

Budget Summary*

	2015-17 Legislatively Approved Budget (1)	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				<u>\$ Change</u>	<u>% Change</u>
Other Funds Limited	\$ 45,461,175	\$ 48,094,159	\$ 46,118,891	657,716	1.5%
Other Funds Nonlimited	\$ 66,279,866	\$ 56,290,822	\$ 56,290,822	(9,989,044)	(15.1%)
Federal Funds Limited	\$ 726,238	\$ 721,958	\$ 721,958	(4,280)	(0.6%)
Total	\$ 112,467,279	\$ 105,106,939	\$ 103,131,671	\$ (9,335,608)	(8.3%)

Position Summary

Authorized Positions	129	126	126	(3)
Full-time Equivalent (FTE) positions	126.60	125.13	125.13	(1.47)

(1) Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Public Utility Commission (PUC) is funded primarily by Other Funds derived from fees assessed on regulated utilities. It also receives Federal Funds from the United States Department of Transportation for the Natural Gas Pipeline Safety Program. The Commission manages the Residential Services Protection Fund (RSPF), the Oregon Universal Service Fund and the Public Purpose Charge Program. Senate Bill 84 (2017) expands the application of the RSPF surcharge to include customers of interconnected VoIP service with access to the Oregon Telecommunications Relay Service, which is projected to increase revenue by \$242,966 Other Funds during the 2017-19 biennium.

Summary of Transportation and Economic Development Subcommittee Action

PUC's mission is to ensure consumers are provided with access to safe and reliable utility services at equitable and reasonable rates through regulatory activities and the promotion of competitive markets. The Commission regulates customer rates and services of investor-owned electric, natural gas and telephone utilities, as well as certain water companies, allowing regulated companies an opportunity to earn an adequate return on their investment.

The Transportation and Economic Development Subcommittee approved a total funds budget of \$103,131,671, which is comprised of \$46,118,891 Other Funds, \$56,290,822 Other Funds Non-Limited, \$721,958 Federal Funds and 126 positions (125.13 FTE). The approved budget is an 8.3 percent decrease compared to the 2015-17 Legislatively Approved Budget, which reflects the continued decline in Oregon Universal Access Fund payments caused by the shift of customers from traditional wireline to wireless service.

Utility Regulation

The Utility Regulation program conducts research and analysis and provides the Commission with technical support. It ensures private electricity, natural gas, telecommunications and water utilities provide safe, reliable and high-quality service at reasonable rates, and it promotes effective competition in those industries. Staff review program finance and budget issues, conduct fiscal and general audits and monitor utility safety practices. The Subcommittee approved a total funds budget of \$75,710,035 (65.63 FTE).

Residential Service Protection

The Residential Service Protection Fund (RSPF) ensures accessible and affordable basic phone service for all Oregonians. It provides telecommunications services for low-income and disabled persons, including individuals who are hearing- and speech-impaired through several programs. The Subcommittee approved a total funds budget of \$9,662,469 (8.00 FTE).

Policy and Administration

The Policy and Administration Program includes the Chief Operating Officer, the Commission, Commission Services, Administrative Hearings, Central Services (which includes Consumer Protection Services) and Human Resources. The Subcommittee approved a total funds budget of \$16,951,756 (49.50 FTE).

Oregon Board of Maritime Pilots

The Oregon Board of Maritime Pilots is an independent occupational licensing and regulatory agency for state maritime pilots, whose mission is to protect public health, safety, and welfare by ensuring that only the best-qualified persons are licensed to pilot vessels in Oregon's four pilot-required areas, including: Yaquina Bay, Coos Bay, the Columbia River and the Willamette River. The Subcommittee approved a total funds budget of \$807,411 (2.00 FTE).

The Subcommittee approved the following recommendations:

Policy Package 090 - Reduce Services and Supplies by \$25,268 Other Funds expenditure limitation.

Policy Package 101, Residential Services Protection - Related to Senate Bill 84 (2017), this package increases 2017-19 Other Funds revenue by an estimated \$242,996 by applying the existing RSPF surcharge to customers of interconnected VoIP service with access to the Oregon Telecommunications Relay Service.

