

How utilities use customer money to fund lobbying, corporate branding, and luxury lifestyle expenses



Itai Vardi and Karlee Weinmann
March 27, 2025

The Energy and Policy Institute

- National utility watchdog and research nonprofit organization, exposing utility misbehavior and attacks on clean energy
- Publish reports and research on cost recovery of political and other inappropriate expenses
- Research also focuses on utility political influence, disconnections, disinformation, and more:
 - [Powerless in the U.S. – Utilities Shut off Power 5.7 Million Times Since 2020](#), January 2023
 - [Utility front groups spending on disinformation advertising](#), September 2022

The Energy and Policy Institute

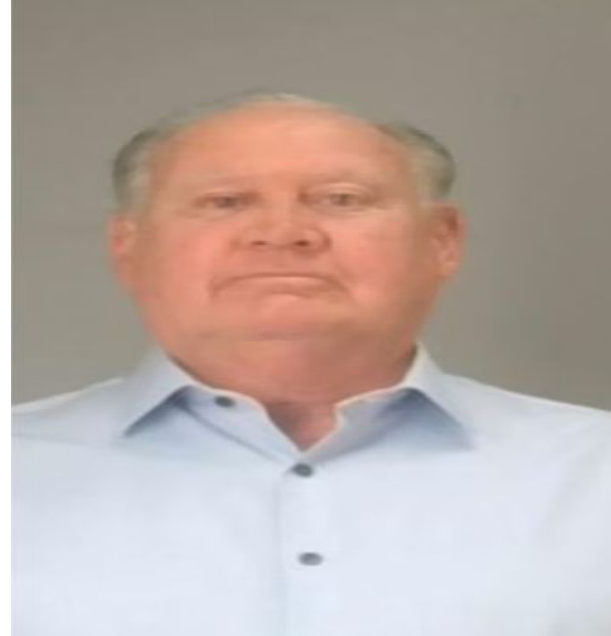
Key research on cost recovery of political and other inappropriate expenses:

- [Power Trip: How utilities use customer money to fund lobbying, corporate branding, and luxury lifestyle expenses](#), December 2024
- [Getting Politics Out of Utility Bills](#), January 2023
- [Paying for Utility Politics: How ratepayers are forced to fund the Edison Electric Institute and other political organizations](#), May 2017

EPI has provided expert testimony advocating for removal of political advocacy expenses, including trade association dues:

- [Xcel Energy Minnesota gas rate case](#), 2024
- [CenterPoint Energy Minnesota gas rate case](#), 2024

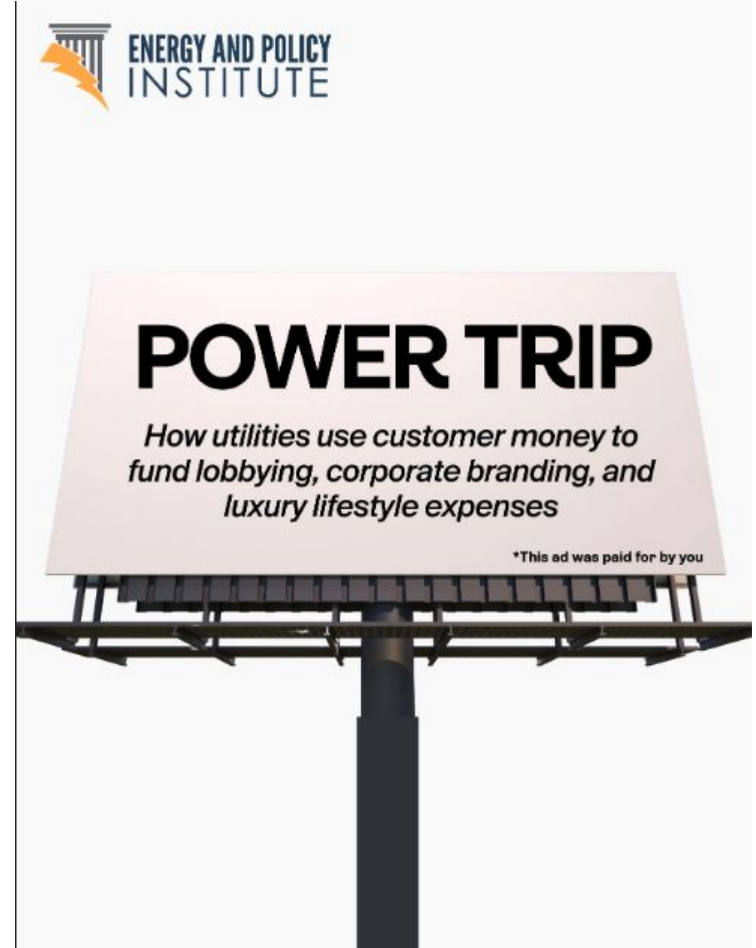
Customers Are Paying For Utility Corruption and Political Influence Machines



