

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY03 Adjusted Base	FY04 Recommended	% Change Over FY03	FY05 Recommended	% Change Over FY04
PR-F	162,400	168,600	3.8	168,600	0.0
PR-O	15,592,100	15,631,500	0.3	15,162,000	-3.0
SEG-O	6,880,000	5,000,000	-27.3	6,000,000	20.0
TOTAL	22,634,500	20,800,100	-8.1	21,330,600	2.6

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY03 Adjusted Base	FY04 Recommended	FTE Change From FY03	FY05 Recommended	FTE Change From FY04
PR-F	1.00	1.00	0.00	1.00	0.00
PR-O	190.50	183.50	-7.00	172.50	-11.00
TOTAL	191.50	184.50	-7.00	173.50	-11.00

AGENCY DESCRIPTION

The commission is an independent utility regulatory agency dedicated to serving the public interest. The commission, which receives its authority and responsibilities from the Wisconsin Legislature, enjoys a national reputation for its innovative and forward-looking approach to utility regulation. The commission regulates electric, natural gas, telephone, water, and combined water and sewer utilities. More than 1,200 utilities are under the commission's jurisdiction. Most of these must obtain commission approval before instituting new rates, issuing stocks or bonds, or undertaking major construction projects such as power plants, water wells and transmission lines. In keeping with its commitment to quality management principles, the commission operates under a streamlined management structure and is organized along industry and administrative lines into five operating divisions.

The commission provides administrative support for the Office of the Commissioner of Railroads. The office is an independent railroad regulatory agency dedicated to promoting the public interest, in a variety of matters involving railroads. The office also regulates the service and economic activity of intrastate water carriers.

Before a highway authority can construct a new highway/rail crossing or substantially alter or close an existing highway/rail crossing, the office must issue an order approving the action after a review to ensure the action serves public safety and convenience. The office also reviews the adequacy of protection of the public at highway/rail crossings and issues orders setting forth the needed protection. The office also regulates railroads to ensure compliance with other statutory duties, such as crossing maintenance, right-of-way fencing and proper drainage.

MISSION

The mission of the commission is to oversee, facilitate and foster the efficient and fair provision of quality utility services by meeting consumers' changing needs in Wisconsin's dynamic and competitive utility industry environment.

The primary mission of the Office of the Commissioner of Railroads is to promote public safety and convenience in matters involving railroads, especially at highway/rail crossings. To fulfill its mission, the office investigates petitions, conducts hearings and issues orders regarding some 5,400 highway/rail crossings located throughout the state. The office also oversees a signal maintenance program which funds 50 percent of the cost of maintaining signal equipment at about 2,500 highway/rail crossings.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Regulation of Public Utilities

Goal: Assist disabled customers in obtaining affordable access to a basic set of essential telecommunications services.

Objective/Activity: Increase participation in the Telecommunications Equipment Purchase Program (TEPP) by 15 to 25 percent over the previous biennium; increase the expenditures for TEPP to levels that more closely approximate an annual budget of \$1.55 million; and determine if expenditures for TEPP outreach efforts provided in the form of grant(s) to individuals in fiscal year 2000-01, were cost-effective and contributed to increased program use.

Goal: Ensure that the Medical Telecommunications Equipment Program (MTEP) provides medical clinics and health agencies with the funding to provide the medically enhanced services as passed by the Legislature in 1999 Wisconsin Act 9.

Objective/Activity: Ensure MTEP has sufficient applicants and that grants are awarded on a competitive basis; and ensure the annual budget is expended to meet the stated goals of MTEP and continuing education is provided to potential future grant applicants.

Goal: Provide utility consumers with assistance to resolve complaints.

Objective/Activity: Provide utility consumers with a process for mediating disputes regarding utility service.

Goal: Ensure the provision of safe gas pipeline services.

Objective/Activity: Reduce the risk of loss of life or property due to pipeline operator error or negligence and maintain compliance with state and federal rules and laws associated with pipeline safety.