Policy Package 102, Utility e-filing/e-discovery - The package provides \$400,000 in Other Funds limitation for a new filing and e-discovery system to replace the custom-built legacy docketing system and use of a third-party service for eDiscovery. The purpose of the new system is to provide an integrated, unified, and efficient solution for stakeholders to conduct business with the Commission.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Public Utility Commission
Robert Otero--503-986-8670

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ -	\$ -	\$ 45,461,175	\$ 66,279,866	\$ 726,238	\$ -	\$ 112,467,279	129	126.60
2017-19 Current Service Level (CSL)*	\$ -	\$ -	\$ 48,094,159	\$ 56,290,822	\$ 721,958	\$ -	\$ 105,106,939	126	125.13
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 003 -Residential Service Protection									
Package 070: Revenue Shortfalls									
Services and Supplies	\$ -	\$ -	\$ (2,350,000)	\$ -	\$ -	\$ -	\$ (2,350,000)		
SCR 004 - Policy and Administration									
Package 102 - E-filing /e-discovery									
Capital Outlay	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000		
SCR 005 - Board of Maritime Pilots									
Package 090: Analyst Adjustment									
Services and Supplies	\$ -	\$ -	\$ (25,268)	\$ -	\$ -	\$ -	\$ (25,268)		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ (1,975,268)	\$ -	\$ -	\$ -	\$ (1,975,268)	\$ -	\$ -
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 46,118,891	\$ 56,290,822	\$ 721,958	\$ -	\$ 103,131,671	126	125.13
% Change from 2015-17 Leg Approved Budget	0.0%	0.0%	1.5%	-15.1%	-0.6%	0.0%	-8.3%	-2.3%	-1.2%
% Change from 2017-19 Current Service Level	0.0%	0.0%	-4.1%	0.0%	0.0%	0.0%	-1.9%	0.0%	0.0%

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

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Agency: Public Utility Commission

Mission Statement:

To ensure Oregon utility customers have access to safe, reliable, and high-quality utility services at just and reasonable rates. We do so through robust and thorough analysis and independent decision-making conducted in an open and fair process.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. Water Utilities - Percentage of rate regulated water companies with rate designs promoting efficient use of water resources.		Approved	95%	98%	98%
2. Price of Electricity - Average price of electricity for residential users from Oregon Investor Owned Utilities as a percent of the national average price.		Approved	91%	92%	94%
3. Electric Energy - Percentage of business customers' electric energy usage supplied by alternative suppliers.		Approved	9.50%	10%	10%
4. Electric Utility Operations - Effectiveness of staff audits in preventing injuries caused by electric utility operations per 100,000 utility customers.		Approved	0.10	0.11	0.11
5. Unsafe Acts - Effectiveness of Utility and PUC promoted education in preventing injuries from unsafe acts per 100,000 utility customers.		Approved	0.15	0.45	0.45
6. Natural Gas Operations - Personal injuries related to Natural Gas Operations per 100,000 utility customers.		Approved	0	0	0
7. Switched Access Lines - Percent of total switched access lines provided by competitive local exchange carriers, statewide.		Approved	47.70%	34.25%	50.50%
8. Evidentiary Record - Percent of Consumer Complaint Orders issued within 30 days of close of evidentiary record.		Approved	90%	100%	100%
9. Oregon Telephone Assistance Program - Percentage of Supplemental Nutrition Assistance Program (SNAP) recipients participating in the Oregon Telephone Assistance Program.		Approved	16%	27%	28%
10. Access to Telephone Services - Percentage of disabled senior citizens (65 years and older) with access to the Telecommunications Devices Access Program.		Approved	70%	70%	70%
11. Complaint Investigation - Percent of complaint investigation cases open 50 days or less.		Approved	69%	75%	75%
12. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as good or excellent in overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved	85%	85%	85%
	Availability of Information		72%	75%	75%
	Overall		80%	82%	82%
	Accuracy		78%	80%	80%
	Expertise		80%	83%	83%
	Timeliness		85%	85%	85%
13. Best Practices - Percent of total best practices met by the Board of Maritime Pilots.		Approved	87%	100%	100%

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
14. Vessel Incidents - The number and severity of incidents involving vessels under the direction of licensees, and as a percentage of total vessels piloted annually.		Approved	6	4	4
15. a. Met performance measures in OPUC's annual grant agreement. - Met 12 of 14 established internal performance measures		Approved	100%	100%	100%
15. b. Obtained an unmodified financial audit annually - Obtaining an annual unqualified financial audit.		Approved	1	1	1
15. c. Keep administrative costs below 8% of annual revenue. - Keep administrative and programs support costs below 9 percent of annual revenue.		Approved	5.50%	7.90%	7.90%
15. d. Annually report the total resource cost of conservation programs and maintain a score above 1 for each program. - Reporting the benefit/cost ratio for conservation programs based on utility system societal perspective.		Approved	1	1	1
15. e. Report quarterly expenditures and variances by program, and total quarterly progress to annual goals for energy efficiency savings and renewable generation in the Q1, Q2, Q3 and Q4 reports. - Reporting significant mid-year changes to benefit/cost performance as necessary in quarterly reports.		Approved	1	1	1
4. Utility Pricing - Number of new utility pricing programs.		Legislatively Deleted	14	14	16

LFO Recommendation:

Approve the 2017-19 Key Performance Measures. Delete measure #4. Change target for #11.

SubCommittee Action:

Approved the LFO recommendation.