there are also areas where significant improvement is needed such as: sustainable funding for consumer organizations, “de-mystification” of the regulatory process, adequate consumer affairs departments within regulatory agencies, formalization of dispute resolution processes and enforcements, formalization of consumer rights and responsibilities, etc. Some of these areas, such as the formalization of consumer protection regulations, can easily be achieved through the exchange of experience between regulators and consumer organizations in different countries. However, the political will must be present in order to pass the regulations and put in place effective enforcement measures.

The lack of political will is a problem for both consumer organizations and regulators, especially in countries where the regulator has been created as a result of a donor condition. A new regulator lacks the necessary political capital to act as an independent and impartial body designed to rationalize and improve an energy sector. By raising awareness about the role that a regulator can potentially play in assuring consumer rights, the regulator can gain much needed political capital for fending off political interference (political interference, both overt and covert, is usually the greatest single impediment to the functioning of a nascent regulator). However, the demand for an effective regulator is not going to come from within the nascent regulator or from with the government; it has to come from consumer organizations. For this reason, if the donors want effective regulators and thus effective energy sectors in developing countries, there must be effective consumer organizations. A regulator serves the two pronged purpose of protecting investors and protecting consumers. If one of these two responsibilities is not being fulfilled, then the adoption of regulation is a failure.

There are also plenty of examples of regulatory bodies under political attack in the developed world. As economists, regulators, politicians, and consumers continue to debate the efficacy of different market models, the opening of competition, rising fuel prices, and a number of other issues, the role of consumer organizations continues to grow. As illustrated by input from Energywatch in the United Kingdom, competition has created an entirely new area of consumer needs and protections. In the United States, some regulators are under attack because of the end of price caps, rising fuel prices, competition, and technical contractions in the system. Environmental issues, such as the use of nuclear power plants, coal fired generation, and the placement of transmission lines are extremely divisive issues and directly affect consumers.

The regulator cannot on its own replicate market conditions or force a monopoly industry, such as electricity, to behave in the same manner as an industry where a consumer truly has the freedom of choice. As of yet, there is no equivalent in the electricity sector to that of the mobile phone industry—electricity must be provided by wire and must be consumed as it is produced. As a result, consumer pressure, both on the electricity industry and regulator, is needed to ensure that consumers’ rights are protected. Electricity is a fundamental building block of all economies and societies that directly affects the health, education, opportunities, and wealth of a nation. Thus, all citizens have an interest in seeing that their country has an efficient and sound electricity sector.

1. Survey Respondent Contact Information

Organization:
Website:
First Name:
Last Name:
Position:
E-mail:
Address 1:
Address 2:
Country:
Telephone:
Fax:



National
Association
Regulatory
Utility
Commissioners

PLEASE KEEP IN MIND THAT THIS SURVEY PERTAINS TO THE ELECTRICITY SECTOR ONLY.

Number of Questions:

Section 1.1 ---- 3
Section 1.2 ---- 3
Section 1.3 ---- 10
Section 1.4 ---- 12
Section 1.5 ---- 4
Section 1.6 ---- 6
Section 1.7 ---- 5

Section 2.1 ---- 9
Section 2.2 ---- 6
Section 2.3 ---- 5

Section 3.1 ---- 9
Section 3.2 ---- 3

2. Whose interest does your organization represent (please check all that apply)?

- A. The General Public
- B. A Specific Industry or Trade
- C. Chamber of Commerce
- D. Political
- E. Academic
- F. Environmental
- G. Other (please explain):

Criteria:

- A. If you check general public this should include, but not be limited to residential consumers.
- B. Examples: association of landlords (apartment building owners), association of textile factory owners, etc.
- C. Usually focused on a single country, such as the American Chamber of Commerce in Bangladesh, but the Chamber could represent a region of the world as well.
- D. Does your organization have an affiliation with a political party or group?
- E. Is your organization affiliated with any academic organizations?

