

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY11 Adjusted Base	FY12 Recommended	% Change Over FY11	FY13 Recommended	% Change Over FY12
PR-F	291,000	588,000	102.1	588,000	0.0
PR-O	18,202,900	16,834,800	-7.5	16,834,800	0.0
SEG-O	6,558,300	6,559,100	0.0	6,559,100	0.0
TOTAL	25,052,200	23,981,900	-4.3	23,981,900	0.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY11 Adjusted Base	FY12 Recommended	FTE Change From FY11	FY13 Recommended	FTE Change From FY12
PR-F	5.00	5.00	0.00	5.00	0.00
PR-O	156.00	141.00	-15.00	141.00	0.00
SEG-O	6.00	5.00	-1.00	5.00	0.00
TOTAL	167.00	151.00	-16.00	151.00	0.00

AGENCY DESCRIPTION

The commission is an independent utility regulatory agency dedicated to serving the public interest. The commission works to ensure that in the absence of competition, adequate and reasonably priced service is provided to utility customers. The types of utilities regulated include electric, natural gas, water, combined water and sewer, and certain aspects of local telephone service. More than 1,100 utilities are under the agency's jurisdiction. Most of these must obtain commission approval before setting new rates, issuing stocks or bonds, or undertaking major construction projects, such as power plants, water wells and transmission lines.

The commission is composed of three full-time commissioners who decide the cases brought to the commission for changes in utility operations, rates, and for construction projects after a complete and thorough review of all the records compiled in the case, including public comments. Commissioners are appointed by the Governor with the advice and consent of the Senate for staggered six-year terms. One of these commissioners is appointed chairperson by the Governor for a two-year term. The commissioners' office, under the direction of the chairperson, has oversight of all staff-related activities.

In keeping with its commitment to quality management principles, the commission is organized along industry and administrative lines into four operating divisions: Division of Administrative Services; Division of Water, Compliance and Consumer Affairs; Telecommunications Division; and Gas and Energy Division. Commission staff consists of auditors, accountants, engineers, rate analysts, attorneys, planners, research analysts, economists, consumer analysts, consumer specialists, court reporters, and paraprofessional and administrative support personnel. These experts work in an advisory role to the commissioners.

The primary function of the Office of the Commissioner of Railroads is to serve as the quasi-judicial agency which determines the public safety and convenience at over 4,100 rail-highway crossings in Wisconsin. The office also retains authority over the rates and services of intrastate water carriers.

The Office of the Commissioner of Railroads is attached to the commission for administrative purposes. The office conducts formal investigations and public hearings based on the petition of a highway authority (including the Department of Transportation), railroad, water carrier or on the commissioner's own motion. At the end of an investigation, and public hearing if required, the commissioner issues an order on such matters as establishing a new crossing, closing a crossing, altering a crossing, repairing a rough crossing, correcting drainage issues, allowing exemptions for clearances and, most often, installing warning devices. The office's orders are legally binding. The establishment of new crossings, closure of crossings and alteration of crossings all require the office's approval beforehand, as does the right to operate as a water carrier.

The office oversees a federal and state funding program that fully funds approximately 25 signal installations per year. The office allocates funding under a signal maintenance program which funds 50 percent of the cost of maintaining signal equipment at about 1,800 rail-highway crossings.

The office also has jurisdiction over a variety of railroad-related matters, such as drainage and fencing.

MISSION

The mission of the Public Service 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 ensure public safety and convenience in matters involving railroads, especially at rail-highway crossings, through a judiciary process. To fulfill its mission, the office investigates the adequacy of warning devices and the safety of the crossing itself, conducts hearings and issues legally binding orders regarding some 4,100 rail-highway crossings located throughout the state.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Note: Goals, objectives and activities have been modified.

Program 1: Regulation of Public Utilities

Goal: Assure safe, reliable and reasonably priced energy, water and telecommunications services are provided to Wisconsin's citizens and businesses.

Objective/Activity: Improve broadband service availability and usage information provided to Wisconsin consumers by conducting regular broadband inventory activities and maintaining the accuracy of Wisconsin's interactive broadband map.

Objective/Activity: Assure reasonably priced water service is provided to consumers by efficiently processing requests for water rate adjustments under s. 196.20, Wisconsin Statutes, and under the Simplified Rate Case process.

Objective/Activity: Assure telecommunications alternative regulation and price regulation plans are appropriately implemented by efficiently administering and monitoring plans' compliance with ss. 196.195 and 196.196, Wisconsin Statutes.

Objective/Activity: Assure appropriate service pricing by small telecommunications utilities by efficiently reviewing annual earnings.

Objective/Activity: Improve the safety of gas pipelines in Wisconsin by enforcing compliance with state and federal regulations through inspection and investigation activities.

Goal: Meet consumers' changing needs in Wisconsin's dynamic and competitive utility industry environment.

Objective/Activity: Increase participation of diverse groups in commission regulatory actions by providing consistent and prompt assistance to organizations applying for intervenor compensation.

