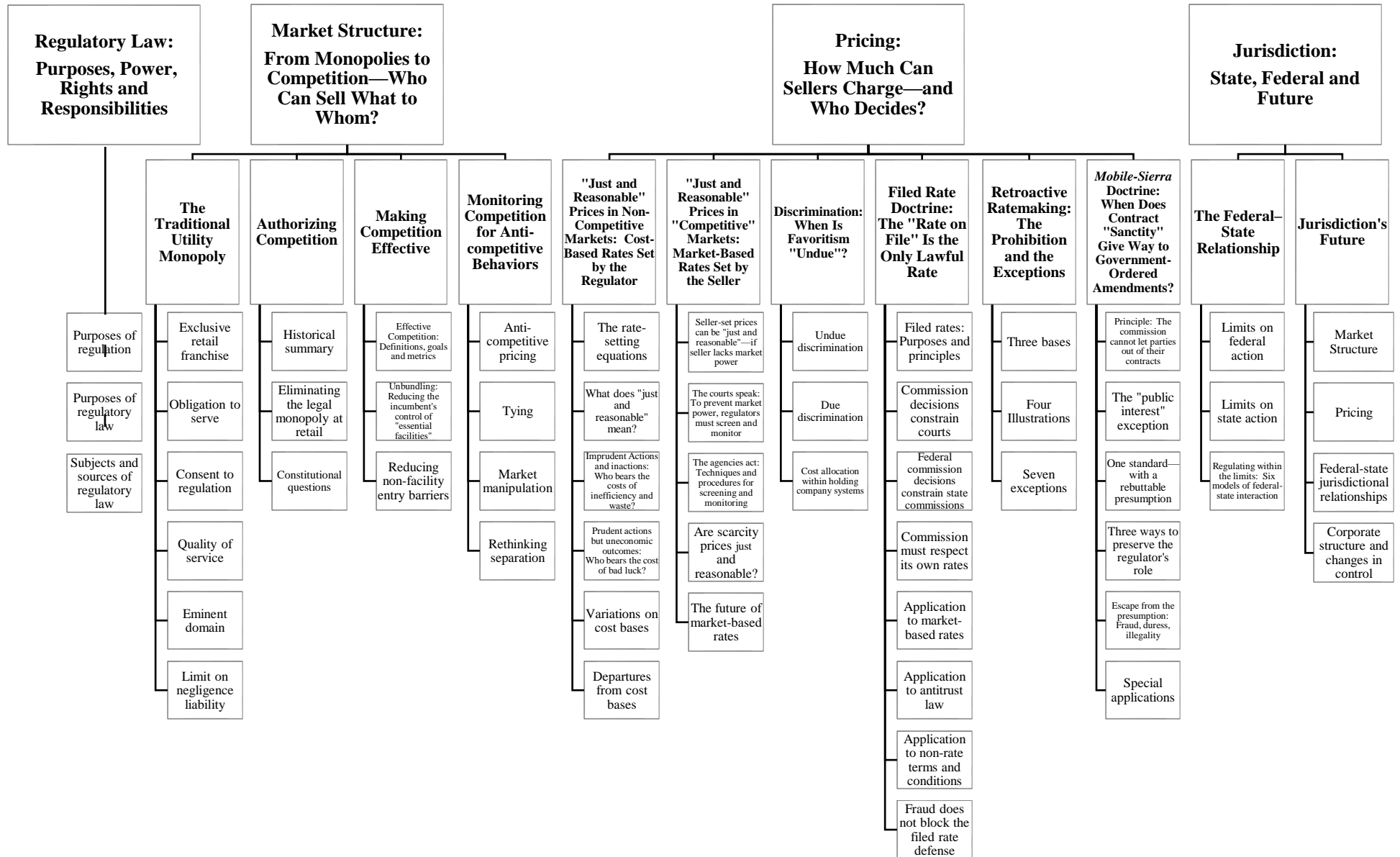


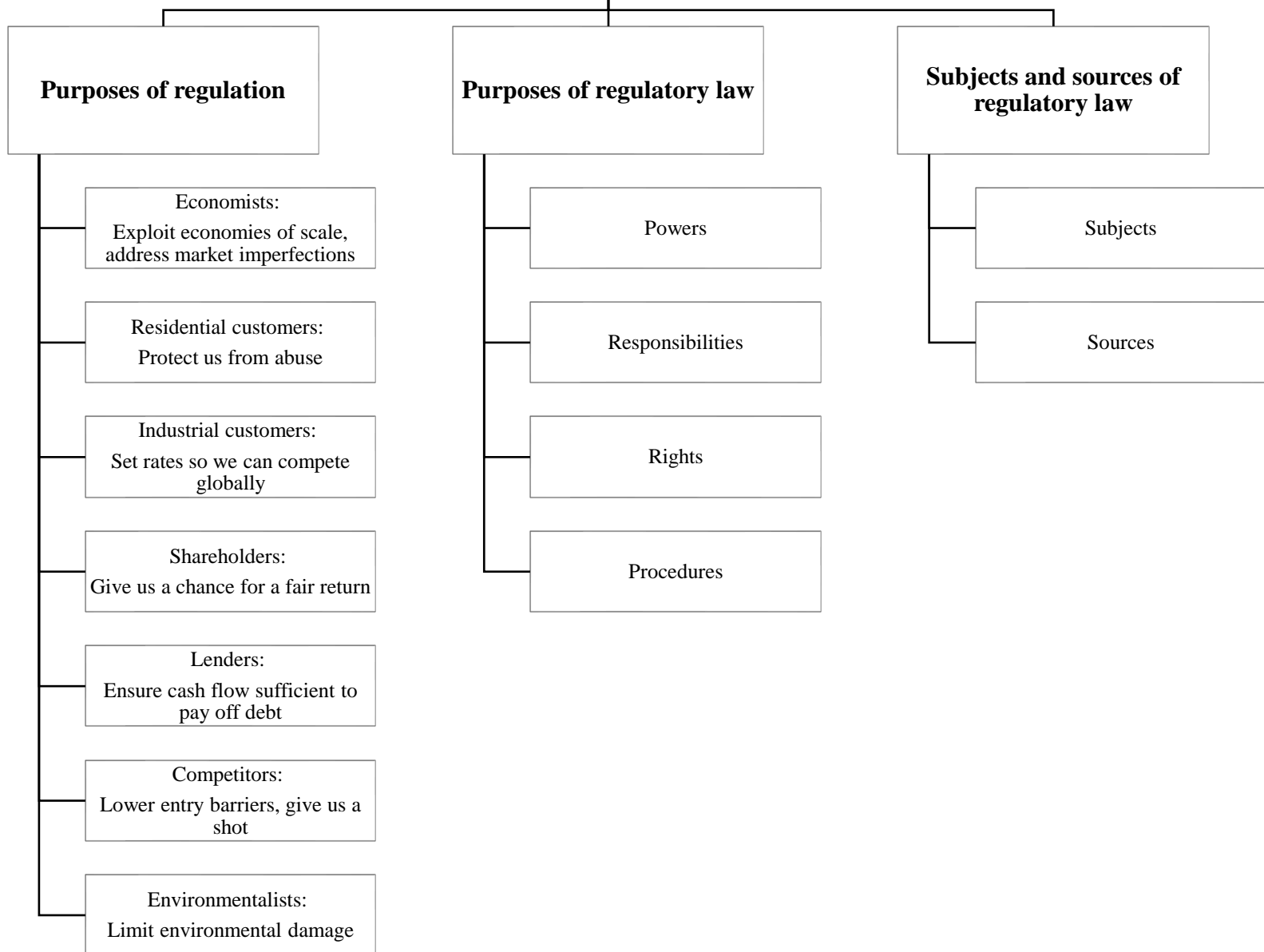
Regulating Public Utility Performance

