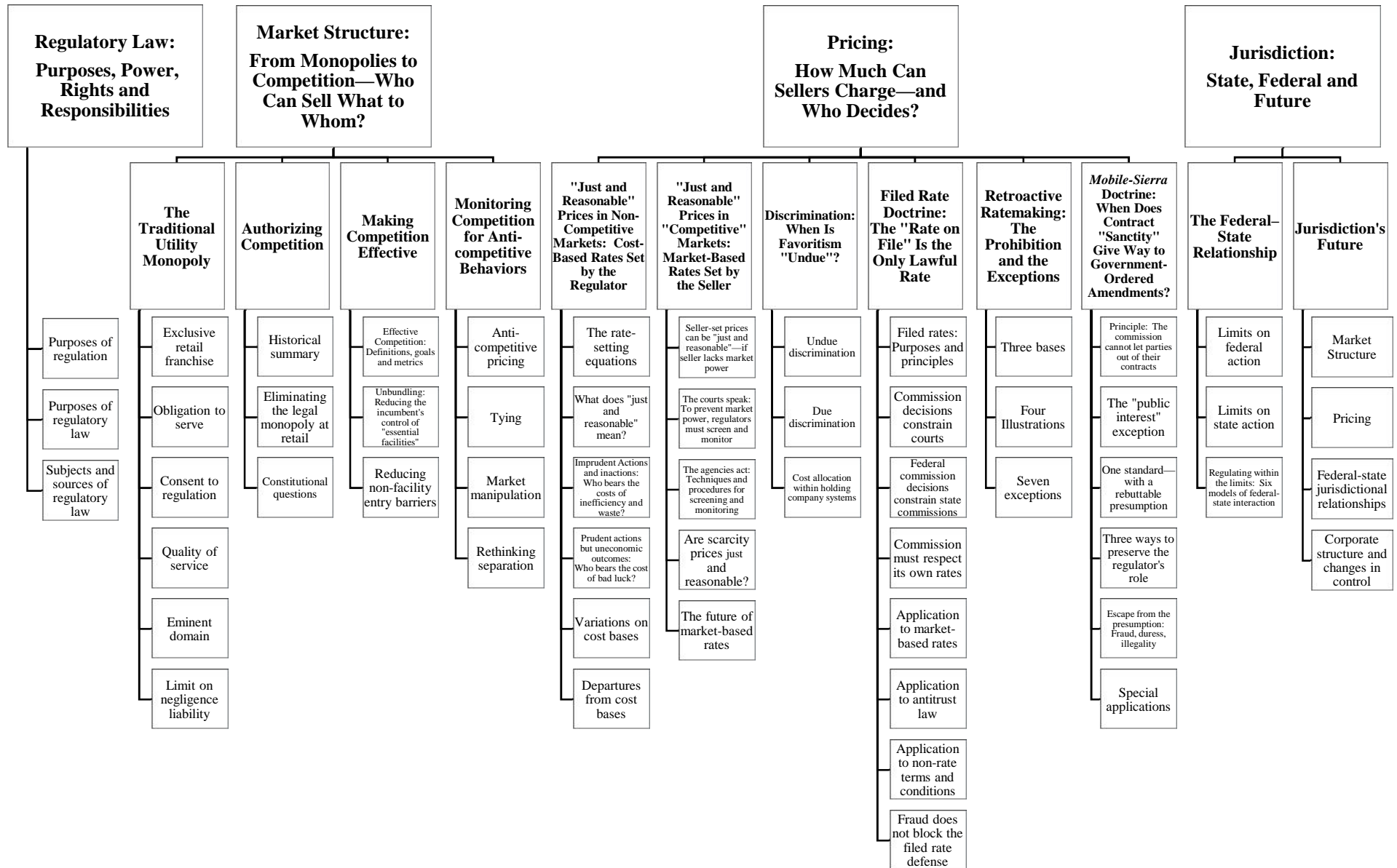


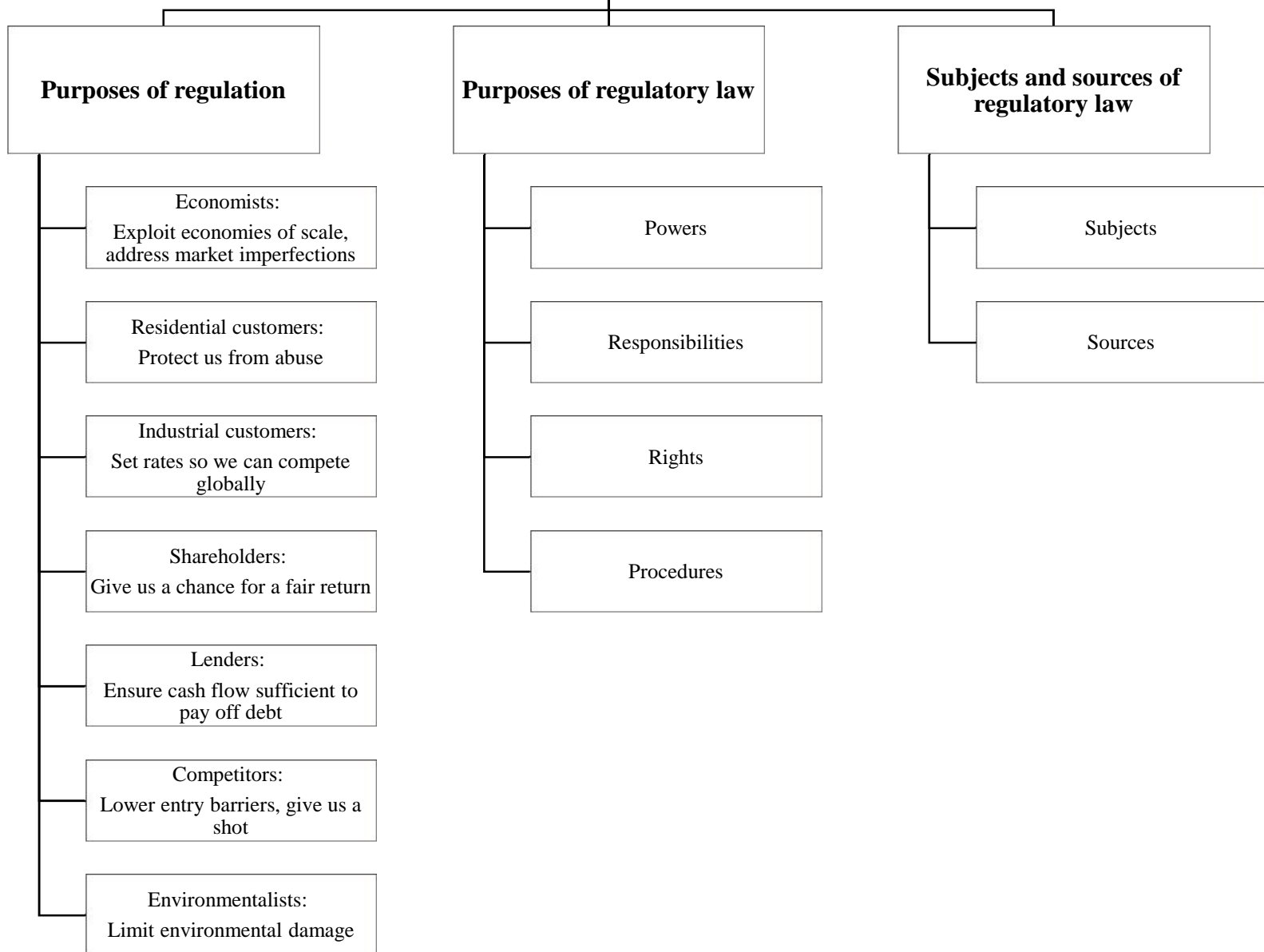
# Regulating Public Utility