**FirstEnergy used dark money groups to
bribe officials to pass a coal/nuclear bailout**

Our Latest Research: Power Trip

- EPI examined state and federal regulatory filings made by dozens of utilities over their past several rate cases, using key search terms to identify:
 - Lobbying expenses
 - Image-boosting ads
 - Extravagant expenses (i.e., private jets, spa visits, pro sports events)
 - Investor relations costs
- A first-of-its-kind look at the scope and scale of the problem



Power Trip Findings

- Utilities routinely seek to charge customers for lobbying, corporate brand advertising, executive perks, and engagement with Wall Street.
- Utilities often succeed in baking such expenses into rates.
- Discovery questions and past rate cases can be instructive, and useful in fending off such charges.



Lobbying Expenses

Despite a general understanding that lobbying expenses should be excluded from rates, such costs still routinely end up in rates.

- Not all utility employees who engage in political advocacy are registered as lobbyists, especially at the local level.
- Utility employees may ghostwrite letters supportive of utility policy positions for others to submit.
- Utilities may dubiously categorize political influence expenses as “community relations” or contract them out to “public affairs” firms.
- Utilities generally fail to provide detailed accounting of staff time spent on political influence activities.

Lobbying Expenses

East Hartford, East Haven, Energy

East Haven, East Hartford Letters Supporting Gas Rate Hikes Were Drafted by Company

— Francisco Uranga, 7.3.2024

BGE wields influence in Howard County's electrification legislation

In Howard County, records highlight BGE's involvement in providing testimony and talking points for county council members for Council Bill 5 (CB5). The legislation, which passed at the end of the 2023 legislative session in April, requires recommendations to change county building codes to implement all-electric buildings in order to achieve climate goals.



<https://ctexaminer.com/2024/07/03/east-haven-east-hartford-letters-supporting-gas-rate-hikes-were-drafted-by-company/>

<https://energyandpolicy.org/maryland-utilities-lobby-against-electrification-policies/>

<https://energyandpolicy.org/xcel-carbon-free-future-mn/>

Lobbying Expenses

- Identifying questionable expenses may require further information in the discovery process. Suggested requests may include:
 - An itemized list of all utility employees who engaged in lobbying or political advocacy, including their salaries, the amount of time (or proportion of time) they spent on lobbying and political advocacy activities during the test year, and the percentage of that compensation recoverable from ratepayers.
 - This helps clarify internal political advocacy activities and costs.
 - An itemized list of all expenses paid to vendors, identifying each payee and including the billing amount, billing date, and description of each expense sufficient to explain its purpose.
 - This helps clarify external political advocacy activities and costs.

Lobbying Expenses

Question: Request No. 18. What percentage of their time do the Company's government or community affairs professionals spend on lobbying local government officials, if lobbying is defined as communicating directly with an elected official in any local government (including but not limited to county commissioners, mayors, township trustees, and city council members), for the purpose of influencing governmental action? What is the average salary of individuals who undertake such activities?