The Law of Market Structure, Pricing and Jurisdiction

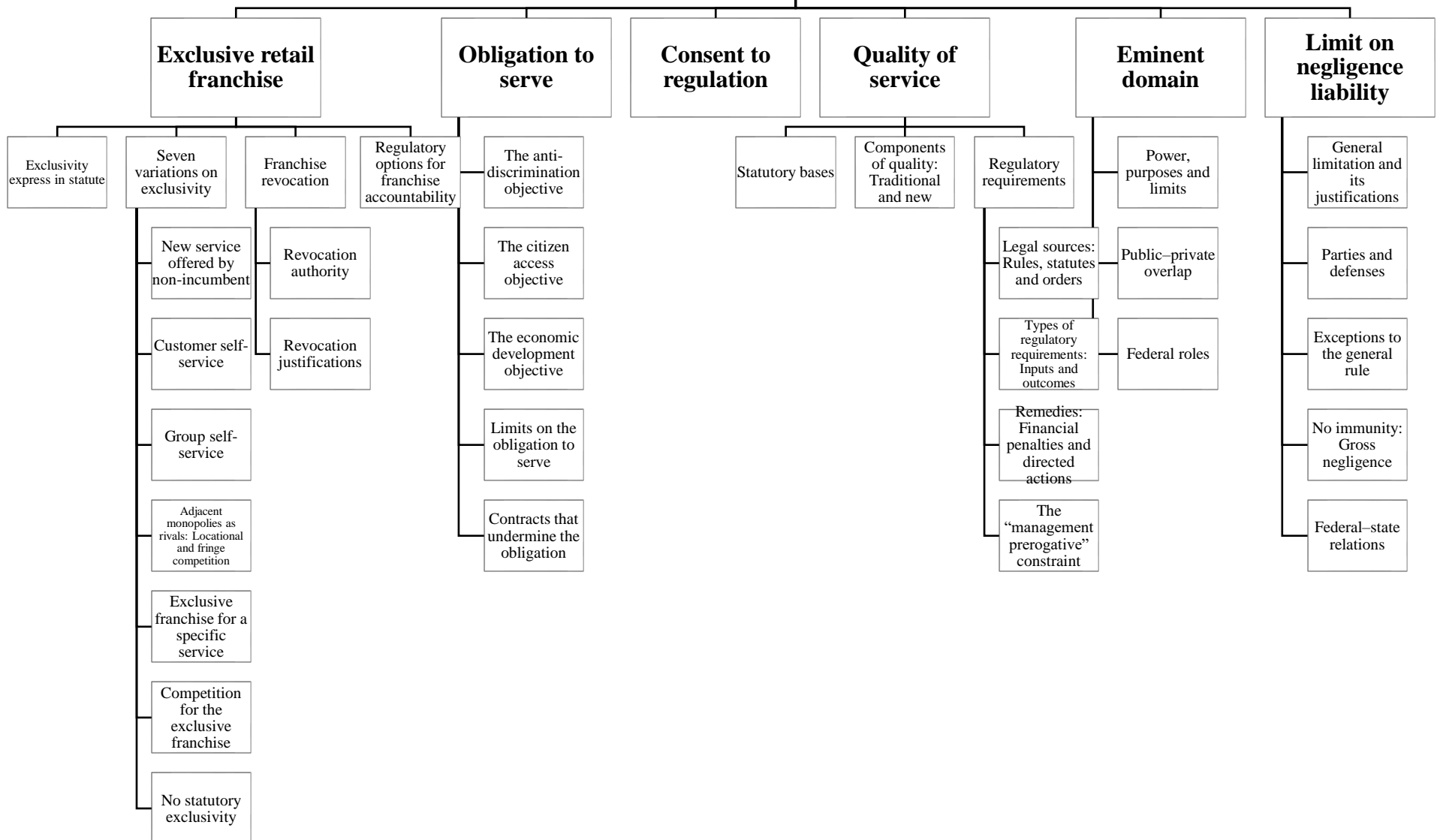