3. What is the primary purpose of your organization (please check all that apply)?

- A. Informational and educational
- B. Representative
- C. Advocacy and Policy
- D. Other (please explain):

Criteria:

- A. Primary purpose is the dissemination of information, so that members are aware of all sides of an issue. Your organization provides a platform for your members to exchange information. Moreover, the information is used to educate the public about the electricity sector and any other issues that relate to it.
- B. Primary purpose is to represent members and lobby on their behalf for change in government and/or company policy.
- C. Develop policy positions.

4. Which of the following are of interest to your organization (please check all that apply)?

- | | | |
|----|---|--------------------------|
| A. | Consumer rights | <input type="checkbox"/> |
| B. | Consumer complaint handling | <input type="checkbox"/> |
| C. | Consumers in urban areas | <input type="checkbox"/> |
| D. | Consumers in rural areas | <input type="checkbox"/> |
| E. | Price setting | <input type="checkbox"/> |
| F. | Energy conservation/efficiency | <input type="checkbox"/> |
| G. | Reliability and quality of service by the electric provider | <input type="checkbox"/> |
| H. | Other (please explain) | <input type="checkbox"/> |

Criteria:

- A. Does your organization become involved with the passing of consumer rights legislation or advocating on consumer rights?
- B. Complaint handling is a service dedicated to dealing with specific complaint initiated due to dissatisfaction with any kind of product, service, or action. This service employs procedures that aim at remedying complaints and/or publicizing an ongoing grievance.
- C. Consumers predominantly in city areas.
- D. Consumers predominantly in agricultural areas.
- E. Does your organization represent or educate your members about the price of electricity?
- F. Does your organization work to accelerate the adoption of energy conserving policies, technologies, and practices?
- G. Do you become involved with policy, legislative, or regulatory attempts to improve the reliability of your nation's electricity system and the quality of service provided by your electricity company?

5. Does your organization actively take a position on the following issues?

- A. Electricity Prices
- B. Privatization
- C. Competition
- D. Social Issues Concerning Electricity
- E. Environmental Issues
- F. Regional or Global Issues
- G. Licensing Issues
- H. Other: (please explain):

Criteria:

- A. The cost of electricity to consumers.
- B. The privatization of electricity assets, such as power plants, to private/investor ownership.
- C. Allowing customers to choose their provider of electricity (both large industrial/commercial consumers and residential consumers).
- D. Such as access to electricity, the price of electricity for poor consumers, etc.
- E. Impact assessments on the environment, setting and compliance with environmental standards.
- F. Impact of regional and/or global developments in the electricity sector on your organization or the members you represent.
- G. Participation in the process of approving new providers of electricity and electricity services.

6. Please rate each of the above answers according to the importance of the issue to your organization.

	Very Important	Important	Neutral	Less Important	Not Important
A. Electricity Prices					
B. Privatization					
C. Competition					
D. Social Issues Concerning Electricity					
E. Environmental Issues					
F. Regional and Global Issues					
G. Licensing Issues					
H. Other					

7. Please explain "other" if you market it for question .

8. Does your country have an electricity regulatory body?

1. Yes 2. No 3. Unsure/Don't know

Criteria:

Regulatory body is defined as an institution created by legislation with the authority to oversee the operation of electricity companies and the price the companies charge consumers for electricity service.

IF YOU MARKED NO, PLEASE CONTINUE THIS SURVEY. WE WILL CONSIDER THAT YOU ARE DISCUSSING YOUR APPROPRIATE MINISTRY IN PLACE OF A REGULATOR.

9. What is the structure of the utility regulatory agencies in your country

(electricity, natural gas, water/sewer, telecommunications, and transportation)?

- A. Single Sector (including "energy" regulators)
- B. Multi-Sector regulators
- C. No Regulators in the country
- D. Unsure/Don't know

Criteria:

- A. Single sector can include energy, which usually means electricity and natural gas, as well as petroleum in some countries.
- B. Multi-sector usually includes energy, and/or water, and/or telecommunications, as well as sometimes transportation.
- C. All sectors are regulated by Ministries.

10. Does your organization feel that it understands the purpose of a regulatory agency?

1. Yes 2. No

11. If yes, describe:**12. Do you believe that the regulator in your country acts independently of the following:**

- A. Industry (utility) B. Government (executive branch/Ministry) C. Parliament

8. Does your country have an electricity regulatory body?

1. Yes 2. No 3. Unsure/Don't know

Criteria:

Regulatory body is defined as an institution created by legislation with the authority to oversee the operation of electricity companies and the price the companies charge consumers for electricity service.

