

Public Utilities Commission

| Expenditures By Program | FY2020 Actual | FY2021 Enacted | FY2021 Revised | Change from Enacted | | FY2022 Governor | Change from Enacted | |
|--------------------------------|--------------------------|---------------------------|---------------------------|--------------------------------|-------------|----------------------------|--------------------------------|-------------|
| Public Utilities Commission | \$9.6 | \$11.7 | \$11.8 | \$0.1 | 0.8% | \$12.5 | \$0.7 | 6.1% |
| Expenditures By Source | | | | | | | | |
| Federal Funds | \$0.2 | \$0.2 | \$0.2 | \$0.1 | 40.0% | \$0.5 | \$0.4 | 208.6% |
| Restricted Receipts | 9.4 | 11.6 | 11.6 | 0.0 | 0.2% | 11.9 | 0.4 | 9.0% |
| Grand Total | \$9.6 | \$11.7 | \$11.8 | \$0.1 | 0.8% | \$12.5 | \$0.7 | 6.1% |
| Authorized FTE Levels | 53.0 | 52.0 | 52.0 | - | - | 54.0 | 2.0 | 3.8% |

\$ in millions. Totals may vary due to rounding.

The Public Utilities Commission (PUC) regulates public utilities, Community Antenna Television, common carriers, and major energy facilities; regulates rates; ensures sufficient utility infrastructure to promote economic development; and, cooperates with other states and federal government agencies to coordinate efforts to meet objectives. The PUC is comprised of two distinct regulatory bodies: the Division of Public Utilities and Carriers (Division) and a three-member Commission (Commission). The Division carries out laws relating to public utilities and carriers, and the regulations and orders of the Commission governing the conduct and charges of the public utilities. The Commission serves as a quasi-judicial tribunal that holds investigations and hearings concerning utility rates, tariffs, tolls and charges, as well as facility accommodations and locations. The Commission is funded primarily through fees paid by utility companies.

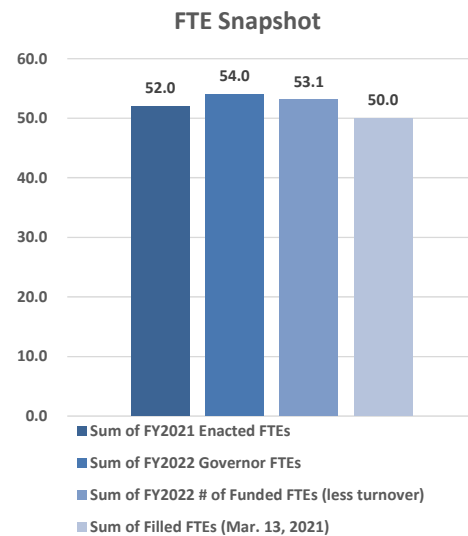
MAJOR ISSUES AND TRENDS

The FY2021 Supplemental Budget provides a total operating budget of \$11.8 million, including \$11.6 million in restricted receipts, and \$245,166 in federal funds. The recommendation represents an increase of \$94,254 (0.8 percent) from the FY2021 Budget as Enacted. As the agency does not receive any general revenue funding, the costs are a pass-through expenditure and are paid by the regulated utilities pursuant to RIGL 39-1-23.

The FY2022 Budget provides a total operating budget of \$12.5 million, including \$11.9 million in restricted receipts and \$540,253 in federal funds. The recommendation represents an all funds increase of \$717,953 (6.1 percent) compared to the FY2021 Budget as Enacted, and reflects an increase of \$352,874 in restricted receipts and \$365,079 in federal funds.

The single largest increase is \$244,288 for the addition of 2.0 new FTE positions. The cost of the two new positions is split between federal funds and restricted receipts. The Budget provides a staffing level of 52.0 FTE positions in FY2021 and 54.0 FTE positions in FY2022 for the Commission, an increase of 2.0 FTE positions from the enacted budget.

The Public Utilities Commission pays an annual rent of \$333,420 for the rental of the state-owned office building at 89 Jefferson Boulevard in the City of Warwick.



| Public Utilities Commission | Other Fund Changes |
|------------------------------------|---------------------------|
| Personnel - New FTE Positions | \$244,288 |
| Dual Party Phone Relay Service | (45,574) |
| Centralized Services | 6,011 |

Personnel – New FTE Positions (restricted receipts)**\$244,288**

The Budget adds 2.0 new FTE positions in FY2022 including a 1.0 Pipeline Safety Inspector I and a 1.0 Pipeline Safety Inspector III position. The Governor adds the positions to handle an increase in workload to expand the Division’s capacity to inspect utility infrastructure. The U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration recommends that the State increase the number of personnel in the Commission’s pipeline safety program. The addition of the two new positions is a top priority of the Commission in FY2022. The cost of the two new positions is evenly split between federal funds and restricted receipts.