Scott Hempling



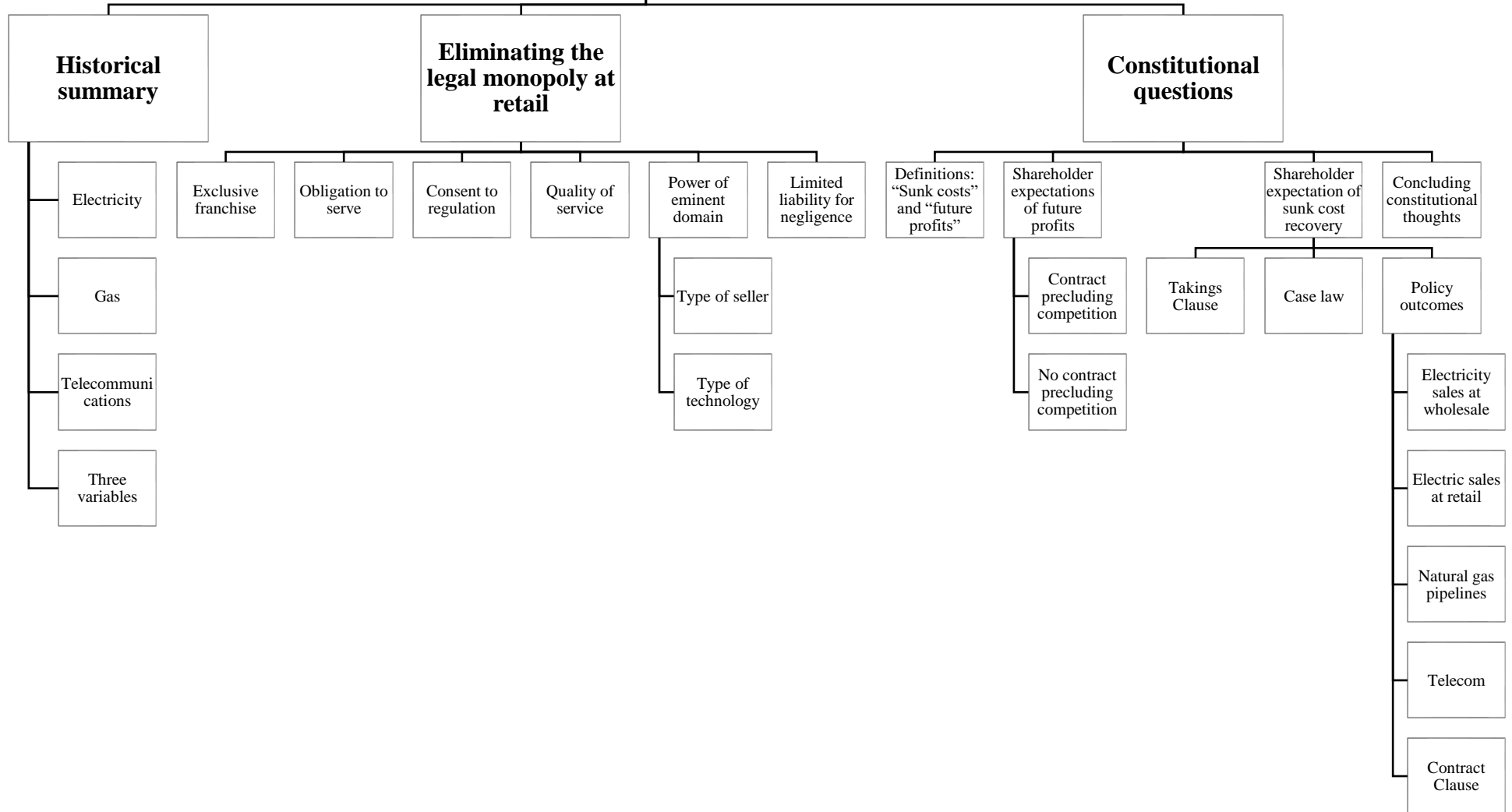
Regulatory Law: Purposes, Power, Rights and Responsibilities