IF YOU MARKED NO, PLEASE CONTINUE THIS SURVEY. WE WILL CONSIDER THAT YOU ARE DISCUSSING YOUR APPROPRIATE MINISTRY IN PLACE OF A REGULATOR.

9. What is the structure of the utility regulatory agencies in your country

(electricity, natural gas, water/sewer, telecommunications, and transportation)?

- A. Single Sector (including "energy" regulators)
- B. Multi-Sector regulators
- C. No Regulators in the country
- D. Unsure/Don't know

Criteria:

- A. Single sector can include energy, which usually means electricity and natural gas, as well as petroleum in some countries.
- B. Multi-sector usually includes energy, and/or water, and/or telecommunications, as well as sometimes transportation.
- C. All sectors are regulated by Ministries.

10. Does your organization feel that it understands the purpose of a regulatory agency?

1. Yes 2. No

11. If yes, describe:

12. Do you believe that the regulator in your country acts independently of the following:

- A. Industry (utility) B. Government (executive branch/Ministry) C. Parliament

Criteria:

Regulatory independence is essential to the proper functioning of a regulatory body. A regulator should not even have the appearance of favoring one party over another. Typically, the key three constituencies that a regulator must balance are the government (by government we mean the executive branch—usually a Ministry), industry (utilities), and consumers. Thus, this question is meant to determine if consumer groups perceive the regulator to be more favorable toward government and/or industry. Government influence usually manifests itself as political interference in the rate making process. Industry influence usually manifests itself through closed door meetings with the regulator.

13. Does the regulator have a consumer department or consumer centers dedicated to handling consumer issues and concerns?

1. Yes 2. No

14. If yes, do you feel the consumer department/consumer centers adequately meet the needs of consumers?

1. Yes 2. No

Criteria:

Some of the questions you may ask when formulating your response is: do consumers know of the regulator's consumer department, do consumers receive response to their complaints, etc.?

15. Does your organization hire legal counsel (advocate) to represent your members in front of the regulator?

1. Yes 2. No

16. Please check the areas of regulatory functions that your organization periodically examines (please check all that apply)?

- | | |
|--|--------------------------|
| A. Good Governance | <input type="checkbox"/> |
| B. Transparency | <input type="checkbox"/> |
| C. Accountability | <input type="checkbox"/> |
| D. Quality of Service | <input type="checkbox"/> |
| E. Adherence to Due Process | <input type="checkbox"/> |
| F. Independence (Operational autonomy) | <input type="checkbox"/> |
| G. Fiscal Autonomy | <input type="checkbox"/> |

Criteria:

- A. One of the regulator's roles is to promote good governance within the industry that it regulates. However, it is equally important that the regulator manages its own affairs in a manner that embraces principals of good governance. By good governance we mean does the regulator strive to balance and consider the needs and desires of all constituents, follows the rule of law, responsive, etc.
- B. Transparency means that the regulator follows rules of procedure in how it conducts its meeting, the meetings are open to public, almost all industry and regulatory information and documents filed with the regulator are easily accessible to public (the only usual exception to this are trade secrets), participation in regulatory meetings is easy to achieve and welcomed by the regulator. In addition, the reasons for the decisions of the commission are spelled out in writing and available to all stakeholders.
- C. Accountability usually means that consumers and utilities can file an appeal in a court of law to review a decision of the regulator. Typically, this is only available for matters of law, such as procedural or evidentiary errors—not because one party is unhappy with the decision the commission reached on the price for electricity.
- D. Does the regulator take a proactive role in ensuring the quality of service of the utilities? This means do you perceive that the regulator takes a proactive role in reducing the number of outages, the proper frequency and voltage of electricity? Does the regulator take a proactive stance in policing how the utilities deal with consumer complaints and ensuring that consumer complaints are dealt with in a fair and prompt manner?
- E. Adherence and transparency are closely linked. However here, we would like to know if your organization knows how to gain the ability to participate in a meeting or hearing of your electricity regulator? Are there procedures in place that are readily available that explain how you can participate, both in writing and by giving testimony?
- F. Independence usually means operational autonomy and insulates regulators from improper influence. Establishing adequate independence arrangements is crucial to reducing the likelihood of political interference in the supervisory functions. An independent regulator can ensure that the rules of the regulatory process are applied consistently and objectively over time.
- G. To effectively perform its duties and implement its policies, the regulator must enjoy fiscal autonomy in order to be free of outside economical and political pressures, be able to retain qualified personnel, and maintain a balanced message.