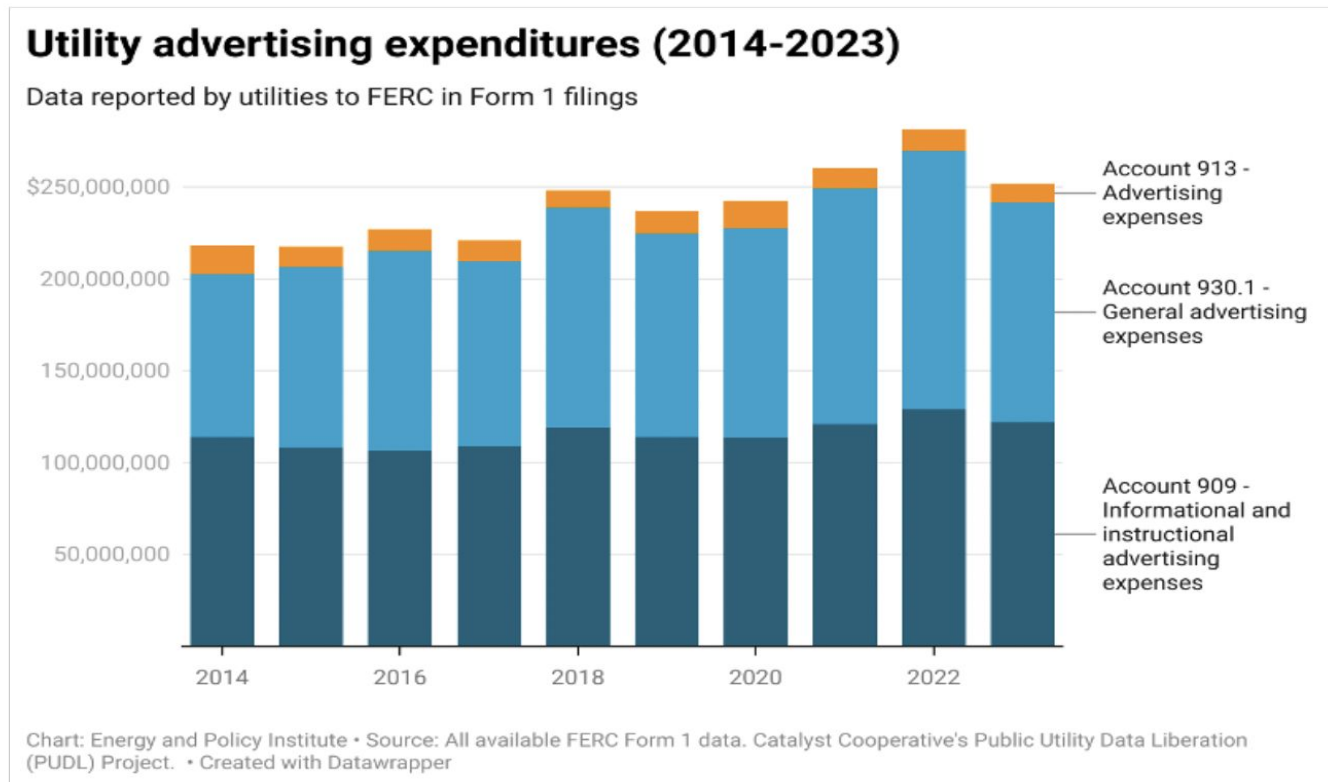
Answer: DTE Gas objects to this request for the reason that the information sought is not relevant or proportional to the needs of this case. Specifically, this request seeks information that does not have any tendency to make the existence of any fact that is of consequence to the determination of this action more probable or less probable, as the referenced expenses are not in DTE Gas rates and are not sought for recovery in DTE Gas rates in this proceeding. In addition, DTE Gas objects for the reason that the request is unduly burdensome and overbroad. Subject to these objections and without waiving these objections, the Company is not in possession of the requested information.

Advertising Expenses

General findings:

- 1) Many states have *some* form of ad recovery prohibition – but there's a lack of uniformity
- 2) A significant utility expense

Advertising Expenses



Advertising Expenses

Top 15 utilities spending on goodwill, image boosting advertisements (2014-2023)

Data is based on expenses categorized by utilities to Account 930.1 of the Uniform System of Accounts
















| Utility | Amount Spent |
|--|---------------|
| 1  Georgia Power (Southern Company) | \$149,256,848 |
| 2  Southern California Edison | \$92,484,395 |
| 3  Arizona Public Service | \$68,348,108 |
| 4  Commonwealth Edison (Exelon) | \$59,075,337 |
| 5  DTE Electric | \$51,648,927 |
| 6  Alabama Power (Southern Company) | \$51,621,051 |
| 7  Duke Energy Carolinas | \$48,547,224 |
| 8  Virginia Electric and Power (Dominion) | \$36,858,233 |
| 9  Northern States Power Company (Xcel) | \$35,209,048 |
| 10  Duke Energy Florida | \$33,064,971 |
| 11  Public Service Electric and Gas | \$32,161,122 |
| 12  Duke Energy Progress | \$31,348,976 |
| 13  Public Service Company of Colorado (Xcel) | \$30,636,539 |
| 14  Ohio Power Company (AEP) | \$24,774,933 |
| 15  Consolidated Edison | \$17,001,261 |