Performance

## The Law of Market Structure, Pricing and Jurisdiction

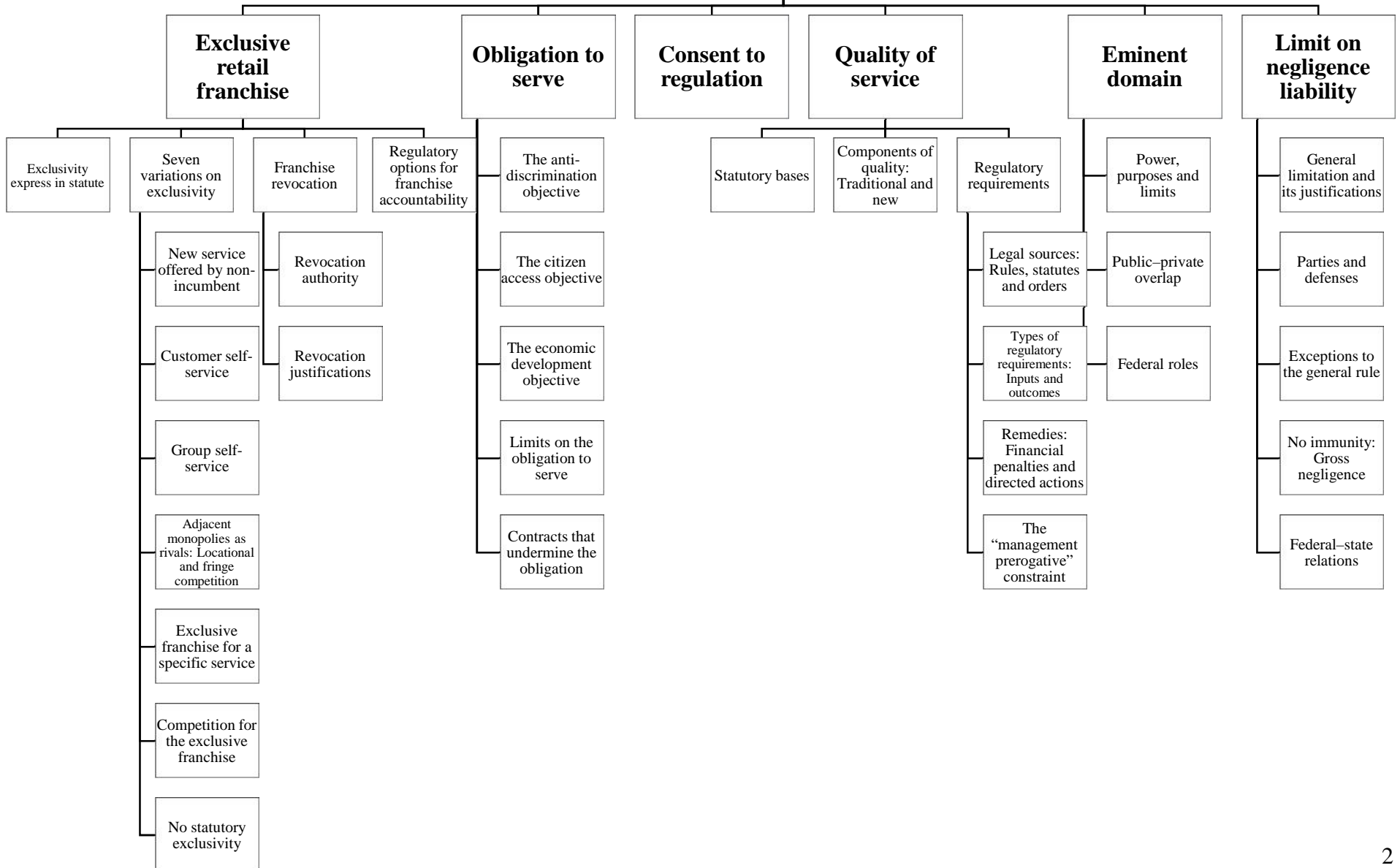