**17. How does your organization participate in the regulatory process
(please check all the following that apply)?**

- A. By submitting policy recommendations and opinions before and during the decision making.
- B. By submitting petitions to the regulator to introduce new policies and regulations.
- C. By submitting comments to regulatory decisions.

18. Does your organization have the following (please check all that apply)?

- A. Staff with experience in the electricity sector
- B. Public relations staff
- C. Resources to hire experts and conduct research studies

19. Does your organization collaborate with any universities?

1. Yes
2. No

20. If yes, please list the institution(s) and a brief description of the nature and purpose of this collaboration:**21. How does your organization participate in the regulatory process (please check all that apply)?**

- A. It communicates with the regulator on a consistent basis.
- B. It can ask questions and make statements during regulatory proceedings.
- C. It can be present at meetings between the regulator and the industry (utility).

22. How does the regulator involve your organization in the regulatory process (please check all that apply)?

1. Yes
2. No

Criteria:

- A. For example: the amount of pollutants or emissions produced by power plants, siting of infrastructure, etc.
- B. For example: quality of service, pricing, and construction of a new power plant or a transmission line.

23. If the regulator holds public meetings and/or hearings, does your organization participate?

1. Yes
2. No

24. If yes, how many times in 2005?

25. If yes, how do you obtain information from the regulator about upcoming public meetings and/or hearings (please check all that apply)?

- | | |
|--------------------------------------|--------------------------|
| A. Newspaper | <input type="checkbox"/> |
| B. Invitation | <input type="checkbox"/> |
| C. E-mail announcement | <input type="checkbox"/> |
| D. Website posting | <input type="checkbox"/> |
| E. Bulletin | <input type="checkbox"/> |
| F. Official gazette (reporter) | <input type="checkbox"/> |
| G. Radio or television announcements | <input type="checkbox"/> |
| H. Not applicable | <input type="checkbox"/> |

26. Are the documents of the regulator open and accessible to the public?

- | | |
|--------------------------|--------------------------|
| 1. Yes | 2. No |
| <input type="checkbox"/> | <input type="checkbox"/> |

Criteria:

Documents in question include the founding legislation by the regulatory body, rulemakings, regulatory and procedural codes, major pieces of legislation affecting the electricity sector, secondary legislation, policy decisions and annual reports among others.

27. If yes, how are they accessible (please check all that apply)?

- | | |
|------------------------------|--------------------------|
| A. Website | <input type="checkbox"/> |
| B. E-mail request | <input type="checkbox"/> |
| C. Written request | <input type="checkbox"/> |
| D. In person viewing | <input type="checkbox"/> |
| E. A digest or a compilation | <input type="checkbox"/> |
| F. A Periodical | <input type="checkbox"/> |

28. Has your organization successfully settled any relevant issues directly with the electricity provider, without involving the regulator?

- | | |
|--------------------------|--------------------------|
| 1. Yes | 2. No |
| <input type="checkbox"/> | <input type="checkbox"/> |

29. If yes, please explain:

30. Does your organization have a legal right to appeal a regulator's decision in a court?

1. Yes

2. No

31. Has your organization ever appealed a regulator's decision on electricity issues?

1. Yes

2. No

32. Explain:

33. Please answer the following regarding consumer protection law.

- A. Your country have a (general) consumer protection law?
- B. Your organization played a role in formulating the consumer protection law?
- C. Your organization played a role in amending the consumer protection law?