PERFORMANCE MEASURES

HISTORICAL DATA

Prog. No.	Performance Measure	Actual 2000
1.	Increase participation in TEPP.	1,123
1.	Increase TEPP expenditures to \$1.5 million.	\$1.076 million
1.	Assess the cost-effectiveness of TEPP by looking at vouchers issued against vouchers not used within 90 days.	Vouchers issued 1,398; vouchers not used 275
1.	Survey to determine social service agencies' program knowledge of TEPP.	N/A
1.	Market the telemedicine program to encourage participation.	No program
1.	Maximize number of MTEP applications.	No grants
1.	Meet MTEP expenditure goals of \$500,000.	No program
1.	Increase the number of complaints resolved to customers' satisfaction. ¹	83%
1.	Increase the amount of money recovered for customers. ¹	\$730,000
1.	Number of incidents resulting in loss of life or property. ¹	0
1.	Number of miles of substandard piping replaced or rehabilitated each year. ¹	23
1.	Percent of pipeline safety units in compliance within 45 days. ¹	75%
1.	Number of violations found per year. ¹	139

Note: Based on fiscal year.

¹Based on calendar year.

2001 AND 2002 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2001	Actual 2001	Goal 2002	Actual 2002
1.	Increase participation in TEPP. ²	25% over actual prior year	3,917	25% over actual prior year	4,440
1.	Increase TEPP expenditures to \$1.5 million. ²	\$1.2 million	\$1.674 million	\$1.5 million	\$1.576 million
1.	Assess the cost-effectiveness of TEPP by looking at vouchers issued against vouchers not used within 90 days. ²	N/A	Vouchers issued 4,999; vouchers not used 1,082	N/A	Vouchers issued 5,408; vouchers not used 968
1.	Survey to determine social service agencies' program knowledge of TEPP. ²	N/A	N/A	N/A	Survey in FY03
1.	Market the telemedicine program to encourage participation. ³	20 entities	13 applied	20 entities	25 applied
1.	Maximize number of MTEP applications. ³	6 apps.; 5 grants	13 grants	10 apps.; 5 grants	10 grants
1.	Meet MTEP expenditure goals of \$500,000. ³	\$400,000	\$500,000	\$500,000	\$500,000
1.	Increase the number of complaints resolved to customers' satisfaction. ^{1,4}	75%	85%	80%	N/A
1.	Increase the amount of money recovered for customers. ^{1,4}	\$400,000	\$1,194 million	\$900,000	N/A
1.	Number of incidents resulting in loss of life or property. ^{1,5}	0	1	0	N/A
1.	Number of miles of substandard piping replaced or rehabilitated each year. ^{1,5}	50	8	6	N/A
1.	Percent of pipeline safety units in compliance within 45 days. ^{1,5}	80%	97%	80%	N/A
1.	Number of violations found per year. ^{1,5}	104	128	100	N/A

Note: Based on fiscal year.

¹Based on calendar year. Data for actual 2002 is not available.

²Participation rates have increased significantly from receiving a total of 1,136 TEPP applications in 1998 to receiving 5,501 applications in fiscal year 2001-02. This represents a 484 percent increase in TEPP applications received.

Expenditures for used TEPP vouchers have increased dramatically over the past five years. There was significant growth in expenditures from \$386,938 in 1998 to \$1,674,610 in fiscal year 2000-01. There was a slight decrease in expenditures in fiscal year 2001-02 when dollars spent for vouchers was \$1,575,936.

³Three rounds of grant announcements have been conducted; two the first year of the grant program (fiscal year 2000-01) and one the second year (fiscal year 2001-02). The following results occurred:

Fiscal Year	Applications Received	Grant Dollars Requested	Applications Approved	Grant Dollars Approved
2001 (round 1)	6	\$559,402	5	\$340,363
2001 (round 2)	7	\$290,529	5	\$159,637
2002	25	\$2,029,951	13	\$500,000

The MTEP for fiscal year 2002-03 was announced and applications were due September 2002.