Scott Hempling



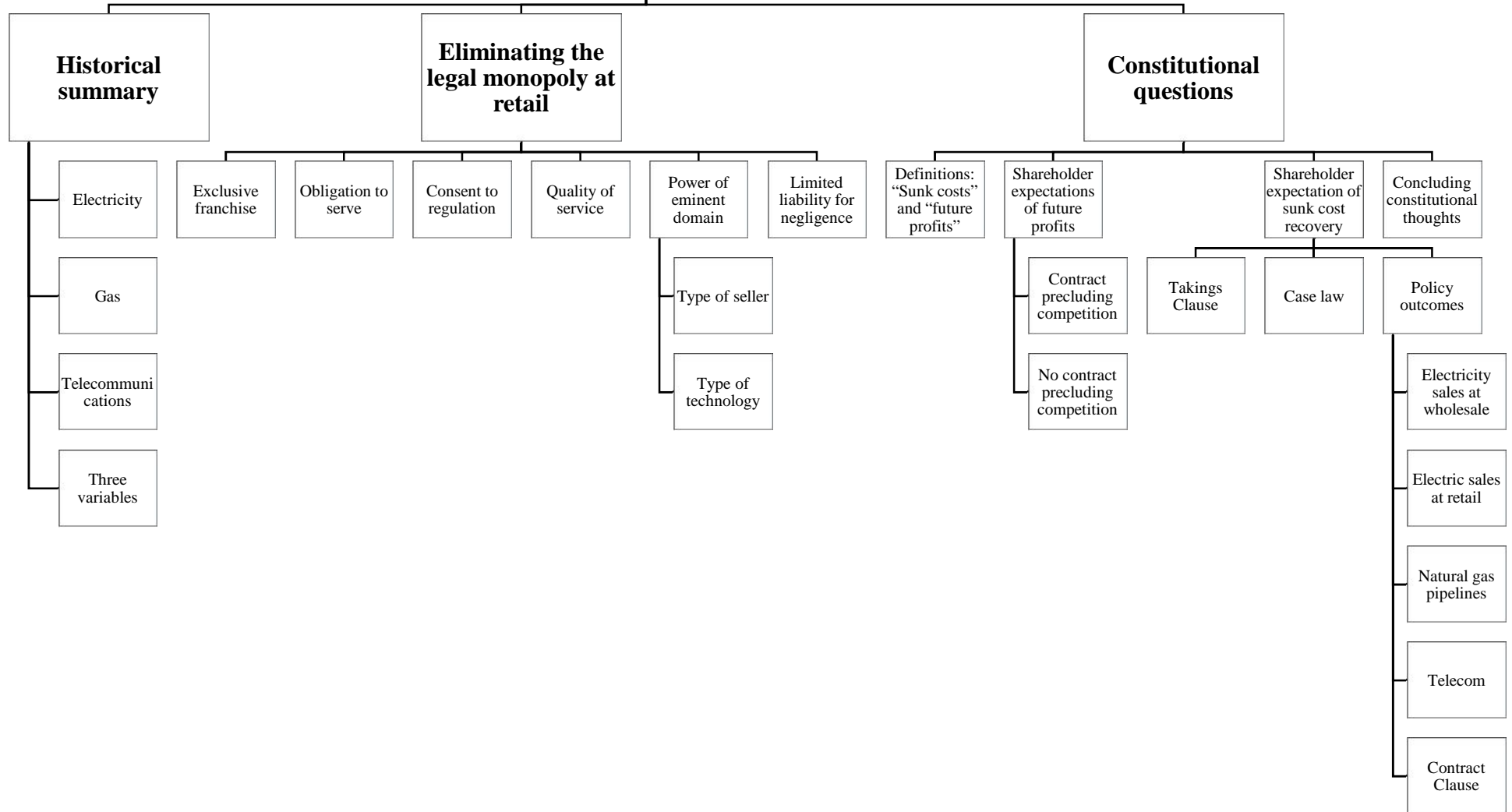
# Regulatory Law: Purposes, Power, Rights and Responsibilities