34. Does your organization participate in formulating electricity privatization policy?

1. Yes

2. No

35. Does your organization participate in formulating electricity competition policy?

1. Yes

2. No

36. Does your organization have the opportunity to voice a position on electricity privatization and/or competition to the regulator or responsible Ministry?

1. Yes

2. No

37. If yes, how does your organization participate (please check all that apply)?

- A. Public Meetings/Hearings
- B. Official Working Groups/Committees
- C. Written Statements

38. How does your organization develop its knowledge and position about competition and privatization in the electricity sector?

- A. Use of consultants
- B. Discussion with industry officials
- C. Discussion with regulatory staff
- D. Internet research and specialized journals
- E. Background documents provided by the regulator
- F. Other: (please explain):

39. Additional comments on your organization's role in electricity privatization and competition policy formulation (if you collaborate with a university regarding the above issues, please explain in your answer):

40. What goals did your organization set regarding the electricity sector between 2003 and 2005 and which of these goals were met?

41. Which of the above listed goals were met (please explain)?

42. How does your organization stay current with the debates about the electricity sector?

43. Are there any circumstances/obstacles in your country that hinder the interaction between your organization and the regulator? How would you like to improve this situation?

44. Do you have any “lessons learned” that you could share about how you effectively participate in the regulatory process or policy formulation process?

45. When was your organization established?Year: **46. Is your organization legally registered?**

1. Yes

2. No

47. How many people sit on your organization's governing body?Number: **48. How is the governing body of your association formed?**

A. Election by the General Membership

B. Appointment

C. Other (please explain):

49. Do any of your members sit on official government committees or panels?

1. Yes

2. No

Number:

Criteria:

Some associations are invited to participate in official government committees or panels, either as voting or non-voting members. Please do not check "yes" if your members sit on a board or a committee of a government owned utility (see below).

50. Do any of your members sit on the board or committees of utilities?

1. Yes

2. No

Number:

Criteria:

Please include both public (government) and privately owned utilities.

51. If you marked yes for question 49 and 50, please give the names of the committees or panels you members sit on.

52. How often does the governing body of your association meet?

- A. Less than once a year
- B. Once a year
- C. Twice a year
- D. Four times a year
- E. Monthly
- F. More than once a month
- G. Other (please explain):

53. How often do the majority of your general members meet?

- A. Less than once a year
- B. Once a year at an "annual meeting"
- C. Twice a year
- D. Four times a year
- E. Monthly
- F. More than once a month
- G. Other (please explain):

54. How many full-time staff (paid) are employed by your association?

- A. 1 or less
- B. 2-5
- C. 6-10
- D. 11-15
- E. 16-25
- F. More than 25

Criteria:

Please only include staff that work full-time - their primary job is working for the Association.

55. How many part-time staff (paid) are employed by your organization?

- A. 1 or less
- B. 2-5
- C. 6-10
- D. 11-15
- E. 16-25
- F. More than 25

Criteria:

Please only include staff that regularly works for the association on a part-time basis, not short-term staff.

56. What is the average tenure of the senior leadership in your organization?

- A. One year
- B. Two years
- C. Three years
- D. Other:

57. How frequently does your organization hire new staff?

- A. Every six months
- B. Every year
- C. Every two years
- D. Other:

58. What is the educational background of the majority of your staff?

- A. Post-graduate specialized or multi-disciplinary degree
- B. Specialized degree
- C. University graduate degree
- D. University undergraduate degree
- E. Secondary education

Criteria:

- A. Example: Ph.D., post-doctoral, candidate of science(s)
- B. Example: Law or medical degrees
- C. Example: Master (Magister) degree
- D. Example: Bachelor degree
- E. Example: High school, gymnasium

59. How many volunteers regularly undertake work for your organization during a year (365-day period)?

- A. 1 or less
- B. 2-5
- C. 6-10
- D. 11-15
- E. 16-25
- F. More than 25, please state the number:

Criteria:

Please only include volunteers who do not receive compensation, except for occasional small honorariums

