

# Public Utilities Commission

FY 2018 Revised

FY 2019 Recommended

FY 2019 – FY 2023 Capital

Staff Presentation

March 20, 2018

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# Structure

Single agency with two distinct regulatory bodies:

- The Public Utilities Commission (Commission)
- The Division of Public Utilities and Carriers (Division)

# Commission

- Three Commissioners
  - Appointed by the Governor to 6 year terms
- Quasi-judicial tribunal with jurisdiction, powers, and duties to implement and enforce utility standards of conduct
- Holds investigations and hearings involving rates, tariffs, tolls, and utilities' charges

# Division

- One Administrator
  - Appointed by the Governor to 6 year term
- Enforces Commission rules and regulations
- Exercises jurisdiction, supervision, powers, and duties not specifically assigned to the Commission
- Jurisdiction over common carriers (taxi and car services) and cable television

# Division

- Mandatory party in all utility dockets
- Defender of RI rate payers before federal regulatory agencies
  - Federal Communications Commission
  - Federal Energy Regulatory Commission

# Assessment Against Utilities

## Rhode Island General Law §39-1-23

- Division Administrator determines Agency's expenses for coming fiscal year
- 100% of expenses are assessed amongst the state's regulated utilities
  - Utilities with gross state revenues of under \$0.1 million are exempt

# Summary by Source

	FY 2018 Enacted	FY 2018 Revised	FY 2019 Governor	FY 2019 Chg to Enacted
Federal Funds	\$0.1	\$0.2	\$0.2	\$0.0
Restricted Receipts	9.0	9.8	10.5	1.5
<b>Total</b>	<b>\$9.1</b>	<b>\$10.0</b>	<b>\$10.7</b>	<b>\$1.5</b>
\$ In millions				

# Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
  - Information technology, capital asset management & maintenance, & HR
- Costs previously budgeted in DOA
  - Methodology on distribution needs review
  - Long term impacts and transparency concerns



# Centralized Services

- Governor's budget allocates costs to user agencies

Restricted Receipts	FY 2018	FY 2019
Information Technology	\$0.1	\$0.1
In millions		

# Summary by Source

Excluding Centralized Services	FY 2018 Enacted	FY 2018 Revised	FY 2019 Governor	FY 2019 Chg to Enacted
Federal Funds	\$0.1	\$0.2	\$0.2	\$0.0
Restricted Receipts	9.0	9.7	10.4	1.4
<b>Total</b>	<b>\$9.1</b>	<b>\$9.9</b>	<b>\$10.6</b>	<b>\$1.4</b>
\$ In millions				

# Undistributed Savings

- FY 2018 enacted budget includes \$25.0 million of statewide savings
  - Undistributed in DOA's budget
- Governor's revised budget has proposals that total \$25.0 million
  - Not all repeat in FY 2019
- PUC
  - FY 2018 revised - \$0.4 million
  - FY 2019 - \$0.4 million

# Undistributed Savings

Item	FY 2018	FY 2019
Water Resources Board (3.0 FTE)*	\$0.4	\$0.4
*Savings are in DOA's budget		
\$ In millions		

# Water Resources Board

- Article 3 transfers Water Resources Board from DOA to PUC
- Additional changes would be required
  - Article calls for those changes to be submitted to the 2019 Assembly
- 2011 Assembly merged Board into DOA
- Water Resources Board has 3.0 positions
  - General manager – vacant almost 2 years
  - Staff director
  - Civil engineer

# Water Resources Board

- Operating cost of Board would be charged to regulated utilities
- Governor's budget includes
  - \$0.4 million for FY 2018
  - \$0.6 million for FY 2019
    - Fully funds all positions
- Budget assumes general revenue savings of \$0.4 million FY 2018 & FY 2019

# Water Resources Board

- Component of \$25 million savings target
- MOU signed on October 1, 2017
  - DOA & PUC
  - Retro to July 1, 2017
  - Governor's budget also shifts 3.0 FTE for FY 2018
- Funding WRB limited to current FTE cap cost
  - Non-staff costs subject to Administrator approval
  - WRB to provide monthly expenditure report