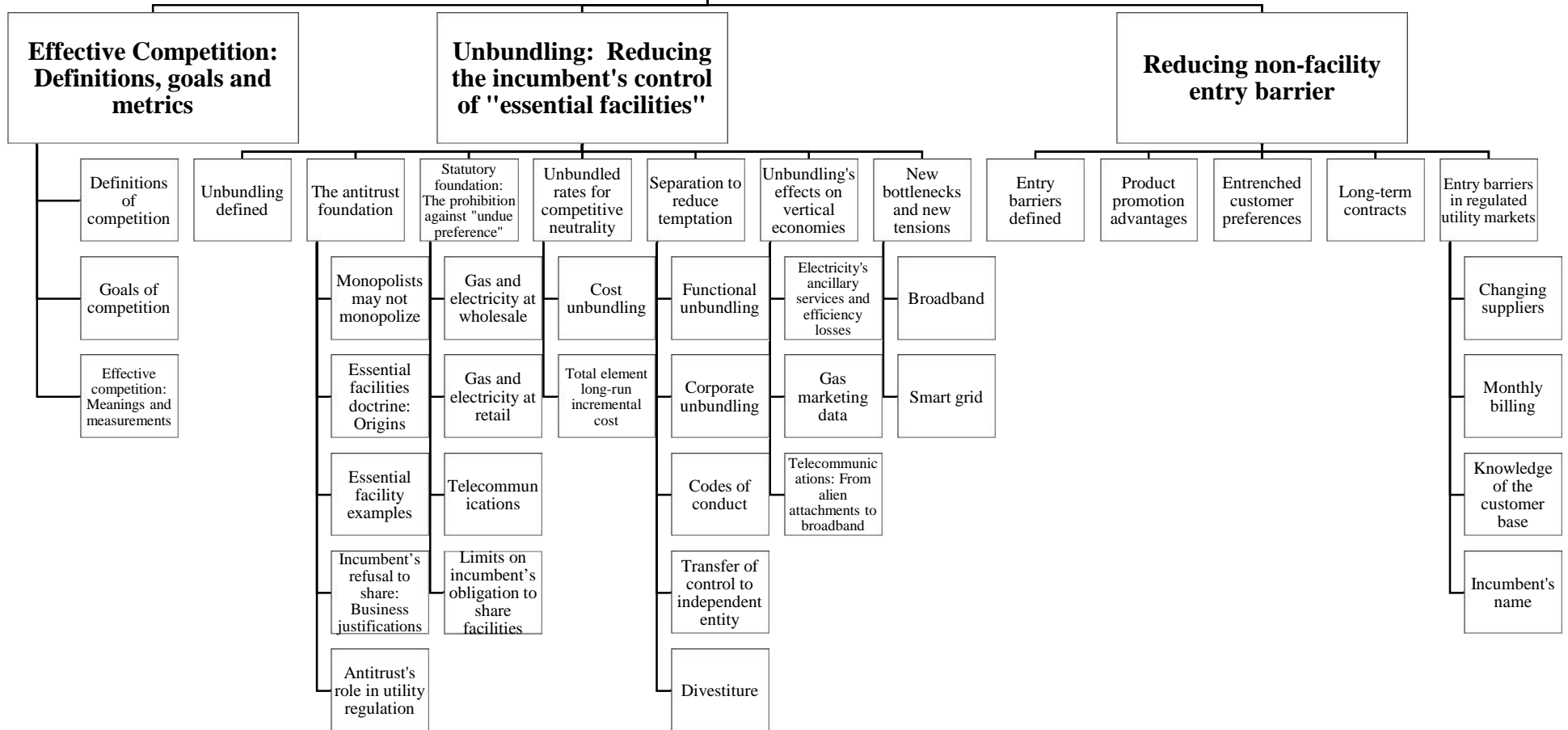
# The Traditional Utility Monopoly



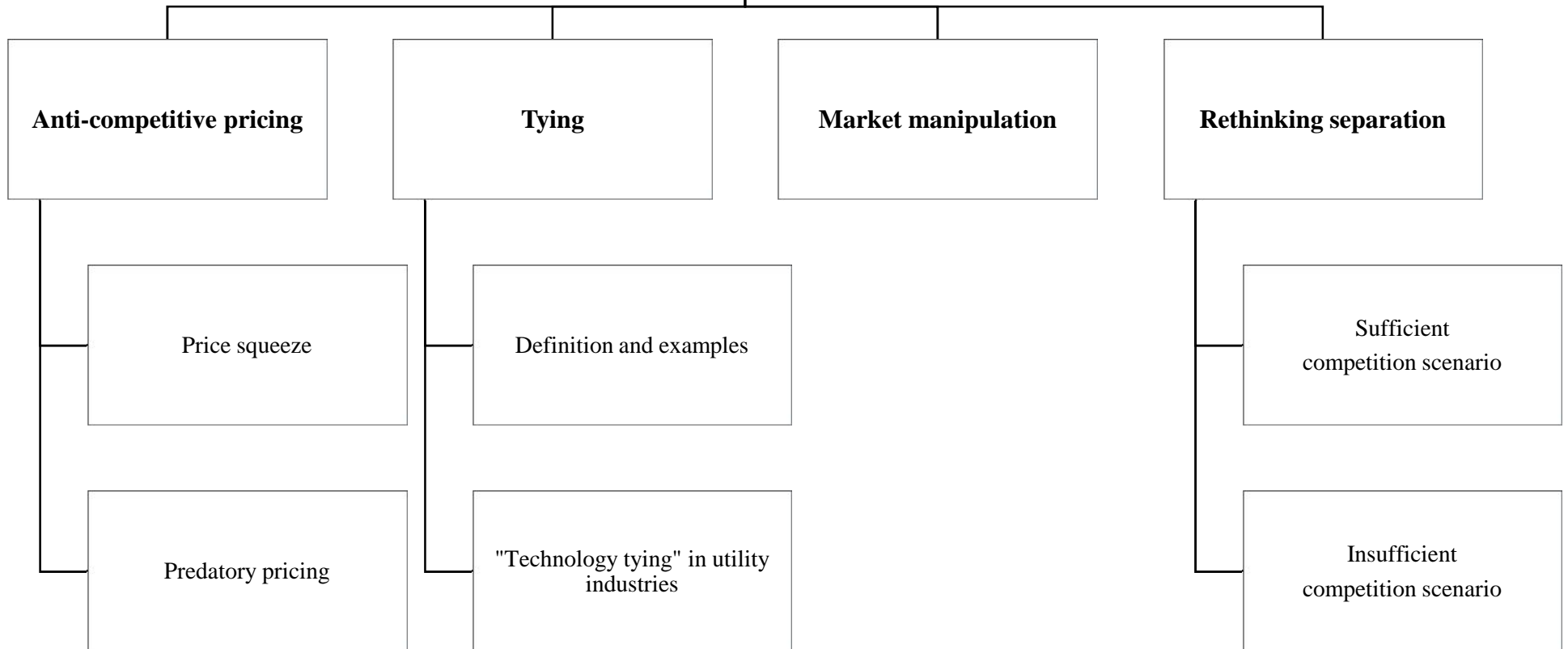