Table: Energy and Policy Institute • Source: FERC Form 1 data, Catalyst Cooperative's Public Utility Data Liberation (PUDL) Project • Created with Datawrapper

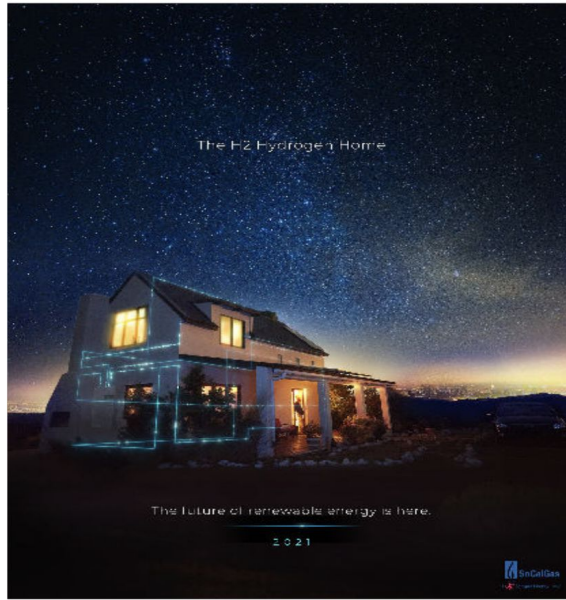
In the 10-year period between 2014 and 2023, the utilities that submitted FERC Form 1 filings reported spending over \$1.1 billion on goodwill or institutional advertising aimed at promoting the utilities' corporate brands.

Ads Not Benefiting Customers Included in Various FERC Accounts (909, 913, 930.1)

Commonwealth Edison Company
Informational and Instructional Advertising Expenses
 Charged to Account 909
 2021 Actual
 (In Dollars)

| Line No. | Topic (A) | Advertising Campaign (B) | Ad Component (C) | Total Media Cost [1] (D) | Total Production Cost [1] (E) |
|----------|---|--|--|-----------------------------|----------------------------------|
| 1 | Customer Information | Billing Assistance and Bill Management | Print, web, bill, and envelope messaging | \$ 578,643 | \$ 64,672 |
| 2 | Customer Information | Consumer Protection | Radio, digital, Print, OOH | 473,903 | 163,809 |
| 3 | Customer Information | Education Campaign | Digital Banners, Print, Radio, OOH, and Online Video | 56,831 | 157,536 |
| 4 | Customer Information | Financial Assistance Campaign | Digital and print | 862,223 | 8,290 |
| 5 | Customer Information | IceBox Derby | N/A | 20,000 | 40,000 |
| 6 | Customer Information | Reliability Campaign | Digital banners, TV, Radio, OOH, HPTO | 1,080,000 | - |
| 7 | Customer Information | Safety Campaign | Print, OOH, Digital Banners | 93,417 | - |
| 8 | Customer Information | Solar Education & Outreach Program | Digital banners, print, billboards, and videos | 528,905 | 581,789 |
| 9 | Customer Information | STEM Home Lab | Digital Banners and TV Integrations | 359,096 | 672,512 |
| 10 | Total Jurisdictional Media and Production Costs Informational and Educational Advertising Expense - Account 909 | | | | \$5,741,625 |
| 11 | Professional Fees for customer information events management | | | | 4,132 |
| 12 | Payroll and related benefit charges of certain Marketing Department employees, office expense | | | | 553,127 |
| 13 | Agency fees for Informational and Educational Advertising Expenses - Account 909 | | | | 1,813,667 |
| .. | | | | | <u>\$8,112,551</u> |

Inappropriate Advertising Expenses: PR/Greenwashing, Swag, Sports Events



| Calendar Year | Project | Branded Giveaway Item | Total Cost |
|---------------------------------------|----------------|-------------------------------------|-------------|
| 2020 | Bfit Challenge | Hockey Puck Stress Reliever | \$2,563.54 |
| | Bfit Challenge | Carabiner Water Bottle Holder | |
| | Zoo Lights | Flashlights for Zoo Lights | \$1,079.18 |
| 2021 | Heroes Cup | Cooling Towel in Plastic Case | \$4,638.50 |
| 2022 | Bfit Challenge | Sports Packs | \$13,389.35 |
| | Bfit Challenge | Round Blinking Light with Back Clip | |
| | Bfit Challenge | Safety Light Wristband | |
| | Bfit Challenge | 2 Bubbles Keychain | |
| | Bfit Challenge | Hockey Puck Stress Reliever | |
| | Bfit Challenge | L/S Shirts | |
| | WooSox | Community Clubhouse t-shirts | \$2,834.51 |
| 2023 (through test year-end March 31) | Zoo Lights | Tote Bags | \$8,777.08 |
| Grand Total | | | \$33,282.16 |