SECTION 2.3

INTERNAL CAPACITY - FUNDING & EXPENDITURES

60. How is your organization funded (please check all that apply)?

	100%	99-75%	74-50%	49-25%	Less than 25%	Not Applicable
A. Membership Dues						
B. Government Funding <small>(Appropriation)</small>						
C. Donations						
D. Sale of Publications						
E. Fees for Training Programs						
F. Advocacy						
G. Donor Support						
H. Taxes						
I. Direct Regulatory <small>(Tariff)</small> Fee						
J. License Fees of Regulated Entities <small>(one time fee or recurring fees)</small>						
K. Consulting Fees						

Criteria:

- A. Membership at the provincial, federal, or international level as well as affiliates and observers that might pay dues.
- B. Government funding means direct assistance by national and supranational (i.e., the European Union) government.
- C. A donation refers to funding provided by unaffiliated entities or individuals to your organization.
- D. Sales of publications by mail order or web access.
- E. Includes all training programs that contribute monetarily to the organization's finances.
- F. Advocacy means charging fees for representing both members and third parties.
- G. Donor support refers to any multi-lateral organization bank, such as the World Bank, or a country specific donor, such as USAID.
- H. Government provision to support the organization thru public funding.
- I. Fee administratively included in the regulator's finances.
- J. Fixed percentage of the license fee is allocated to the professional development of the organization. The fee is either one time or recurring.

61. Does your organization's revenue sources have any effect on the policy goals of your organization?

1. Yes 2. No 3. Don't know/Not sure

62. If your organization is a consumer counsel (part of the government), how is your funding appropriated?

63. How often is your organization subject to auditing?

- A. Never
- B. Once a year (annually)
- C. Twice a year (bi-annually)
- D. Four times a year (quarterly)
- E. Other:

64. Who performs auditing of your organization?

- A. external auditing by private firms
- B. external auditing by the government
- C. internal (in-house) auditing
- D. combination of external and internal auditing
- E. Other:

65. On which of the following issues does your organization strive to educate the public (please check all that apply)?

- A. Consumer Rights
- B. Price Setting
- C. Reliability and Quality of service by the electricity provider
- D. Energy Conservation
- E. Regulations (sub-legal acts, rules, procedures, decisions, etc.) adopted by the regulator

66. By what means does your organization engage and make documents and information available to the public?

- A. Public Meetings
- B. Consumer Complaint Handling
- C. Media
- D. Mail Correspondence
- E. Web site
- F. Members-only Meeting
- G. Other (please explain):

67. What is the frequency of your organization's public outreach efforts?

Frequency:

68. What types of documents do you make available to the public (please select all that apply)?

- A. Annual Reports
- B. Bulletin/Gazette of your activities
- C. Newspaper Column/Editorial
- D. Taped radio or television programs/interviews
- E. Consumer Charter
- F. Reports on regulator's and private companies' compliance with standards
- G. Regulator's documents (decisions and legislature among others)

69. Does your organization advertise?

1. Yes

2. No

Criteria:

Please limit your yes responses to paid/unpaid advertisements.

70. Do you encourage public participation in any other ways (please explain)?**71. In what language(s) does your organization communicate and provide the information to its members and/or public (please list all languages)?**

Language:

72. Do you work with organizations in other countries?

1. Yes

2. No

73. If yes, on what geographic level and basis do you work with foreign organizations (please check all that apply)?

- A. Organizations in countries in the near geographic area (sharing borders)
- B. Organizations located on the same continent that you do not share borders with
- C. Bilateral basis
- D. Multilateral basis

Please list the country(s) and/or multilateral organizations:

74. If your organization works with other organizations in your country, please list the names of the organizations and a brief description of the collaboration below:

75. If you work with any organization from other countries, please list the name of the organization and country of its origin below as well as a brief description about the collaboration:

76. Do you agree to be acknowledged in our report?

1. Yes

2. No

On behalf of NARUC, thank you for taking the time to complete this survey.