# Authorizing Competition



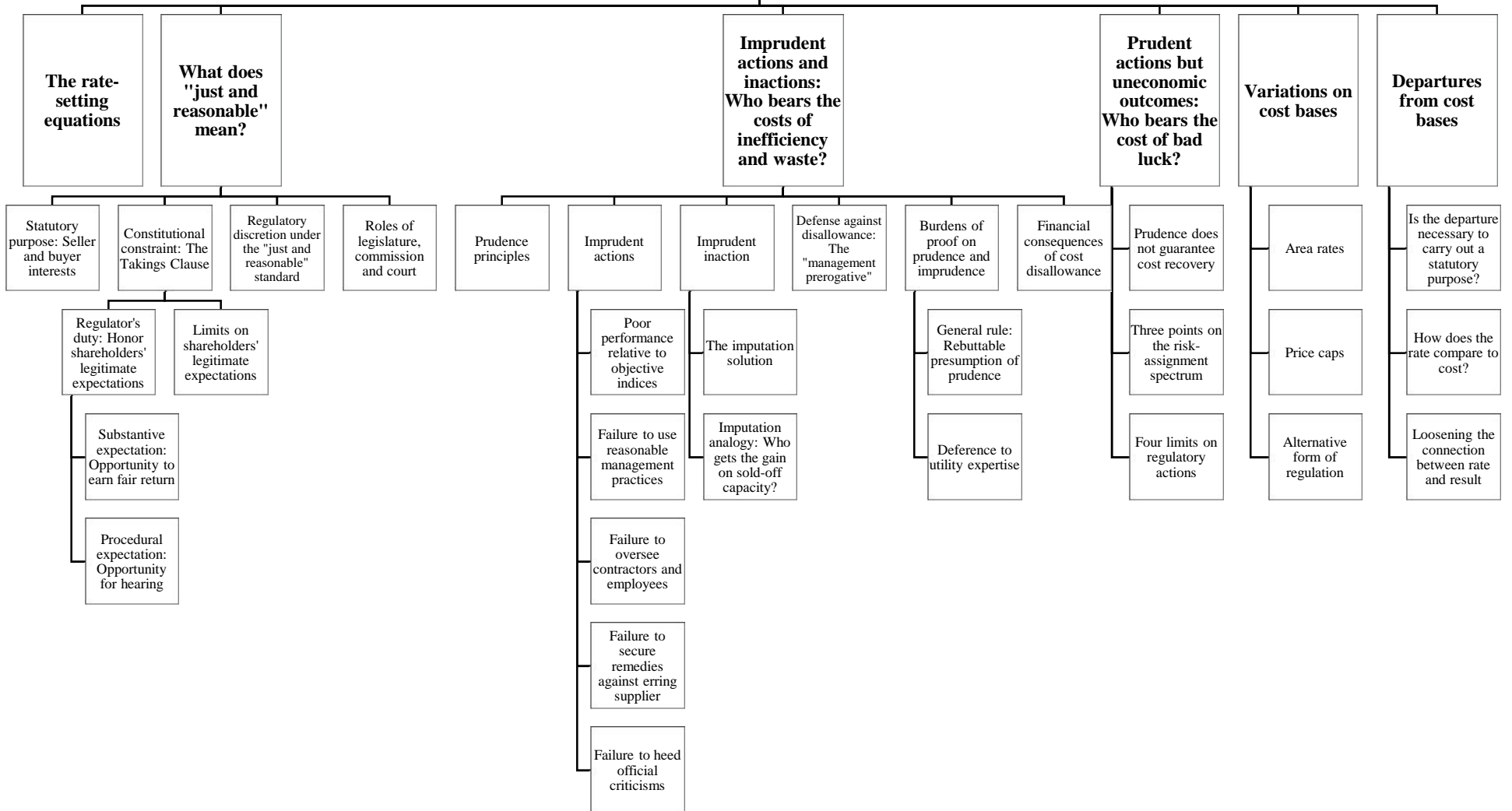
# Making Competition Effective



