

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY09 Adjusted Base	FY10 Recommended	% Change Over FY09	FY11 Recommended	% Change Over FY10
PR-F	217,600	46,863,800	21,436.7	93,432,600	99.4
PR-O	18,435,300	18,095,600	-1.8	18,095,600	0.0
SEG-O	9,411,900	22,890,100	143.2	39,496,900	72.6
TOTAL	28,064,800	87,849,500	213.0	151,025,100	71.9

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY09 Adjusted Base	FY10 Recommended	FTE Change From FY09	FY11 Recommended	FTE Change From FY10
PR-F	1.00	21.80	20.80	21.80	0.00
PR-O	156.00	155.00	-1.00	155.00	0.00
SEG-O	5.00	9.00	4.00	9.00	0.00
TOTAL	162.00	185.80	23.80	185.80	0.00

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 4,100 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 1,800 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.

Program 3: Affiliated Grant Programs

With the passage of 2005 Wisconsin Act 141, activities related to the Focus on Energy program were moved to the Public Service Commission effective July 1, 2007. The law requires the commission to establish program goals, priorities and measures after completion of a planning docket in the summer of 2009. The previous goals were established by the Department of Administration and are not appropriate for 2008 - 2011.

PERFORMANCE MEASURES

2007 AND 2008 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2007	Actual 2007	Goal 2008	Actual 2008
1.	Maintain participation levels in TEPP.	10,000 vouchers issued	6,019	8,000	10,314
1.	Maintain TEPP expenditures at about \$2 million.	\$2 million	1.5 million	\$1.6 million	1.8 million
1.	Work with social service agencies and organizations to improve their program knowledge of TEPP.	TEPP committee meets 2-3 times	0	Outreach or TEPP meetings 2-3 times	1

Prog. No.	Performance Measure	Goal 2007	Actual 2007	Goal 2008	Actual 2008
1.	Market the telemedicine program to encourage participation.	20 entities	25 entities	20 entities	36 entities
1.	Diversify location and type of MTEP applications.	Statewide and 5 different types	Various parts of state – 21 counties and 6 types	Statewide and 5 different types	Various parts of state – 26 counties and 6 types
1.	Meet MTEP expenditure goals of \$500,000.	\$500,000	\$500,000	\$500,000	\$422,427
1.	Increase the percentage of complaints resolved to customers' satisfaction. ¹	85%	56%	85%	64%
1.	Increase the amount of money recovered for customers. ¹	\$1 million	\$147,565	\$500,000	\$87,407
1.	Number of incidents resulting in loss of life or property. ¹	0	1	0	1
1.	Percentage of pipeline safety units in compliance within 45 days. ¹	85%	90%	85%	80%
1.	Number of violations found per year. ¹	100	53	100	15
3.	Improve business and residential energy efficiency and participation. ²				
	Kilowatt-hours saved	198,676,175	248,700,000		
	Kilowatts saved	30,317	42,051		
	Therms saved	7,885,212	15,561,780		
3.	Reduce major air pollutant emissions. ²				
	Nitrogen oxide	566 tons	314 tons ³		
	Sulfur dioxide	1,212 tons	461 tons		
	Carbon dioxide	266,262 tons	301,499 tons		
	Mercury	9.72 lbs	3.83 lbs.		
3.	Enhance economic development. ²				
	Jobs created	886	1,417		
	Disposable income increase	\$15,457,006	\$85,000,000		
	Business sales increase	\$64,569,757	\$181,000,000		

Note: Based on fiscal year.

¹Based on calendar year.

²With the passage of 2005 Wisconsin Act 141, activities related to the Focus on Energy program were moved to the Public Service Commission effective July 1, 2007. The law requires the commission to establish program goals, priorities and measures after completion of a planning docket in the summer of 2009. The previous goals were established by the Department of Administration and are not appropriate for 2008 - 2011.

³Reflects new emissions rates.

2009, 2010 AND 2011 GOALS

Prog. No.	Performance Measure	Goal 2009	Goal 2010	Goal 2011
1.	Maintain participation levels in TEPP.	8,000	8,000	8,000
1.	Maintain TEPP expenditures at about \$2 million.	\$1.6 million	\$1.8 million	\$1.8 million
1.	Work with social service agencies and organizations to improve their program knowledge of TEPP.	Outreach or TEPP meetings 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 entities	20 entities
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. ¹	85%	85%	85%
1.	Increase the amount of money recovered for customers. ¹	\$500,000	\$350,000	\$350,000
1.	Number of incidents resulting in loss of life or property. ¹	0	0	0
1.	Percentage of pipeline safety units in compliance within 45 days. ¹	85%	85%	85%
1.	Number of violations found per year. ¹	100	100	100

Note: Based on fiscal year.

¹Based on calendar year.

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Across-the-Board 1 Percent Reductions
2. Division of Energy Services Transfer
3. Immediate Savings Energy Efficiency Programs
4. Emergency Services Funding
5. Increase Federal Funding
6. Attorney Reorganization
7. Standard Budget Adjustments

