

## PUBLIC SERVICE COMMISSION

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY07 Adjusted Base	FY08 Recommended	% Change Over FY07	FY09 Recommended	% Change Over FY08
PR-F	203,600	215,100	5.6	215,100	0.0
PR-O	17,191,700	17,794,200	3.5	17,794,200	0.0
SEG-O	9,026,400	9,402,800	4.2	9,402,800	0.0
<b>TOTAL</b>	<b>26,421,700</b>	<b>27,412,100</b>	<b>3.7</b>	<b>27,412,100</b>	<b>0.0</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY07 Adjusted Base	FY08 Recommended	FTE Change From FY07	FY09 Recommended	FTE Change From FY08
PR-F	1.00	1.00	0.00	1.00	0.00
PR-O	157.00	156.00	-1.00	156.00	0.00
SEG-O	0.00	5.00	5.00	5.00	0.00
<b>TOTAL</b>	<b>158.00</b>	<b>162.00</b>	<b>4.00</b>	<b>162.00</b>	<b>0.00</b>

### AGENCY DESCRIPTION

The commission is an independent utility regulatory agency dedicated to serving the public interest. The commission regulates electric, natural gas, telephone, water, and combined water and sewer utilities. More than 1,200 utilities are under the agency'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 is organized along industry and administrative lines into four operating divisions.

The commission also provides administrative support for the Office of the Commissioner of Railroads, 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 the 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 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: Maintain participation in the Telecommunications Equipment Purchase Program (TEPP) from previous biennium levels; maintain the expenditures for TEPP at levels that approximate an annual budget of \$2 million; and determine what program changes are needed to maintain TEPP activity levels.

Goal: Ensure that the Medical Telecommunications Equipment Program (MTEP) provides medical clinics and health agencies with the funding to provide technologically advanced medical 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

### 2005 AND 2006 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2005	Actual 2005	Goal 2006	Actual 2006
1.	Maintain participation levels in TEPP.	10,000 vouchers issued	9,901 vouchers issued	10,000 vouchers issued	7,321 issued to date
1.	Maintain TEPP expenditures at about \$2 million.	\$2 million	\$2,394,099	\$2 million	\$1,315,414 to date
1.	Work with social service agencies and organizations to improve their program knowledge of TEPP. <sup>2</sup>	TEPP committee meets 2-3 times	Met twice	TEPP committee meets 2-3 times	Did not meet
1.	Market the telemedicine program to encourage participation.	20 entities	None	20 entities	37 entities
1.	Diversify location and type of MTEP applications.	Statewide	0	5 different types	5
1.	Meet MTEP expenditure goals of \$500,000. <sup>2</sup>	\$500,000	\$0	\$500,000	\$500,000

Prog. No.	Performance Measure	Goal 2005	Actual 2005	Goal 2006	Actual 2006
1.	Increase the percentage of complaints resolved to customers' satisfaction. <sup>1</sup>	80%	85%	85%	Not available
1.	Increase the amount of money recovered for customers. <sup>1</sup>	\$1 million	\$354,484	\$1 million	Not available
1.	Number of incidents resulting in loss of life or property. <sup>1</sup>	0	1	0	1 to date
1.	Percentage of pipeline safety units in compliance within 45 days. <sup>1</sup>	85%	87%	85%	Not available
1.	Number of violations found per year. <sup>1</sup>	100	122	100	Not available

Note: Based on fiscal year.

<sup>1</sup>Based on calendar year.

<sup>2</sup>Funding was not available in FY05.

#### 2007, 2008 AND 2009 GOALS

Prog. No.	Performance Measure	Goal 2007	Goal 2008	Goal 2009
1.	Maintain participation levels in TEPP.	10,000 vouchers issued	8,000	8,000
1.	Maintain TEPP expenditures at about \$2 million.	\$2 million	\$1.6 million	\$1.6 million
1.	Work with social service agencies and organizations to improve their program knowledge of TEPP.	TEPP committee meets 2-3 times	Outreach or TEPP Meetings 2-3 times	Outreach or TEPP Meetings 2-3 times
1.	Market the telemedicine program to encourage participation.	20 entities	20	20
1.	Diversify location and type of MTEP applications.	Statewide and 5 different types	Statewide and 5 different types	Statewide and 5 different types
1.	Meet MTEP expenditure goals of \$500,000.	\$500,000	\$500,000	\$500,000
1.	Increase the percentage of complaints resolved to customers' satisfaction. <sup>1</sup>	85%	85%	85%
1.	Increase the amount of money recovered for customers. <sup>1</sup>	\$1 million	\$500,000	\$500,000
1.	Number of incidents resulting in loss of life or property. <sup>1</sup>	0	0	0
1.	Percentage of pipeline safety units in compliance within 45 days. <sup>1</sup>	85%	85%	85%
1.	Number of violations found per year. <sup>1</sup>	100	100	100

Note: Based on fiscal year.

<sup>1</sup>Based on calendar year.