Inappropriate Advertising Expenses: Institutional Ads Mixed with Recoverable Informational Ads

Customer Update

October Is Energy Awareness Month

Energy Awareness month includes three specialized days and offers many ways to save money and energy.

Celebrate **Energy Efficiency Day** by taking action. Enroll in one of Eversource's industry-leading energy efficiency programs, like Demand Response for your smart thermostat, or check out our energy-saving tips at [Eversource.com](https://www.eversource.com).

ENERGY STAR® day is a good time to take advantage of the benefits of ENERGY STAR products and rebates. Appliances, electronics and other equipment that feature the ENERGY STAR label are third-party certified so you know you are purchasing an efficient model. Connect to rebates and savings on new equipment designed to keep your home comfortable and save you money all year long.

Why not get a no-cost virtual **Home Energy Assessment** to celebrate **Weatherization Day**? We will connect you with an Energy Specialist to assess your home and recommend energy-saving solutions tailored specifically for your home. Incentives—including no-cost air sealing—help make saving money and energy even easier.


To stay up to date and start saving, visit the Save Money and Energy section of [Eversource.com](https://www.eversource.com).

EVERSOURCE

October 2020

Cleaning Up the Connecticut River

Eversource is proud to be recognized as one of the greenest energy companies in the nation. Our commitment to environmental sustainability is an important component of our vision for today and the future.



Eversource employee volunteers celebrate a successful day cleaning the Connecticut River at the 2019 "Source to Sea Cleanup" event.

As a lead sponsor of the Connecticut River Conservancy's annual "Source to Sea Cleanup," we improve the communities where we live and work. Each year, dozens of Eversource employees volunteer to collect trash and debris from the Connecticut River and tributaries across our service territory. This year, the event was expanded from one weekend to the entire month of September to ensure safe physical distancing from others.

Energy Savings Tips for your Home Office

- Unplug electronics that are not being used.
- Use advanced power strips.
- Adjust your computer's power-management settings to sleep mode.
- Purchase efficient products—look for the ENERGY STAR label.

Advertising Expenses

Identifying questionable expenses may require further information in the discovery process. Suggested requests may include:

- What FERC Uniform System of Accounts number were they classified under?
- Who paid for the ad – ratepayers or shareholders?
- Provide copies of the actual ads and swag and receipts for each.

Extravagant Expenses

“When the **shady details** crammed into these filings emerge into the daylight, a lot of the proposed spending is **questionable at best**, and at times **downright insulting to customers.**”

—Michigan Attorney General Dana Nessel

Extravagant Expenses

- Real-world examples of luxury lifestyle expenses EPI found in rate case filings include:
 - Memberships to exclusive clubs and golf courses
 - Private jet travel
 - Commercial travel upgrades to first/business class
 - Professional sports games
 - Massages
 - Celebration of a utility employee's wedding
 - Ziplining for utility employees
 - Alcohol
 - Alcohol for a private jet pilot

Extravagant Expenses

- Rarely obvious in utility rate case petitions, such costs often come to light only as part of intervenors' specific questioning in the discovery process.
- Utilities commonly claim that recreational expenses are beneficial to ratepayers because they increase employee morale or productivity.
- Private jets, billed as an efficiency for executive leaders, have drawn the ire of customers and come under scrutiny in several states lately.
 - Not all trips appear to be directly related to business objectives; destinations may seem unusual.
 - Related costs passed to ratepayers can run into the millions of dollars.

