

Preside or Lead?

The Attributes and Actions of Effective Regulators

24. The War of Words: Competition vs. Regulation II

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The preceding essay addressed ambiguities and imprecisions in our conversations about “competition” and “regulation.” Some commenters said the essay aimed arrows disproportionately at competition-speak. I acknowledge the imbalance but intended no bias. To compensate, this next essay addresses regulation-speak. These two essays intend no critique of “competition” or “regulation.” Their aim is conversational clarity.

In utility regulation, three of the most commonly used phrases are “revenue requirement,” “cost-based pricing,” and “subsidy.” Let’s consider their multiple meanings.

Scott Hempling

Attorney at Law LLC

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