# Staffing

<b>Full-Time Positions</b>	<b>FTEs</b>	<b>Change to Enacted</b>
Enacted Authorized	51.0	-
FY 2017 Governor Revised	54.0	3.0
FY 2019 Request	59.0	8.0
FY 2019 Governor	57.0	6.0
FY 2019 Funded FTE	56.8	(0.2)
FY 2017 Average Filled	47.6	(3.4)
Filled as of March 3	46.0	(5.0)



# Staffing

FY 2019 Governor Recommendation		
	PUC	Statewide
Gross Salaries (in millions)	\$4.4	\$1,117.1
Turnover (in millions)	(0.0)	(42.9)
Turnover %	0.4%	3.8%
Turnover FTE	0.2	592.2
FY 2019 FTE recommended	57.0	15,426.5
Funded FTE	56.8	14,834.3
Filled as of March 3	46.0	13,889.2
Funded but not filled	10.8	945.1

# Personnel

Position	FTE	Request	Governor
Legal Counsel	2.0	\$229,775	\$-
Consumer Agent	1.0	73,740	-
Programming Services Officer	2.0	215,104	215,104
Assoc. Administrator Consumer Affairs	1.0	126,366	126,366
Regulatory Research Specialist	1.0	86,707	-
Administrative Assistant	1.0	84,339	-
<b>Total</b>	<b>8.0</b>	<b>\$586,256</b>	<b>\$341,470</b>

# Personnel

- 2.0 Programming Services Officer:  
\$215,104
  - Conduct research & data collection for strategic plan for clean energy and other PUC initiatives
  - Part of agency-wide reorganization to increase regulatory research & analysis
    - Changing distribution system
    - New clean energy standards
    - Power sector transformation

# Personnel

- 1.0 Associate Administrator Consumer Affairs: \$126,366
  - Supervise consumer & engineering sections of Division
  - Coordinate community education program
  - Coordinate required reporting
  - Prepare for rate hearings

# Energy Facility Siting Board

- Governor recommends \$0.2 million for each FY 2018 and FY 2019
  - \$0.1 million more than enacted
    - Consistent with FY 2017 spending
  - Regulates issuance of licenses to construct major energy facilities
  - All expenditures are billed back to applicants
  - Funding primarily used for expert witnesses, stenographers, print & advertising notices & advisory opinions

# Public Utilities Reserve Account

- Governor recommends \$1.4 million for each FY 2018 and FY 2019
  - \$250,000 more than enacted
    - Entire amount permitted by law
  - Investigation & hearing expenses for rate cases and other filings

Fiscal Year	Enacted	Spent
2017	\$1,131,104	\$751,592
2016	1,131,104	536,564
2015	1,131,104	351,734
2014	1,131,104	419,891

# Other Personnel & Operations

- \$6.5 million for remaining 51.0 positions
  - \$0.1 million more than enacted
    - Includes \$42,945 statewide adjustments
  - FY 2018 revised budget
    - \$17,747 in statewide medical benefit savings
- \$1.6 million for other operations
  - Includes \$30,000 for new electric vehicle in FY 2019

# Capital

- \$450,000 from restricted receipts in 5-year period for repairs & renovations
- FY 2018 includes \$266,400 to install a solar array on carport rooftop
  - \$156,400 from restricted receipts from assessments of regulated utilities
  - \$55,000 from Renewable Energy Fund
  - \$55,000 from Regional Greenhouse Gas Initiative



# Reporting Requirements

- 2013 Assembly enacted legislation requiring OMB to prepare, review and inventory all reports filed with Assembly
  - Report presented to Assembly as part of budget submission annually
- Required to submit 3 reports - timely
  - Rate case summary (biannual)
  - State renewable energy standard (annual)
  - Voltage detection and repair program (annual)

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