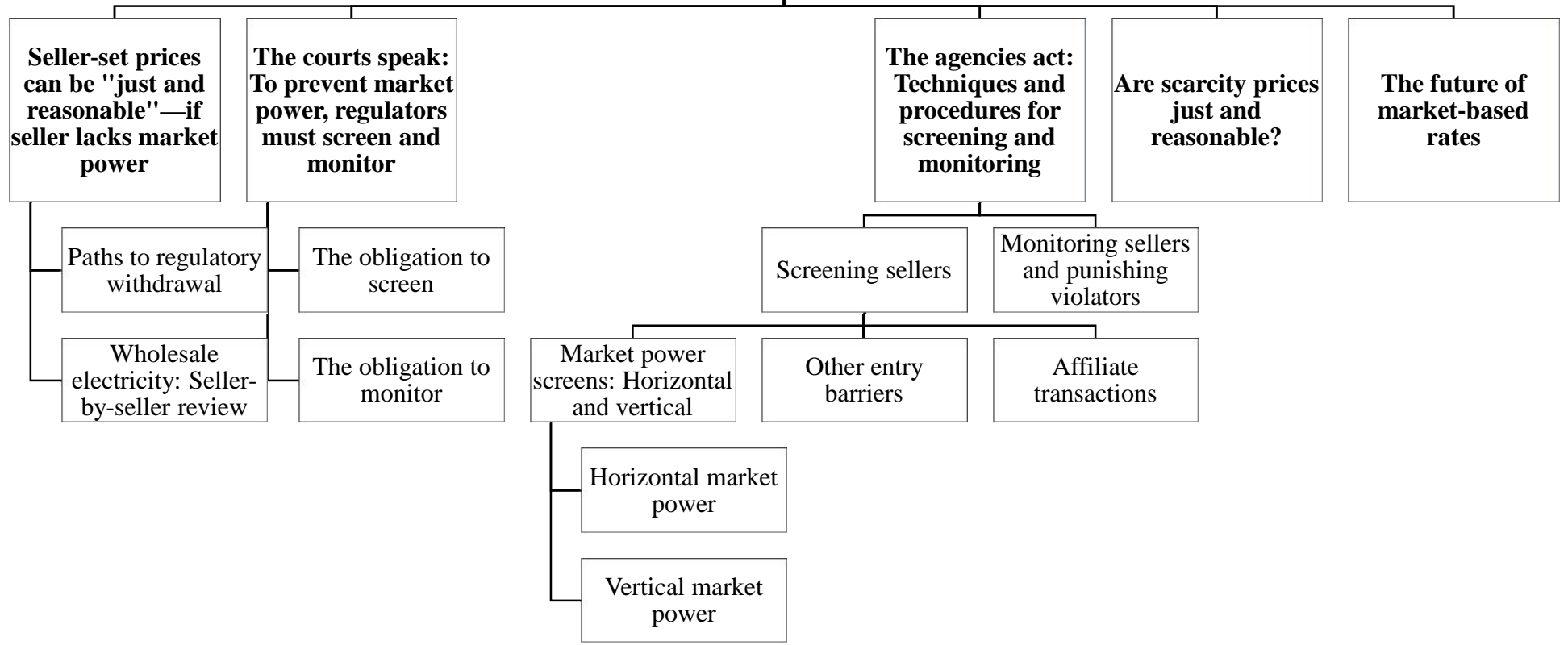
**Monitoring  
Competition for  
Anti-competitive  
Behaviors**