⁴Approximately 83 percent of the complaints were resolved to the customer's satisfaction in 2000 and 85 percent in 2001.

A total of \$729,838 was recovered for customers in 2000 and \$1,194,181 in 2001.

⁵In 2001, commission staff spent 372 days in the field doing inspections. This was an eight percent increase over the previous year. During 2001 there was one incident involving a fatality as a result of a gas explosion. This involved a case of someone digging without calling Diggers Hotline. This was the first fatality in the state involving a gas explosion since 1990.

In 2001, approximately eight miles of bare steel pipeline were replaced. Bare steel represents the greatest potential for leaks of piping in the state. At the end of the calendar year, there were approximately 11 miles left in the state.

In 2001, approximately 97 percent of the violations found by the inspection team were corrected within 45 days or are incapable of being corrected. The other three percent were violations that require the utility to perform considerable work to correct or are a result of weather dependent work being scheduled.

For 2001, commission staff found 128 probable violations. This is well within the federal guidelines which call for a minimum of 13 probable violations during that time period.

2003, 2004 AND 2005 GOALS

Prog. No.	Performance Measure	Goal 2003	Goal 2004	Goal 2005
1.	Increase participation in TEPP. ²	20% over actual FY02	FY03	FY04
1.	Increase TEPP expenditures to \$1.5 million. ²	\$1.5 million	\$1.5 million	\$1.5 million
1.	Assess the cost-effectiveness of TEPP by looking at vouchers issued against vouchers not used within 90 days. ²	Based on actuals	Based on actuals	Based on actuals
1.	Survey to determine social service agencies' program knowledge of TEPP. ²	Determine survey results	N/A	N/A
1.	Market the telemedicine program to encourage participation. ³	25 entities	25 entities	25 entities
1.	Maximize number of MTEP applications. ³	10 grants	10 grants	10 grants
1.	Meet MTEP expenditure goals of \$500,000. ³	\$500,000	\$500,000	\$500,000
1.	Increase the number of complaints resolved to customers' satisfaction. ^{1,3}	80%	80%	80%
1.	Increase the amount of money recovered for customers. ^{1,3}	\$900,000	\$1 million	\$1 million
1.	Number of incidents resulting in loss of life or property. ^{1,4}	0	0	0
1.	Number of miles of substandard piping replaced or rehabilitated each year. ^{1,4}	5	N/A	N/A
1.	Percent of pipeline safety units in compliance within 45 days. ^{1,4}	80%	85%	85%
1.	Number of violations found per year. ^{1,4}	100	100	100

Note: Based on fiscal year.

¹Based on calendar year.

²The performance measures for this program will remain the same for the upcoming biennium with the exception of the survey section.

³The performance measures for this program will remain the same for the upcoming biennium.

⁴The performance measures for this program will remain the same for the upcoming biennium with the exception of the number of miles of substandard piping replaced or rehabilitated.

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Budget Efficiency Measures
2. Budget Reorganization – Office of the Commissioner of Railroads
3. Standard Budget Adjustments

ITEMS NOT APPROVED

4. Increase in Supplies and Services
5. File Maintenance Position Reallocations

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY02	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY04	FY05	FY04	FY05
FEDERAL REVENUE (1)	\$237.3	\$162.4	\$168.6	\$168.6	\$168.6	\$168.6
State Operations	237.3	162.4	168.6	168.6	168.6	168.6
PROGRAM REVENUE (2)	14,058.9	15,592.1	16,240.3	16,242.9	15,631.5	15,162.0
State Operations	14,058.9	14,842.1	15,490.3	15,492.9	14,881.5	14,412.0
Aids to Ind. & Org.		750.0	750.0	750.0	750.0	750.0
SEGREGATED REVENUE (3)	4,151.2	6,880.0	5,000.0	6,000.0	5,000.0	6,000.0
Aids to Ind. & Org.	4,151.2	6,880.0	5,000.0	6,000.0	5,000.0	6,000.0
TOTALS-ANNUAL	18,447.4	22,634.5	21,408.9	22,411.5	20,800.1	21,330.6
State Operations	14,296.2	15,004.5	15,658.9	15,661.5	15,050.1	14,580.6
Aids to Ind. & Org.	4,151.2	7,630.0	5,750.0	6,750.0	5,750.0	6,750.0