Extravagant Expenses

- Disputes over extravagant expenses in past cases may be instructive.
- In some states, data required as part of a petition may include relevant expenses as line-items.
 - Helpful search terms may include: “alcohol”; “aircraft”; “sporting”; “club membership”; “board of directors” AND “travel”; “board of directors” AND “lodging”
- Discovery questions can shed light these expenses
 - For expenses not listed in required filings:
 - An itemized list of [alcohol/aircraft/ticket/etc.] expenses, including date, utility employee associated with expense, detailed description of expense purpose, proportion charged to ratepayers, and specific benefit to ratepayers.
 - For expenses listed in required filings:
 - Detailed explanation of [alcohol/aircraft/ticket/etc.] expense(s) listed in required filings, and the specific benefit to ratepayers.

Extravagant Expenses

- Q. On page 5, lines 20-21, Mr. Busser states, “Ms. Weathers’ belief as to the propriety of alcohol purchases appears to be her own and unsupported by any Company policy or Commission precedent.” What is your belief as to the propriety of alcohol purchases?**
- A.** Evergy has not present any explanation for how alcohol consumption helps ratepayers receive reliable and safe energy, even if it is being approved as part of “the performance of the employee’s responsibilities that will require approval by the employee’s approver (in most cases, the employee’s supervisor).” Ratepayers are not getting the benefit of consuming any of the alcohol, so they should not be responsible for paying for the reimbursement. There are

<https://www.documentcloud.org/documents/25200760-evergy22-weather-sr/#document/p10/a2594079>

Wall Street Expenses

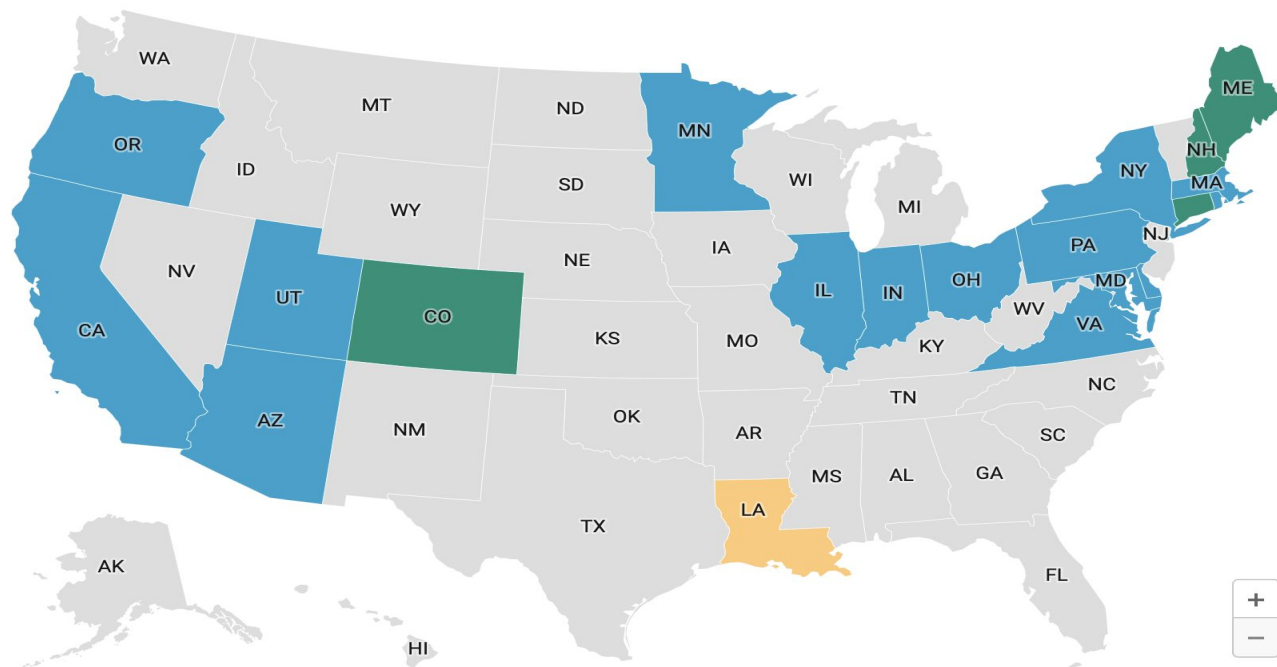
- Lavish expenses for board of directors members, including resorts, spas, manicures, travel, meals and lodging
- Investor relations units
- Meetings with Wall Street analysts
- Seven-figure liability insurance against shareholder claims