ITEMS NOT APPROVED

8. Pay Range Upgrade

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

	ACTUAL FY08	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		BASE FY09	FY10	FY11	FY10	FY11
FEDERAL REVENUE (1)	\$327.2	\$217.6	\$294.9	\$294.9	\$46,863.8	\$93,432.6
State Operations	327.2	217.6	294.9	294.9	1,863.8	3,432.6
Local Assistance					45,000.0	90,000.0
PROGRAM REVENUE (2)	16,280.6	18,435.3	18,300.7	18,312.5	18,095.6	18,095.6
State Operations	15,585.4	17,685.3	17,550.7	17,562.5	17,353.1	17,353.1
Aids to Ind. & Org.	695.2	750.0	750.0	750.0	742.5	742.5
SEGREGATED REVENUE (3)	8,621.5	9,411.9	6,474.3	6,474.3	22,890.1	39,496.9
State Operations	3,159.8	3,411.9	474.3	474.3	6,700.1	13,056.9
Aids to Ind. & Org.	5,461.7	6,000.0	6,000.0	6,000.0	16,190.0	26,440.0
TOTALS-ANNUAL	25,229.3	28,064.8	25,069.9	25,081.7	87,849.5	151,025.1
State Operations	19,072.4	21,314.8	18,319.9	18,331.7	25,917.0	33,842.6
Local Assistance					45,000.0	90,000.0
Aids to Ind. & Org.	6,156.9	6,750.0	6,750.0	6,750.0	16,932.5	27,182.5

(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	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
	BASE FY09	FY10	FY11	FY10	FY11
FEDERAL REVENUE (1)	1.00	1.00	1.00	21.80	21.80
PROGRAM REVENUE (2)	156.00	156.00	156.00	155.00	155.00
SEGREGATED REVENUE (3)	5.00	5.00	5.00	9.00	9.00
TOTALS-ANNUAL	162.00	162.00	162.00	185.80	185.80

(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 FY08	ADJUSTED BASE FY09	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY10	FY11	FY10	FY11
1. Regulation of public utilities	\$21,609.5	\$24,165.6	\$24,079.6	\$24,091.0	\$23,829.0	\$23,828.9
2. Office of the commissioner of railroads	460.0	487.3	516.0	516.4	501.5	501.6
3. Other programs	3,159.8	3,411.9	474.3	474.3	63,519.0	126,694.6
TOTALS	25,229.3	28,064.8	25,069.9	25,081.7	87,849.5	151,025.1

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

	ADJUSTED BASE FY09	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY10	FY11	FY10	FY11
1. Regulation of public utilities	152.00	152.00	152.00	151.00	151.00
2. Office of the commissioner of railroads	5.00	5.00	5.00	5.00	5.00
3. Other programs	5.00	5.00	5.00	29.80	29.80
TOTALS	162.00	162.00	162.00	185.80	185.80

(4) All positions are State Operations unless otherwise specified

1. Across-the-Board 1 Percent Reductions

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-184,400	0.00	-184,400	0.00
SEG-O	0	0.00	0	0.00	-191,000	0.00	-191,000	0.00
TOTAL	0	0.00	0	0.00	-375,400	0.00	-375,400	0.00

The Governor recommends reducing most nonfederal appropriations by 1 percent to create additional efficiencies and balance the budget.

2. Division of Energy Services Transfer

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	0	0.00	0	0.00	46,568,900	20.80	93,137,700	20.80
SEG-O	0	0.00	0	0.00	16,606,800	4.00	33,213,600	4.00
TOTAL	0	0.00	0	0.00	63,175,700	24.80	126,351,300	24.80

The Governor recommends transferring the administration of low-income home energy assistance grants, weatherization and public benefits from the Department of Administration to the commission in order to consolidate the state's energy services and maximize expertise and efficiencies. See Department of Administration, Item #8.

3. Immediate Savings Energy Efficiency Programs

The Governor recommends authorizing the creation of immediate savings energy efficiency programs. These programs would support energy efficiency improvements to residences, which would be financed by a loan from a Wisconsin energy utility or other party. The loan would be repaid from a portion of the energy-related savings recognized on the customer's bill.

4. Emergency Services Funding

The Governor recommends providing funding from the balance in the wireless 911 fund to offset a GPR cut to shared revenue in FY10. Shared Revenue and Tax Relief, Item #3.

5. Increase Federal Funding

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	75,000	0.00	75,000	0.00	75,000	0.00	75,000	0.00
TOTAL	75,000	0.00	75,000	0.00	75,000	0.00	75,000	0.00

The Governor recommends adjusting expenditure authority for gas pipeline safety to reflect projected revenues.

6. Attorney Reorganization

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	0	-1.00	0	-1.00
TOTAL	0	0.00	0	0.00	0	-1.00	0	-1.00

The Governor recommends improving the provision of state legal services by reorganizing certain vacant attorneys and legal support staff under the secretary of the Department of Administration on July 1, 2009. The Department of Administration secretary will determine the assignment of attorneys to perform enterprise legal services. To achieve this, the Governor recommends transferring 1.0 FTE vacant position to the Department of Administration. The Governor further recommends retaining the funding associated with this position in the commission to purchase legal services from the Department of Administration. See Department of Administration, Item #4.

7. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY10		FY11		FY10		FY11	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	2,300	0.00	2,300	0.00	2,300	0.00	2,300	0.00
PR-O	-143,900	0.00	-132,100	0.00	-155,300	0.00	-155,300	0.00
SEG-O	-2,937,600	0.00	-2,937,600	0.00	-2,937,600	0.00	-2,937,600	0.00
TOTAL	-3,079,200	0.00	-3,067,400	0.00	-3,090,600	0.00	-3,090,600	0.00

The Governor recommends adjusting the commission's base budget for: (a) turnover reduction (-\$288,000 in each year); (b) removal of noncontinuing elements from the base (-\$3,034,700 in each year); (c) full funding of continuing position salaries and fringe benefits (\$241,800 in each year); (d) full funding of lease and directed moves costs (-\$9,700 in each year); and (e) minor transfers within the same alpha appropriation.

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	FY10		FY11	
		Dollars	Positions	Dollars	Positions
8. Pay Range Upgrade	PR-O	9,300	0.00	9,300	0.00
TOTAL OF ITEMS NOT APPROVED	PR-O	9,300	0.00	9,300	0.00