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Funding Source (in FTE positions) (4)

	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY04	FY05	FY04	FY05
FEDERAL REVENUE (1)	1.00	1.00	1.00	1.00	1.00
PROGRAM REVENUE (2)	190.50	187.50	187.50	183.50	172.50
TOTALS-ANNUAL	191.50	188.50	188.50	184.50	173.50

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(4) All positions are State Operations unless otherwise specified

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY02	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY04	FY05	FY04	FY05
1. Regulation of public utilities	\$17,993.6	\$22,075.8	\$20,800.1	\$21,802.7	\$20,800.1	\$21,330.6
2. Office of the commissioner of railroads	453.8	558.7	608.8	608.8		
TOTALS	18,447.4	22,634.5	21,408.9	22,411.5	20,800.1	21,330.6

Table 4
Department Position Summary by Program (in FTE positions) (4)

	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY04	FY05	FY04	FY05
1. Regulation of public utilities	184.50	181.50	181.50	184.50	173.50
2. Office of the commissioner of railroads	7.00	7.00	7.00		
TOTALS	191.50	188.50	188.50	184.50	173.50

(4) All positions are State Operations unless otherwise specified

1. Budget Efficiency Measures

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	0	0.00	-472,100	-11.00
TOTAL	0	0.00	0	0.00	0	0.00	-472,100	-11.00

The Governor recommends reducing expenditure and position authority in the commission's state operations appropriations in the amounts shown to create additional operational efficiencies by eliminating positions.

2. Budget Reorganization – Office of the Commissioner of Railroads

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-588,800	-7.00	-588,800	-7.00
TOTAL	0	0.00	0	0.00	-588,800	-7.00	-588,800	-7.00

The Governor recommends eliminating the Office of the Commissioner of Railroads and transferring 4.0 FTE positions to the Department of Transportation to consolidate the regulation of railroad crossings and to create operational efficiencies. As part of the transfer, the Department of Transportation would be authorized to regulate the safety and management of railroad crossings and signals. The Governor further recommends consolidating the office's hearing functions into the Department of Administration's Division of Hearings and Appeals. See Department of Transportation, Item #2, and Department of Administration, Item #9.

3. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	6,200	0.00	6,200	0.00	6,200	0.00	6,200	0.00
PR-O	628,200	-3.00	630,800	-3.00	628,200	0.00	630,800	0.00
SEG-O	-1,880,000	0.00	-880,000	0.00	-1,880,000	0.00	-880,000	0.00
TOTAL	-1,245,600	-3.00	-243,000	-3.00	-1,245,600	0.00	-243,000	0.00

The Governor recommends adjusting the commission's base budget for: (a) turnover reduction (-\$259,800 in each year); (b) removal of noncontinuing elements from the base (-\$1,975,000 in FY04 and -\$975,000 in FY05); (c) full funding of continuing position salaries and fringe benefits (\$920,000 in each year); (d) reclassifications and semiautomatic pay progression (\$2,600 in FY05); and (e) fifth week of vacation as cash (\$69,200 in each year).

ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Public Service Commission.

Decision Item	Source of Funds	FY04		FY05	
		Dollars	Positions	Dollars	Positions
4. Increase in Supplies and Services	PR-O	20,000	0.00	20,000	0.00
5. File Maintenance Position Reallocations	PR-O	0	0.00	0	0.00
TOTAL OF ITEMS NOT APPROVED	PR-O	20,000	0.00	20,000	0.00