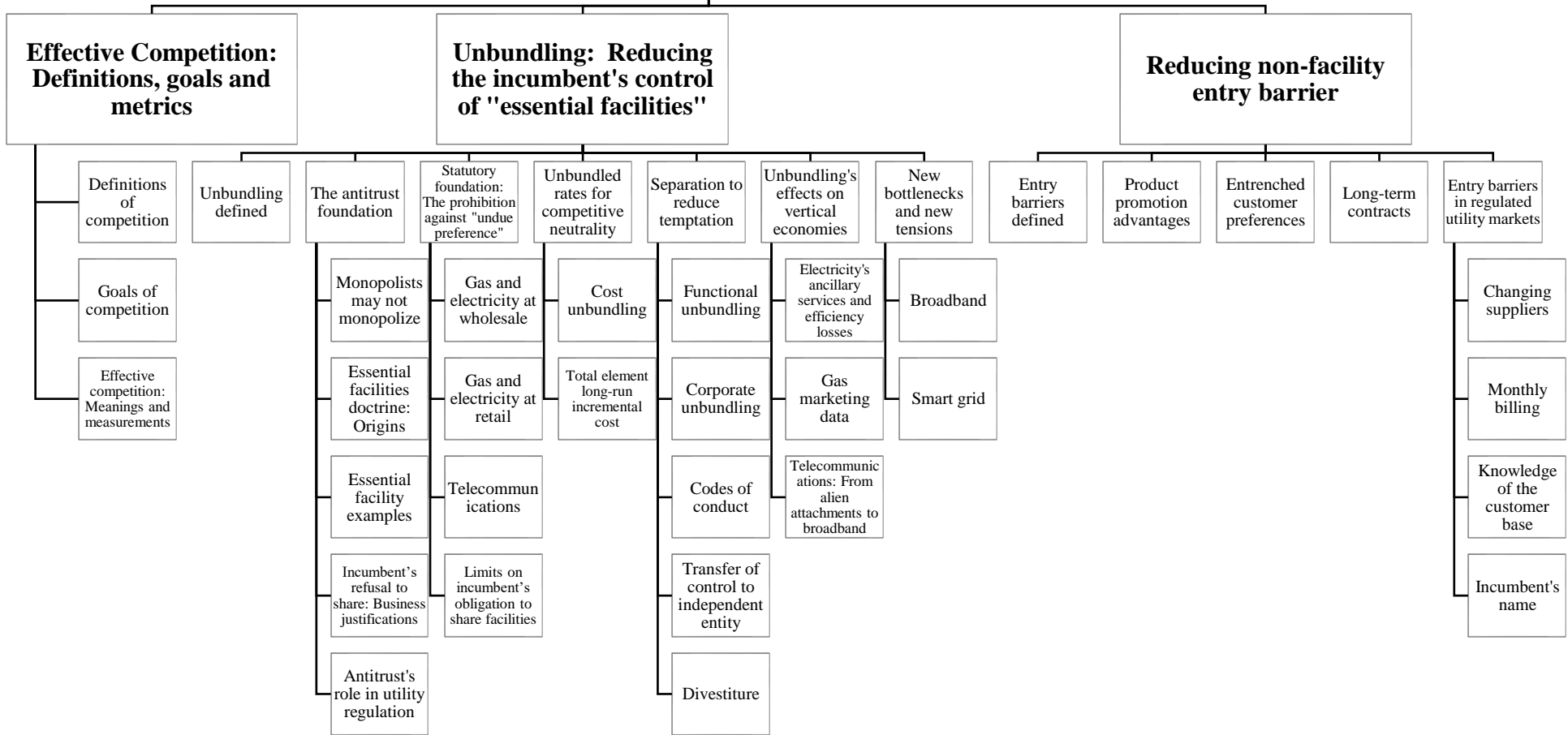
The Traditional Utility Monopoly



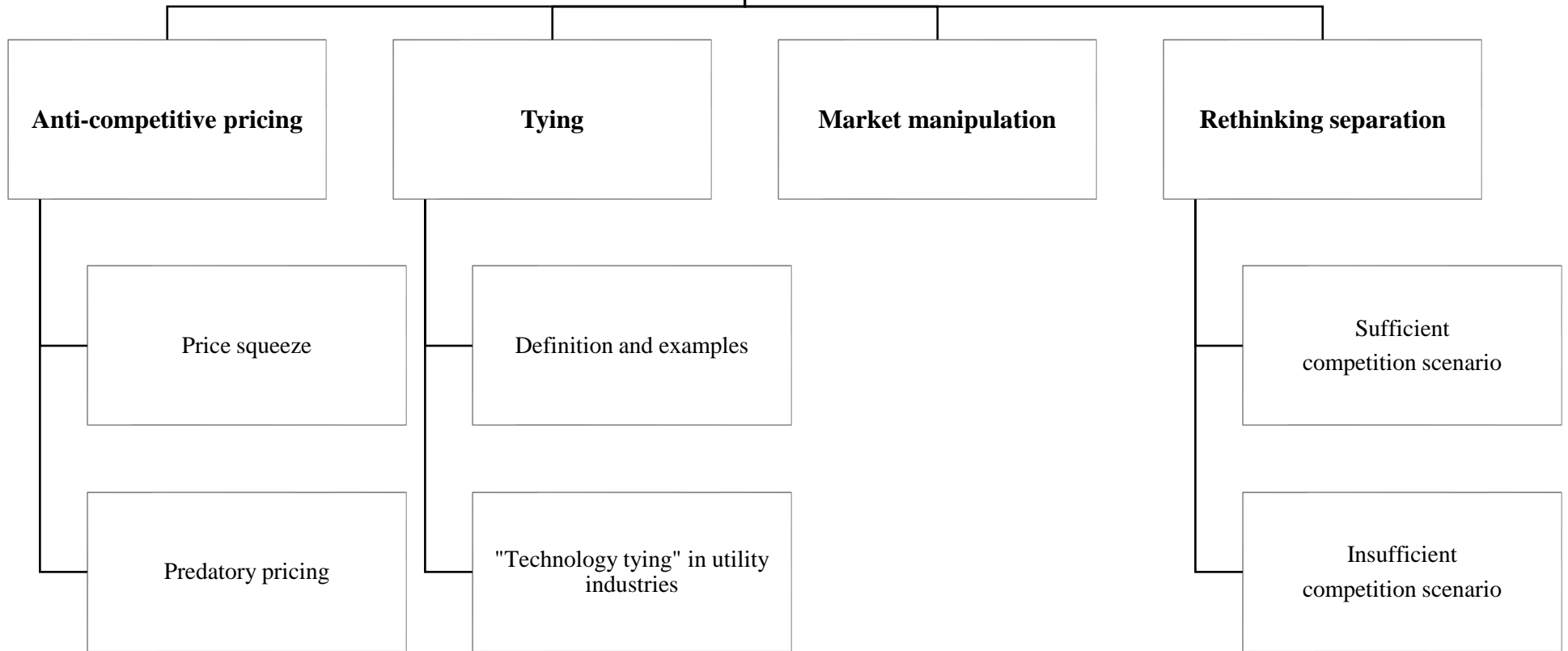