Wall Street Expenses

- Lack of uniformity between PUCs on the question of recoverability (e.g., CT vs. MA)
- It is resource-intensive for consumer advocates to identify problematic board expenses on a case-by-case (i.e., the line between “lavish” and “legitimate” is unclear)
- Percentage cost-sharing between ratepayers and shareholders is imprecise and hard to justify

Tracking State Legislation to Get Politics Out of Utility Bills

Introduced Regulatory Proceeding Passed



Source: [Energy and Policy Institute](#) • [Get the data](#) • [Download image](#) • Created with [Datawrapper](#)

Source: <https://energyandpolicy.org/tracking-states-getting-politics-out-of-utility-bills/>

Utility Accountability Legislation

1. **Prohibitions:** Prohibit cost recovery of all spending related to political influence, including:

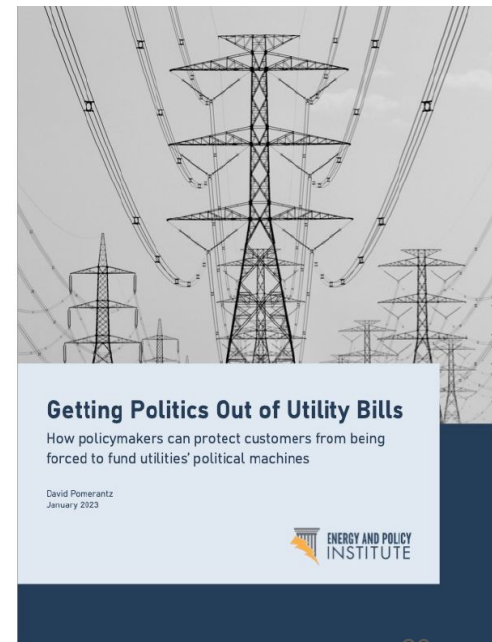
- * Trade associations
- * Charitable contributions
- * Advertising, marketing, public relations, community relations
- * Lobbying and stakeholder engagement, issue advocacy, etc
- * Attendance and participation in contested PUC proceedings

2. **Transparency:** Annual line-item disclosure of political costs

- * Enables regulators and public to catch abuses.
- * States with lobbying, advertising bans don't have data to police them.

3. **Enforcement:** Automatic, minimum penalties

- * Provides deterrence.
- * Since states with existing bans do not fine violations, they continue.



Articles

Avangrid

Eversource

Featured

New Laws Curbing Utility Political Spending Saving Ratepayers Millions of Dollars



Itai Vardi • February 28, 2025

Source:

<https://energyandpolicy.org/new-laws-curbing-utility-political-spending-saving-ratepayers-millions-of-dollars/>

In Connecticut, the law has saved ratepayers up to \$9,738,302 from June 2023 to October 2024 - costs they could have been on the hook for if not for the new law

| Other Miscellaneous Costs | | | |
|---------------------------|---|--------|---------|
| Internal/External | Description | Amount | |
| Internal | Benefit Overheads | \$ | 17,166 |
| External | EAU Palm Beach Resort | \$ | 5,838 |
| External | LaPlaya Beach Resort | \$ | 1,987 |
| External | Wequasset Resort | \$ | 6,823 |
| External | Catering | \$ | 1,514 |
| External | Kirkland Event and Destination Services | \$ | 377 |
| External | Flights | \$ | 232 |
| Internal | Meals | \$ | 8 |
| Internal | Travel | \$ | 2,778 |
| External | Transportation | \$ | 1,593 |
| External | Hotels | \$ | 736 |
| External | Registration and Conference Expense | \$ | 80 |
| External | Postage and Delivery Services | \$ | 4 |
| External | Printing and Copying | \$ | 54 |
| External | Shareholder Fees | \$ | (1,539) |
| External | Other Misc. Board of Trustees Expenses | \$ | 365 |
| External | Other Misc. Fees | \$ | 29 |
| Total: | | \$ | 38,045 |