Contact us at:

National Association of Regulatory Utility Commissioners (NARUC)
1101 Vermont Avenue, NW, Suite 200
Washington DC, 20005
USA

Phone: 1-202-898-1070

Fax: 1-202-898-2213

Email: consumersurvey@naruc.org



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ENERGY REGULATORS
REGIONAL ASSOCIATION

ERRA · Koztarsasag ter 3,
Budapest, 1081 Hungary
· 361.477.0456 · 361.477.0455 fax ·
www.erranet.org



National
Association
Regulatory
Utility
Commissioners

NARUC · 1101 Vermont Avenue, NW,
Suite 200, Washington, DC 20005
USA · 1.202.898.2200 · 1.202.898.2213
fax · www.naruc.org

Regulatory Participation & Communication Workshop

October 26-27, 2005
Kiev, Ukraine

Co-Hosted by the
National Electricity Regulatory Commission
of Ukraine (NERC)
Energy Regulators Regional Association (ERRA)
National Association of Regulatory Utility
Commissioners (NARUC)

Sponsored by
U.S. Agency for International Development (USAID)

Representatives from 20 ERRA member regulators in Central/Eastern Europe & Eurasia prepared this sample code of consumer rights and responsibilities during the workshop.

Sample Consumer Code of Rights:

All Consumers have the right to:

- Have access to reliable, safe, good quality, and affordable utility resources power;
- Receive clear and complete billing information about rates, terms, and conditions for available products and services, and to be charged only according to their contract terms; right to contract choice in accordance with free market rules and competitive market;
- Receive notice of rights and responsibilities provided by utility at the time of connection; and right accept or refuse services;
- Right to have a renewable source;
- Access to information about service connection, service problems, meter reading, billing procedures, service charges, price structure, complaint procedures, disconnection and termination of service, and pay points;
- Right to not be subject to multiple rate increases per year ("rate shock");
- Free access to issues regulator is discussing and meetings; and right to have dialogue and participate with regulators;
- Receive advance notification that a supplier intends to terminate services and be told the circumstances under which service can be terminated;

- Protection against disconnections during the winter;
- Access to fair, courteous, and expeditious complaint resolution mechanisms (by an independent decision maker) to redress grievances and seek punitive measures and compensation for poor service and;
- Be treated equally to other similarly situated customers, free of prejudice or disadvantage; and have their privacy and confidential information respected and protected; and freedom of association.

Sample Consumer Responsibilities:

Along with electric consumer rights also comes consumer responsibilities:

- To observe the terms of his/her electric service connection contract including, among other things, paying electric bills promptly and honestly, and if necessary, to pay an advance deposit for service connection and other services (ex: installation);
- To allow the record of consumption to be reflected in the appropriate metering device faithfully and accurately without interference;
- To learn/know rights and where to go for more detail on quality of service;
- To allow the utility's employees/representatives access to the customer's premises in reasonable time for purposes of inspection, installation, reading, testing, removal, replacement, or disposal of the utility's apparatus/electric watt-hour meter;
- To be responsible for the safe, efficient, and rational operation of apparatus/meter after installation;
- To not use electricity unlawfully via illegal connections, metering tampering, or any other device that interferes with normal operation; and,
- To cooperate with and support programs on the effective and efficient use of electricity.

ELECTRICITY CONSUMER CHARTER OF ZAMBIA

GET TO KNOW YOUR RIGHTS AND RESPONSIBILITIES AS AN ELECTRICITY CONSUMER

RIGHTS:

All consumers have the right to:

- Have access to reliable, safe, affordable electric power;
- Receive clear and complete billing information about rates, terms and conditions for available products and services, and to be charged only according to their contract terms;
- Access to information about service connections, service problems, meter reading, billing procedures, service charges, price structure, complaint procedures, disconnection and termination of service, and pay points;
- Receive advance notification that a supplier intends to terminate services and be told the circumstances under which service can be terminated;
- Access to fair, courteous and expeditious complaint resolution mechanisms to redress grievances and seek putative measures and;
- Be treated equally to other similarly situated customers, free from prejudice and disadvantage; and, privacy and to have confidential information respected and protected

RESPONSIBILITIES:

With electricity consumer rights also come consumer responsibilities:

- To observe the terms of his/her electric service connection contract including, among other things, paying electricity bills promptly and honestly, and, if necessary, to pay and advance deposit for service connection;
- To allow the record of consumption to be reflected in the appropriate metering device faithfully and accurately without interference;
- To allow the utility's employees/representatives access to the consumer's premises in reasonable time for purposes of inspection, installation, reading, testing, removal, replacement or disposal of the utility's apparatus/electric watt-hour meter;
- To not use electricity unlawfully via illegal connections, meter tampering or any other device that interferes with normal operation; and,
- To cooperate with and support programs on the effective and efficient use of electricity.