# "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

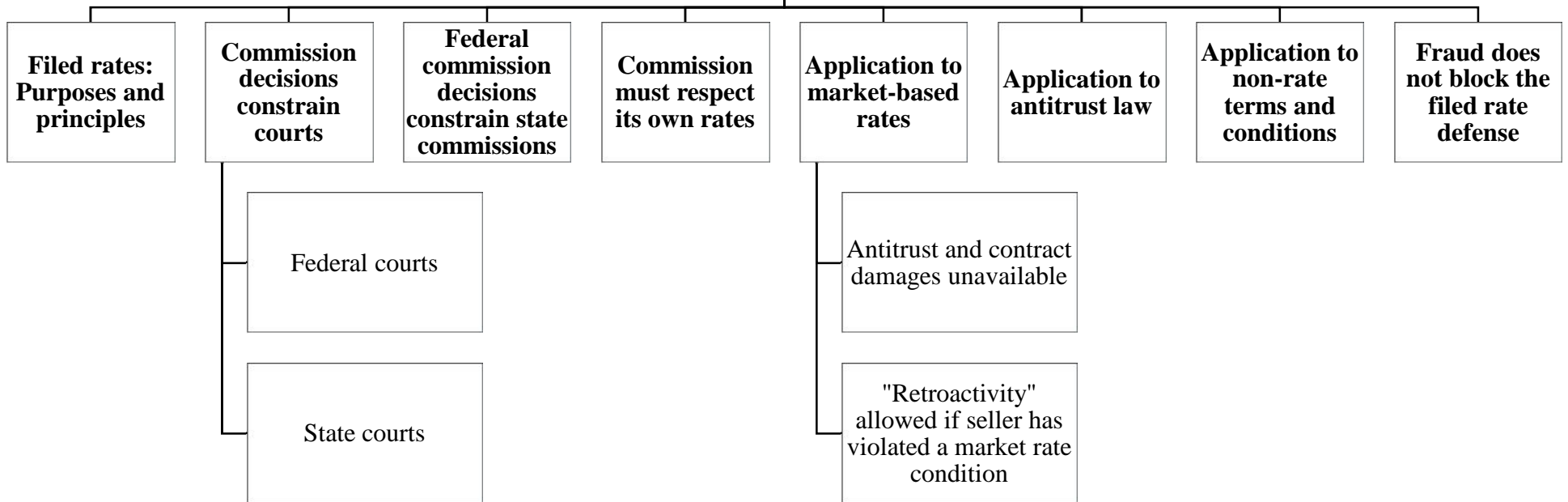
Product differences

**Cost allocation within holding company systems**

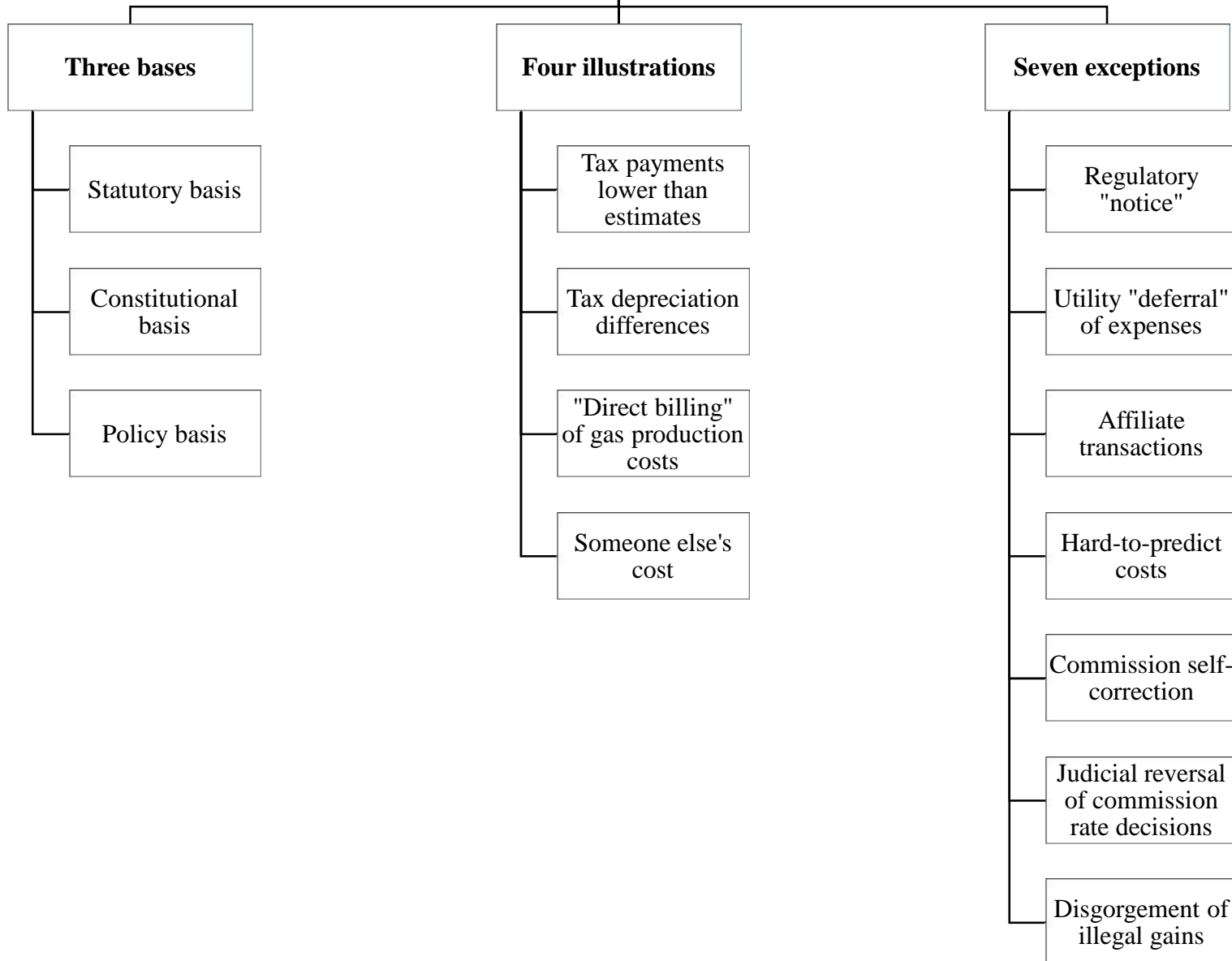
Systems that plan and operate utility assets centrally