## **PUBLIC SERVICE COMMISSION**

### **GOVERNOR'S BUDGET RECOMMENDATIONS**

#### **RECOMMENDATIONS**

1. Focus on Energy Program Transfer
2. Removal of Cap on Universal Service Fund
3. Delete Long-Term Vacancy
4. Sunset of E911 Grants Program
5. Standard Budget Adjustments

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

	ACTUAL FY06	ADJUSTED BASE FY07	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY08	FY09	FY08	FY09
FEDERAL REVENUE (1)	\$286.8	\$203.6	\$215.1	\$215.1	\$215.1	\$215.1
State Operations	286.8	203.6	215.1	215.1	215.1	215.1
PROGRAM REVENUE (2)	15,233.8	17,191.7	17,921.8	17,921.8	17,794.2	17,794.2
State Operations	14,713.4	16,441.7	17,171.8	17,171.8	17,044.2	17,044.2
Aids to Ind. & Org.	520.4	750.0	750.0	750.0	750.0	750.0
SEGREGATED REVENUE (3)	10,028.5	9,026.4	9,026.4	9,026.4	9,402.8	9,402.8
State Operations	4,271.5	3,026.4	3,026.4	3,026.4	3,402.8	3,402.8
Aids to Ind. & Org.	5,757.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
TOTALS-ANNUAL	25,549.1	26,421.7	27,163.3	27,163.3	27,412.1	27,412.1
State Operations	19,271.7	19,671.7	20,413.3	20,413.3	20,662.1	20,662.1
Aids to Ind. & Org.	6,277.4	6,750.0	6,750.0	6,750.0	6,750.0	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 FY07	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY08	FY09	FY08	FY09
FEDERAL REVENUE (1)	1.00	1.00	1.00	1.00	1.00
PROGRAM REVENUE (2)	157.00	157.00	157.00	156.00	156.00
SEGREGATED REVENUE (3)				5.00	5.00
TOTALS-ANNUAL	158.00	158.00	158.00	162.00	162.00

(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

(4) All positions are State Operations unless otherwise specified

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

	ACTUAL FY06	ADJUSTED BASE FY07	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY08	FY09	FY08	FY09
1. Regulation of public utilities	\$20,718.4	\$22,892.8	\$23,532.6	\$23,532.6	\$23,532.6	\$23,532.6
2. Office of the commissioner of railroads	559.2	502.5	604.3	604.3	476.7	476.7
3. Affiliated grant programs	4,271.5	3,026.4	3,026.4	3,026.4	3,402.8	3,402.8
<b>TOTALS</b>	<b>25,549.1</b>	<b>26,421.7</b>	<b>27,163.3</b>	<b>27,163.3</b>	<b>27,412.1</b>	<b>27,412.1</b>

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

	ADJUSTED BASE FY07	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY08	FY09	FY08	FY09
1. Regulation of public utilities	152.00	152.00	152.00	152.00	152.00
2. Office of the commissioner of railroads	6.00	6.00	6.00	5.00	5.00
3. Affiliated grant programs				5.00	5.00
<b>TOTALS</b>	<b>158.00</b>	<b>158.00</b>	<b>158.00</b>	<b>162.00</b>	<b>162.00</b>

(4) All positions are State Operations unless otherwise specified

**1. Focus on Energy Program Transfer**

Source of Funds	Agency Request				Governor's Recommendation			
	FY08		FY09		FY08		FY09	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	376,400	5.00	376,400	5.00
TOTAL	0	0.00	0	0.00	376,400	5.00	376,400	5.00

The Governor recommends transferring the Focus on Energy program from the Department of Administration to the commission in order to implement the Energy Efficiency and Renewable Resource program.

**2. Removal of Cap on Universal Service Fund**

The Governor recommends removing the statutory cap of \$6 million on the commission's portion of the universal service fund.

**3. Delete Long-Term Vacancy**

Source of Funds	Agency Request				Governor's Recommendation			
	FY08		FY09		FY08		FY09	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	78,100	0.00	78,100	0.00	-49,500	-1.00	-49,500	-1.00
TOTAL	78,100	0.00	78,100	0.00	-49,500	-1.00	-49,500	-1.00

The Governor recommends eliminating a railroad safety analyst-principal position that has been vacant for 52 months.

**4. Sunset of E911 Grants Program**

The Governor recommends allowing the wireless E911 Grants Program to sunset.

**5. Standard Budget Adjustments**

Source of Funds	Agency Request				Governor's Recommendation			
	FY08		FY09		FY08		FY09	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	11,500	0.00	11,500	0.00	11,500	0.00	11,500	0.00
PR-O	652,000	0.00	652,000	0.00	652,000	0.00	652,000	0.00
TOTAL	663,500	0.00	663,500	0.00	663,500	0.00	663,500	0.00

The Governor recommends adjusting the commission's base budget for: (a) turnover reduction (-\$266,000 in each year); (b) full funding of continuing position salaries and fringe benefits (\$929,500 in each year); and (c) minor transfers within the same alpha appropriation.