Most electric service problems are best solved by first contacting your local ZESCO customer service centre. If you have problems or complaints, please contact the ZESCO customer service hotline at:

ADD: (ZESCO to provided their latest customer service info)

If ZESCO representatives are unable to address your electricity problem or complaint, then further consumer queries may be made with the Energy Regulation Board (ERB). The ERB regulates the energy sector and works to protect consumer rights.

Located at 8th Floor, Premium House, Nasser Road, Lusaka, erb@erb.org.zm or (260) (1) 236-002 telephone, the ERB exists to safeguard consumers interests.



Pennsylvania Office of Consumer Advocate



"OCA is committed to advocating for the interests of Pennsylvania consumers and to keeping consumers informed about their utility service."

TIPS FOR PARTICIPATING AT PUBLIC INPUT HEARING

When the Pennsylvania Public Utility Commission ("PUC") determines that a substantial public interest in a rate proceeding has been shown, the PUC will hold public input hearings in a utility's service area. The Office of consumer Advocate ("OCA") offers the following advice for ratepayers who would like to speak at a public input hearing:

PLEASE PARTICIPATE.

This is your opportunity to make the Commission and the Company aware of any concerns that you may have regarding the Company's service and its request for a rate increase.

COME EARLY.

Try to arrive early. If possible, try to arrive at least 10 to 15 minutes ahead of the scheduled starting time. This will allow you to hear the introductions and instructions offered by the Administrative Law Judge at the beginning of the hearing.

SIGN UP IF YOU WANT TO TESTIFY.

Witnesses are usually called to testify in the order they have signed in.

PREPARE WHAT YOU WANT TO SAY IN ADVANCE.

It is helpful to prepare your statement in advance. If you are nervous about speaking in public, you may want to write out your statement and then read it at the hearing.

BE SWORN IN.

Unless you are sworn in as a witness your testimony will not become part of the record in the case.

ADD YOUR OWN EXPERIENCE.

As a customer of the utility, you have unique information. When you testify, give specific examples to support the issues that you are addressing. If other customers already have testified about the same issue, you may still mention it since it shows that the issue is not an isolated incident. If there are many speakers, the Judge may set a time limit for each witness.

SPEAK SLOWLY AND CLEARLY.

Your testimony is important and you want to make sure that it is understood.

WRITTEN STATEMENTS.

If you have a written statement or other papers that you want to give to the Judge as evidence, please try to bring extra copies with you. One copy goes to the Judge, and two to the court reporter. You should also bring copies to give to the active parties in the proceeding.

QUESTIONS.

Sometimes one of the parties in the case may want to ask you a question about your testimony. Listen carefully to the question and answer it to the best of your ability. It is okay if you do not know the answer.

ASSISTANCE FROM THE OCA.

If you need information about the case or about the procedures for testifying, please feel free to contact the OCA at (800) 684-6560. An OCA attorney will be present at all public input hearings in cases where our office is a party. Please ask the OCA attorney any questions you may have. The OCA is there to assist the ratepayers.

THANK YOU FOR YOUR INTEREST

* Many of these suggestions have been developed by the PUC's Bureau of Consumer Services

<http://www.oca.state.pa.us/pubhear/tips.htm>

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Tips for Participating at a Public Input Hearing

For information on specific industries click on the industry icon below.

Electricity Natural Gas Telephone Water

Pennsylvania Office of Consumer Advocate

555 Walnut Street

5th Floor Forum Place

Harrisburg, PA 17101-1923

Phone: 717-783-5048

or toll free 800-684-6560 (PA only)

Fax: 717-783-7152

Consumer Comments or Questions:

consumer@paoca.org

Comments About Our Website.

<http://www.oca.state.pa.us/pubhear/tips.htm>



USAID
FROM THE AMERICAN PEOPLE



National
Association of
Regulatory
Utility
Commissioners