| New Positions | Federal Funds | Restricted Receipts | Total Position Cost |
|-------------------------------|----------------------|----------------------------|----------------------------|
| Pipeline Safety Inspector I | \$68,010 | \$68,010 | \$136,020 |
| Pipeline Safety Inspector III | 54,134 | 54,134 | 108,268 |
| Total | \$122,144 | \$122,144 | \$244,288 |

In addition, the Division of Public Utilities and Carriers laid off three employees in order to add 3.0 Pipeline Safety Inspector I positions to expand the Division’s capacity to inspect utility infrastructure and maintain the FTE position total within the authorized limit. The result is a net decrease of \$4,407 split evenly between federal funds and restricted receipts.

| Laid Off Positions | Federal Funds | Restricted Receipts | Total Position Cost |
|------------------------------------|----------------------|----------------------------|----------------------------|
| Motor Carrier Compliance Inspector | \$40,126 | \$40,126 | \$80,252 |
| Principal Auditor | 61,244 | 61,244 | 122,488 |
| Information Services Technician I | 46,365 | 46,365 | 92,731 |
| Total | \$147,735 | \$147,735 | \$295,470 |

| Replacement Positions | Federal Funds | Restricted Receipts | Total Position Cost |
|------------------------------|----------------------|----------------------------|----------------------------|
| Pipeline Safety Inspector I | \$52,227 | \$52,227 | \$104,454 |
| Pipeline Safety Inspector I | 50,553 | 50,553 | 101,107 |
| Pipeline Safety Inspector I | 47,158 | 47,158 | 94,317 |
| Total | \$149,939 | \$149,939 | \$299,877 |

| | | | |
|-------------------|------------------|------------------|------------------|
| Net Change | (\$2,203) | (\$2,203) | (\$4,407) |
|-------------------|------------------|------------------|------------------|

Dual Party Phone Relay Services (restricted receipts)**(\$45,574)**

The Budget decreases restricted receipt expenses by \$45,574 reflecting a decrease in the projected expenditures to occur in FY2022. The dual party phone relay funds are used for telephone services access for people with disabilities. There is a \$.09 cent surcharge on landlines in the state used to fund the relay service. Per state law, annual payments are made to the Department of Human Services and to the Rhode Island Commission on Deaf and Hard of Hearing. During the FY2019 audit by the Office of the Auditor General, the Office proposed an audit adjustment to reclassify the escrow account as a restricted receipt.

Centralized Services (restricted receipts)**\$6,011**

The Budget increases restricted receipt expenditures to reflect billed amounts for information technology services. The FY2018 Budget as Enacted authorized the Governor to establish centralized accounts for information technology, capital asset management and maintenance, and human resources. In FY2019 these expenditures are reflected in each agency based on actual use, thereby showing the true costs associated with a particular program or agency. The FY2021 Budget as Enacted appropriated \$130,456 for this expense, which is increased by \$6,011 to \$136,467 in the FY2022 budget.

CAPITAL PROJECTS

The 5-year capital plan includes \$750,000 in restricted receipts for two capital projects including ongoing asset protection of the state-owned facility at 89 Jefferson Boulevard in the City of Warwick and to develop an online electronic business portal (EBP).

- The Budget includes \$250,000 in FY2021 to complete the development of an online electronic business portal (EBP) for docket (official proceedings) management and for e-filing capabilities. The EBP will have an in-house scheduler for Commission employees to track dockets and tasks assigned to each docket, and will have a list server to allow the public to track specific dockets. The EBP will relieve the Division and Commission staff of document filing and document management responsibilities. The total project cost is \$500,000. The FY2020 capital budget included \$250,000 in restricted receipts for the project.
- The Budget includes \$200,000 in FY2022, \$100,000 in FY2023, \$100,000 in FY2024, and \$50,000 in FY2025 to fund five asset protection projects between FY2022 and FY2025, including replacing exterior windows, the roof membrane, handicap railings and ramp, resurface the parking lot, and to do interior renovations. The structure has been used by the Division of Public Utilities and Carriers/Public Utilities Commission since 2002 for office and public hearing space.

The Public Utilities Commission and the Division of Public Utilities and Carriers assess public utility corporations up to \$300,000 per fiscal year for capital, asset protection, or maintenance programs for the Division. Assessments on public utilities are placed into a restricted receipt account and used for capital projects.