Authorizing Competition



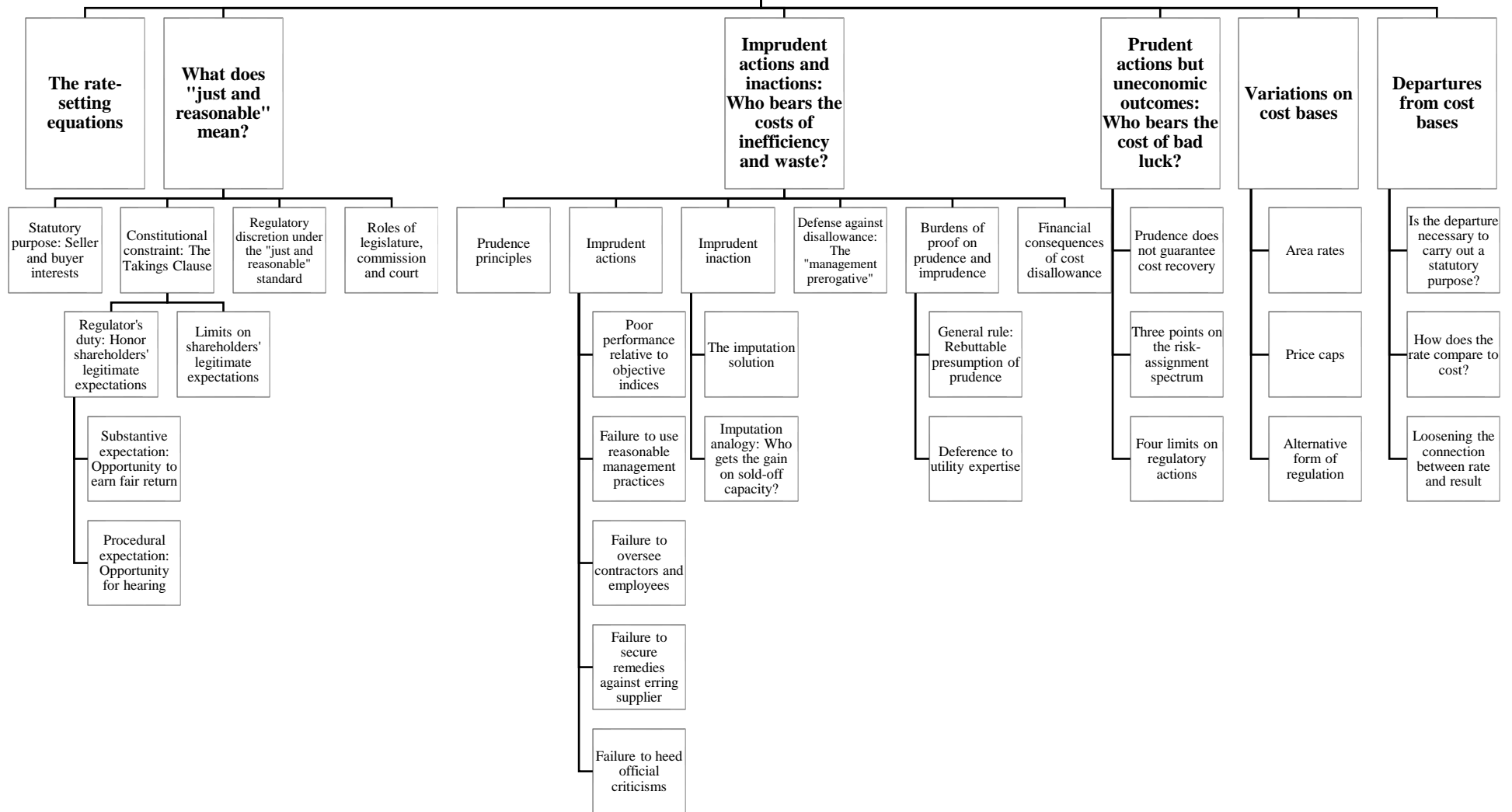
Making Competition Effective