| Corporate Aircraft Costs 10/01/2023 thru 9/30/2024 | | | | | |
|--|----------------------|---------------------|---------------------------------|-------------------------------------|--------------------------------------|
| count | Account Description | UIL Holding Company | The United Illuminating Company | Connecticut Natural Gas Corporation | The Southern Connecticut Gas Company |
| 621000140 | SOFTWARE MAINTENANCE | (26.04) | (15.95) | (3.32) | (6.78) |
| 622100180 | VEHICLE FUEL | 30,366.46 | 18,756.29 | 5,476.49 | 6,133.68 |
| 622100480 | VEH.&ANCIL.MAIN.CONS | 29,394.33 | 18,156.93 | 5,312.08 | 5,925.32 |
| 629100120 | SUBSCRIPTIONS | 2,045.11 | 1,263.06 | 367.51 | 414.54 |
| 629200170 | TOLLS AND PARKING | 9,030.89 | 5,577.48 | 1,622.85 | 1,830.56 |
| 629300500 | SUPP.SERV.ADMINIST. | 3,324.39 | 2,053.17 | 597.63 | 673.59 |
| 662300210 | FINANCIAL EXPENSE | 2,505.83 | 1,547.72 | 451.55 | 506.56 |
| 678000160 | FINES AND PENALTIES | 1.71 | 1.05 | 0.31 | 0.35 |
| 681800000 | DPN VEHICLES | 79,421.78 | 49,054.73 | 14,310.51 | 16,056.54 |
| 681900110 | DPN. ROU BUILD. FA | 7,835.92 | 4,839.83 | 1,411.83 | 1,584.26 |
| Total | | 163,900.38 | 101,234.33 | 29,547.43 | 33,118.62 |

CT utilities still tried to recover - but PURA cited new law

g. Investor Relations Expense

The Company proposes an \$87,277 investor relations expense in the Rate Year, which is the \$80,581 Test Year investor relations expense plus \$6,696 in an inflation adjustment. Late Filed Ex. 1, Att. 2, Sch. C-3.18; Interrog. Resp. RRU-454, Att. 1. The Authority disallows \$87,277 of investor relations expense in compliance with General Statutes § 16-243gg, which prohibits the recovery “through rates [of] any direct or indirect cost associated with . . . investor relations.”

The Company argues that the investor relations expense is a cost that it must incur to access capital and without it, the Company would lose its ability to fund its operations. CNG Hr’g Tr., Apr. 23, 2024, 438:5–10; Revenue Requirements Panel Rebuttal, p. 30. The Company also claims that without investor relations, “[n]o equity investor or lender would invest funds in the [Company].” Revenue Requirements Panel Rebuttal, p. 30. However, General Statutes § 16-243gg(b) prohibits the recovery “through rates [of] any direct or indirect cost associated with . . . investor relations.” The requested expense is an example of investor relations and thus disallowed pursuant to statute. Accordingly, the total amount of this disallowance is \$87,277, which includes the \$80,581 investor relations expense and the \$6,696 in an inflation adjustment.¹²⁸

Source:

<https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/94c3ad1e058bacbf85258bd900597466?OpenDocument>

NEWS: BUSINESS

Xcel Energy ordered to remove investor relations and executive salaries from costs passed on to Colorado consumers

Colorado PUC cited the new law to deny Xcel's attempt to recover \$750,000 in prohibited expenses

Colorado regulators are putting into play a law passed in 2023 in response to a 52% hike in winter gas bills



Mark Jaffe

4:14 AM MST on Nov 5, 2024 Updated 11:22 AM MST on Nov 7, 2024

Share

Source: <https://coloradosun.com/2024/11/05/xcel-bills-executive-salaries-investor-relations-colorado/>

Consumer Advocates' Support

- “Some of these expenses are addressed in existing law and regulations, but HB960 would add clarity that would make the law actually enforceable [e.g. existing law does not define the term “lobbying”].

— From testimony by Molly Woods of Maryland Office of People’s Counsel before the MD Assembly Economic Matters Committee, 3/13/25 (source: <https://www.youtube.com/watch?v=-DUEXTIEsFU>)

- “There are monetary savings for customers but also a quantifiable way for shareholders to decide if they want to pay for those activities. SB291 has to be the most influential customer-focused bill we’ve seen in a decade or more.”

— Joe Pereira, Deputy Director of the Colorado Office of the Utility Consumer Advocate (Source: <https://coloradosun.com/2024/11/05/xcel-bills-executive-salaries-investor-relations-colorado/>)

Key Takeaways

- Utilities routinely charge ratepayers for political expenses and lavish spending – though it's often hard to verify without pinpointed probing.
- Consumer advocates play an important role in making these costs visible and ensuring they are not passed onto ratepayers.
- Utility accountability laws provide important tools for regulators and consumer advocates.
- Legislation that prohibits cost recovery of political and other inappropriate expenses materially benefits utility customers.

Questions?

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