Systems that mix utility and non-utility businesses

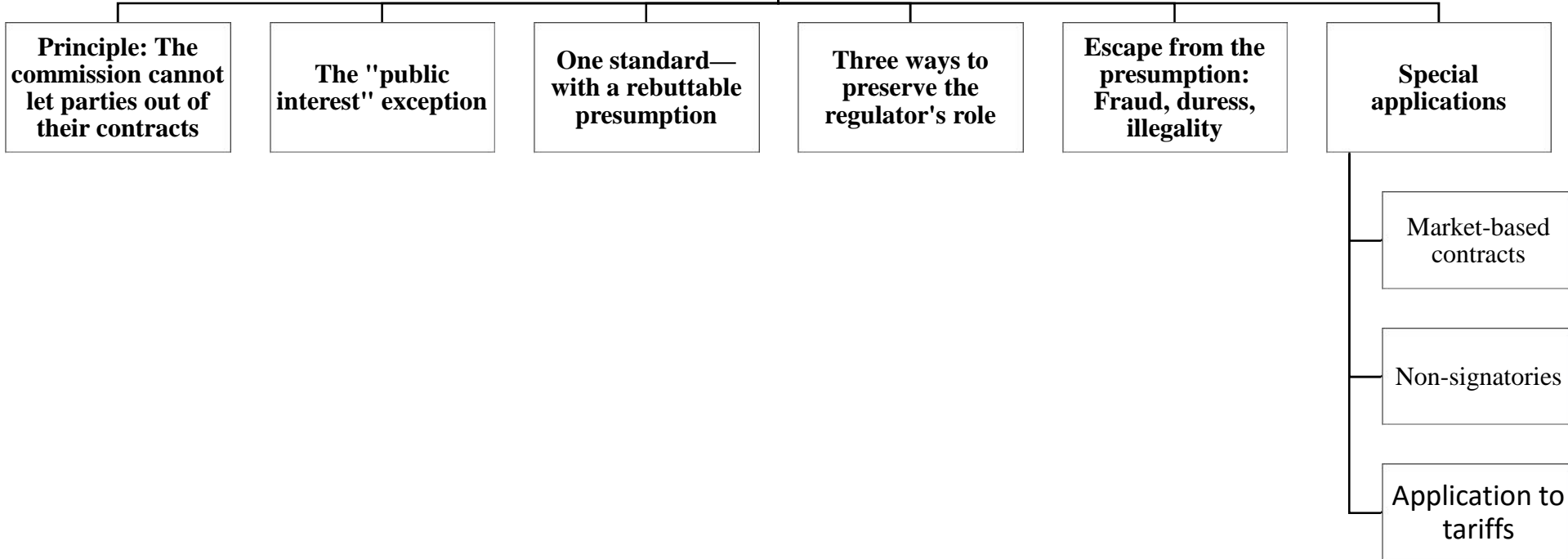
**Filed Rate Doctrine:  
The "Filed Rate" Is the Only  
Lawful Rate**



# Retroactive Ratemaking: The Prohibition and the Exceptions



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



# The Federal–State Relationship