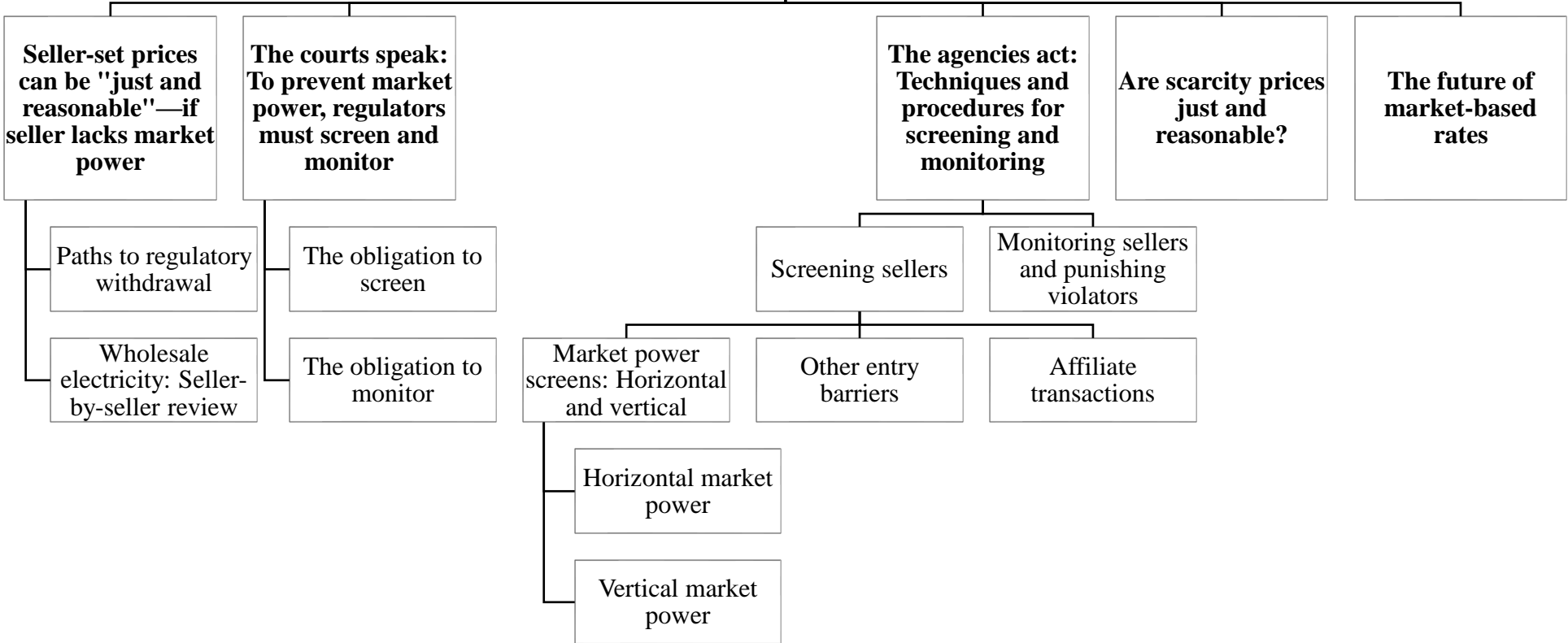
**Monitoring
Competition for
Anti-competitive
Behaviors**



