

Statutory Purpose & Role

Utah Code Title 54

The Public Service Commission (PSC) was created by the Legislature in 1917 and is authorized as a regulatory, independent agency through various statutes in Title 54, Public Utilities Code, and Title R746 of Utah Administrative Code. The PSC's statutory language includes general powers described in such Sections as 54-1-1, 54-1-2, 54-1-2.5, 54-4-1, and 54-4-4. Recent legislation has typically provided more detailed guidance on how the PSC should carry out those general mandates in specific situations: 2016 S.B. 115, Sustainable Transportation and Energy Plan Act, and 2019 H.B. 411, Community Renewable Energy Act, are a few examples of this.

The PSC balances lack of market competition produced by certificated monopoly providers of electricity, natural gas, water, sewer, and telecommunications by regulating utility rates and services; specifically, the PSC promotes and protects the public interest by ensuring that public utility service is adequate in quality and reliability, and is available to everyone at just and reasonable prices.

Organizationally, the PSC consists of a three-member commission, with each commissioner appointed by the governor to a six-year term with the consent of the Senate. No more than two members of the commission can belong to the same political party, with one member being designated as commission chair by the governor.

How the PSC Works¹

As a regulatory decision-making body, the PSC exercises a delegated legislative power. Each regulatory decision is reached quasi-judicially – that is to say, the decision must be based on evidence of record gathered in open public hearings in docketed proceedings. All dockets are closely scheduled, but the due process rights of parties, carefully observed by the PSC, govern their timing.

In the course of a hearing, parties participating may include the subject public utility, the Division of Public Utilities (DPU), and the Office of Consumer Services (OCS). Parties present the sworn testimony and evidence of expert witnesses on matters at issue and witnesses are cross-examined by the attorneys assisting each party.

In cases where tens of millions of dollars may be at stake or important issues of regulatory policy arise, several other intervenors representing interests as diverse as low-income customers, environmental groups, and large industrial customers may also participate. They employ expert witnesses and attorneys. They want to be involved because regulatory decisions distribute outcomes as gains or losses to parties. Cases raise issues of law, economics, accounting, finance, engineering, and service quality.

The PSC's task is to reach a decision that balances the often-competing interests of concerned parties in pursuit of outcomes that protect and promote the overall public interest. These decisions, reviewed by the Utah Supreme Court, must be drawn directly from the evidentiary record created in open public hearings or filed on the public record.

¹ Taken from *2018 Annual Report: Public Service Commission of Utah*, page 8: <https://psc.utah.gov/wp-content/uploads/sites/35/2018/12/2018-Annual-ReportFinal12-5-2018.pdf>

Legislature – PSC Nexus

Legislative Engagement

The PSC is created by statute without any distinct constitutional authority. Statutorily designated as an independent agency, the PSC receives its direction from laws specific to the PSC and from general laws such as Title 63G, Chapter 4, Administrative Procedures Act, and Title 63G, Chapter 3, Utah Administrative Rulemaking Act. The PSC engages with the Legislature on Public Utilities, Energy, and Technology studies that relate to its jurisdiction, and provides background or presentations as requested.

Commentary on Legislation and Policy

The PSC is bound by enacted bills and provides insight and data on how particular programs are being implemented or discussed. Because the PSC usually plays an adjudicative role interpreting legislation after it has been enacted, the agency typically attempts to preserve its neutrality by refraining from advocating for or against specific bills or policies. The PSC is committed to providing appropriate background and information to help inform the legislative process.

PSC Jurisdiction²

Electricity

- Investor-owned utilities:
 - PacifiCorp (Rocky Mountain Power)
- Rural Electric Cooperatives:
 - Utah Rural Electric Association (UREA) comprised of Garkane Power, Moon Lake Electric, Dixie-Escalante Rural Electric, etc.
- Electric Service Districts:
 - Strawberry Water Users Association, Ticaboo Utility Improvement District, etc.

Natural Gas

- Dominion Energy Utah
- Wendover Gas Company

Telecommunications

- Incumbent Local Exchange Telecommunications Carriers (ILECs):
 - Legacy phone companies with an obligation to serve such as CenturyLink, Utah Rural Telecom Association members, etc.
- Competitive Local Exchange Telecommunications Companies (CLECs):
 - Competitive carriers of CenturyLink such as AT&T, Comcast, Bresnan, etc.
- Utah's Universal Public Telecommunications Service Support Fund (UUSF) and Lifeline program

² Taken from Utah Code 54-2-201 & 202, Division of Public Utilities webpage: <https://publicutilities.utah.gov/index.html>, and *2018 Annual Report: Public Service Commission of Utah*

Water and Sewer

- Private Water Companies: Bridgerland Water Company, Mountain Sewer Corporation, etc.

Railroads

- All Railroads: BNSF, Union Pacific, Utah Railway Company, and Salt Lake Garfield & Western Railway Company

Unregulated Utilities

The following are not regulated by the Utah Public Service Commission, but may be regulated by federal or local agencies:

- Cable Television
- Wireless Phone Service and Pager Services
- Satellite Services
- Internet Service Providers, DSL (Except Service Quality), Cable and Wireless Internet Connected Services, Voice Over Internet Protocol
- Interstate Long Distance Telephone Carriers
- Culinary Municipal Water systems, Quasi-Governmental Special Improvement Districts, Water Districts, Irrigation Cooperatives
- Municipal Utilities (utilities owned by local governments)
 - UAMPS, UMPA