"Just and Reasonable" Prices in Non-competitive Markets: Cost-Based Rates Set by the Regulator



**"Just and Reasonable" Prices in
"Competitive" Markets:
Market-Based Rates Set by the
Seller**



**Discrimination:
When Is Favoritism "Undue"?**

Undue discrimination

Rate differences not
justified by cost
differences

Rate differences with
anti-competitive effect

Due discrimination

Different customer
profiles

Different settlement
strategies and contract
histories

Price discounting to
retain customers

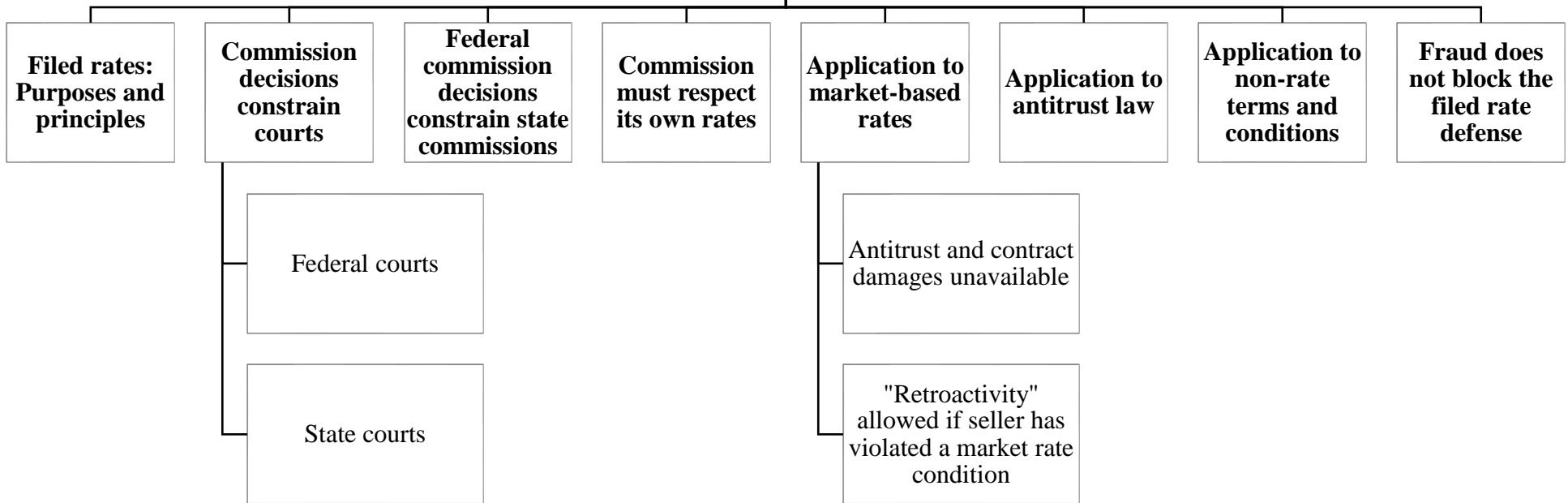
Product differences

**Cost allocation within
holding company
systems**

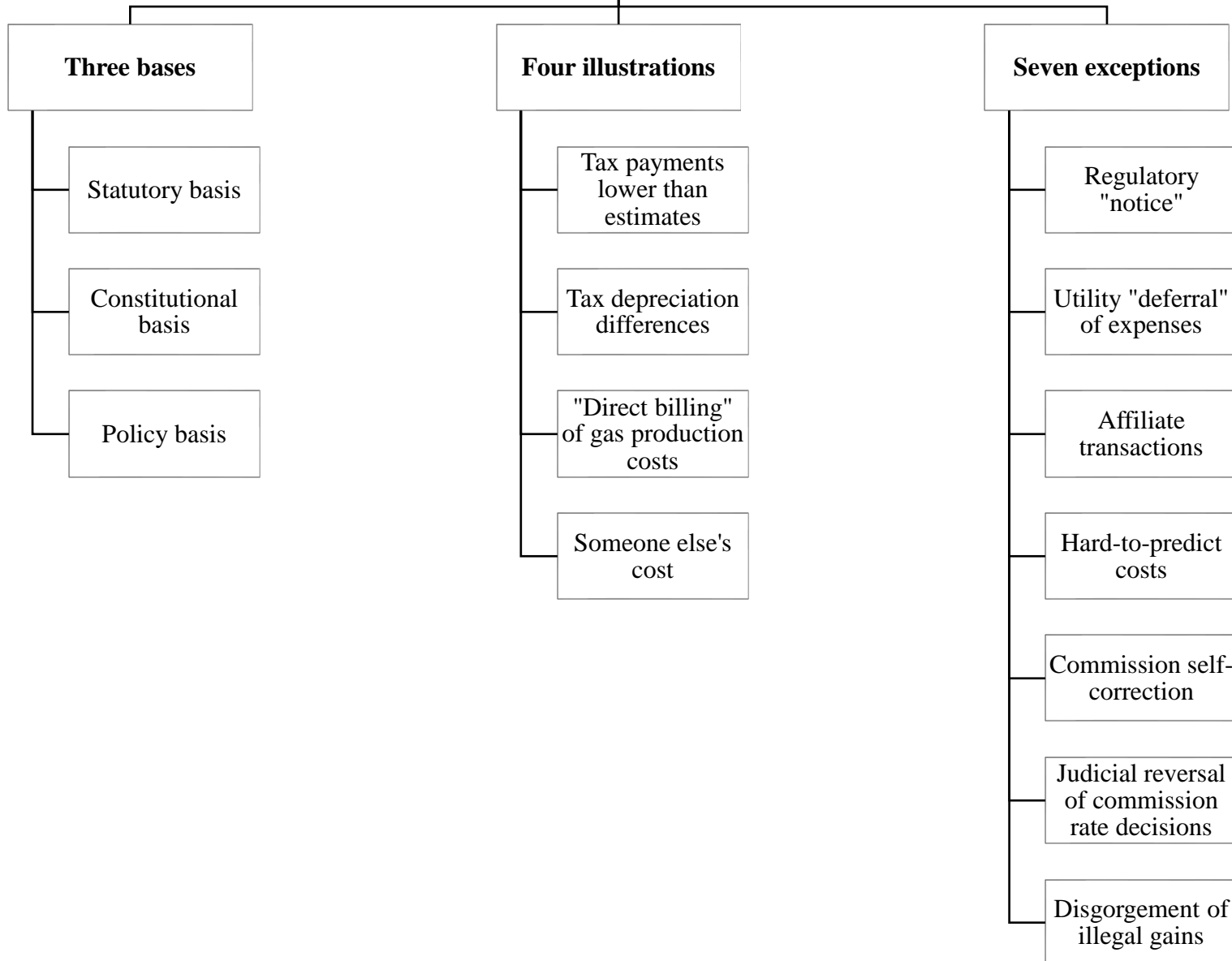
Systems that plan and
operate utility assets
centrally

Systems that mix utility
and non-utility
businesses

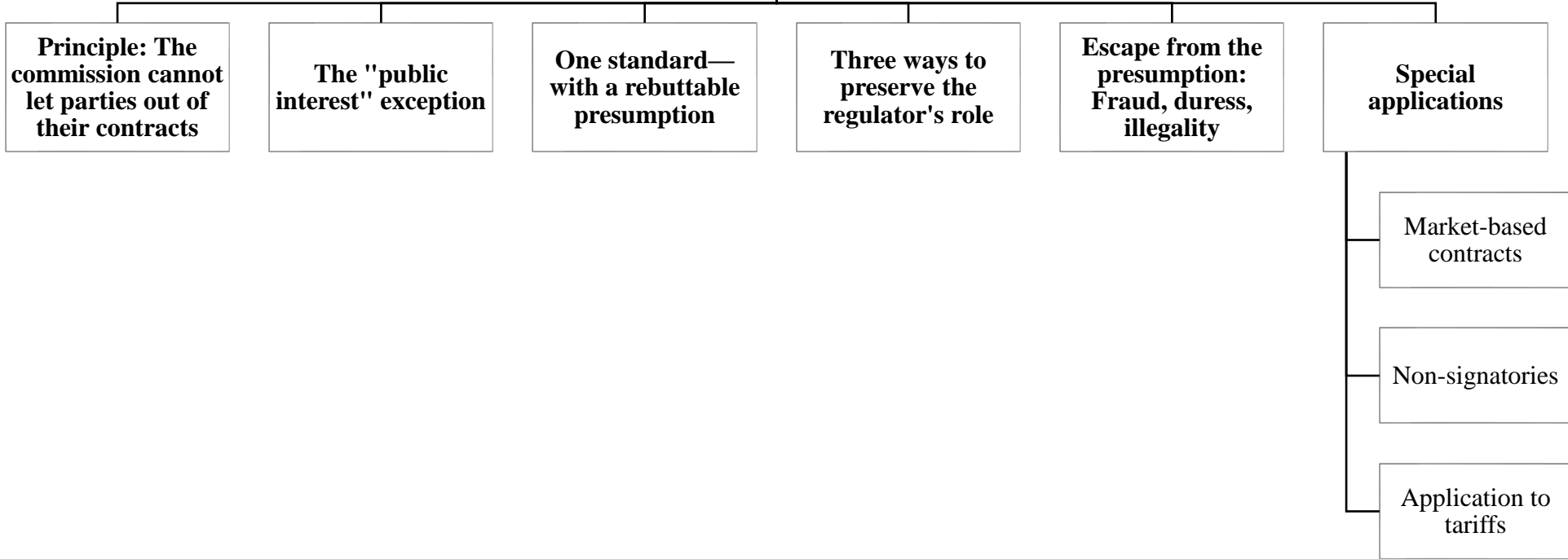
**Filed Rate Doctrine:
The "Filed Rate" Is the Only
Lawful Rate**



Retroactive Ratemaking: The Prohibition and the Exceptions



Mobile-Sierra Doctrine:
**When Does Contract "Sanctity"
Give Way to Government-
Ordered Amendments?**



The Federal–State Relationship