Objective/Activity: Increase consumers' access to alternate telecommunications providers by effectively and efficiently certifying new applicants to telecommunications markets.

Objective/Activity: Facilitate consumers' access to competitive telecommunications providers by reviewing and approving interconnection agreements (ICAs) and arbitrating or mediating ICAs when providers cannot negotiate one.

Objective/Activity: Thoroughly investigate, resolve and respond to consumer complaints from utility customers.

Objective/Activity: Reduce the amount of incorrect and inappropriate utility billing to consumers through clear policies and utility education.

Goal: Foster innovative, cost-effective and conscientious methods of water distribution.

Objective/Activity: Provide timely water conservation-related information to water utility industry groups.

Objective/Activity: Enhance communications between the commission and water consumers and distributors through publication of the *PSC Water Currents* newsletter.

Program 2: Office of the Commissioner of Railroads

Goal: Protect the Wisconsin public by assuring safe rail-highway crossings are maintained in Wisconsin.

Objective/Activity: Ensure public safety at rail-highway crossings by conducting regular on-site visits of all 4,100 plus crossings in the state.

Objective/Activity: Streamline docket records by closing and archiving records as appropriate; electronically logging crossing surveys and photos, significantly reducing excess paperwork and redundant dockets; allowing for electronic transmissions on dockets; and converting paper files of landmark cases to electronic form and making them accessible to the public.

Objective/Activity: Improve public safety at rail-highway crossings by developing a signal installation program that schedules signal projects several years in advance.

Program 3: Other Programs

Goal: Assure quality utility services are provided in Wisconsin by facilitating the development of programs promoting energy efficiency.

Objective/Activity: Improve the likelihood of successful energy efficiency incentive programs by working with utilities to facilitate a broad distribution of request for proposals (RFPs) for business program subcontractors.

PERFORMANCE MEASURES

2009 AND 2010 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2009	Actual 2009	Goal 2010	Actual 2010
1.	Maintain participation levels in Telecommunications Equipment Purchase Program (TEPP).	8,000	8,721	8,000	10,500
1.	Maintain TEPP expenditures at about \$2 million.	\$1.6 million	\$1.7 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	3 TEPP Meetings	Outreach or TEPP Meetings 2-3 times	3 TEPP Meetings
1.	Market the telemedicine program to encourage participation.	20	18 applications	20	19 applications
1.	Diversify location and type of Medical Telecommunications Equipment Program (MTEP) applications.	Statewide and 5 different types	Statewide and 5 types	Statewide and 5 different types	Statewide and 6 types
1.	Meet MTEP expenditure goals of \$500,000.	\$500,000	\$500,000	\$500,000	\$500,000
1.	Increase the percentage of complaints resolved to customers' satisfaction.	85%	63%	85%	46%
1.	Increase the amount of money recovered for customers.	\$500,000	\$432,925	\$350,000	\$246,654
1.	Number of incidents resulting in loss of life or property. ¹	0	1	0	0
1.	Percentage of pipeline safety units in compliance within 45 days. ¹	85%	87%	85%	85%
1.	Number of violations found per year. ¹	100	64	100	68

Note: Based on the fiscal year.

¹Based on calendar year.

2011, 2012 AND 2013 GOALS

Prog. No.	Performance Measure	Goal 2011	Goal 2012	Goal 2013
1.	Frequency of updates to Wisconsin's broadband map.	Every 6 months	Every 6 months	Every 6 months
1.	Percent of water rate case dockets reviewed under s. 196.20, Wisconsin Statutes, in less than 120 days from filing date of application.	90%	90%	90%

Prog. No.	Performance Measure	Goal 2011	Goal 2012	Goal 2013
1.	Percent of water Simplified Rate Case dockets where a decision is issued in less than 45 days from filing date of application.	95%	95%	95%
1.	Percent of telecommunications annual price regulation reviews and percent of renewals of expiring alternative regulation plans processed per statutory deadlines and plan expirations.	100%	100%	100%
1.	Percent of small telecommunications utilities' annual earnings review completed within six months of report filing.	100%	100%	100%
1.	Percent pipeline safety units in compliance within 45 days. ¹	85%	86%	86%
1.	Number of gas pipeline safety violations each year. ¹	68	67	66
1.	Number of different organizations receiving intervenor compensation awards.	5	5	6
1.	Percent of alternate telecommunications provider applications reviewed and appropriate certifications issued within 60 days of receipt of completed applications.	95%	95%	95%
1.	Percent of interconnection agreement reviews completed within 45 days.	85%	85%	85%
1.	Percent of complaints with an informal determination provided within 30 days.	95%	95%	95%
1.	Percent reduction in the amount of money owed to utility customers from inappropriate billings.	5%	6%	7%
1.	Number of articles published in water industry newsletters.	3	3	3
1.	Number of speaking engagements scheduled at water industry or association meetings.	4	4	4
1.	Number of issues of <i>PSC Water Currents</i> published each fiscal year.	6	6	6
2.	Crossing surveys.	750 logged	750 logged	750 logged
2.	Close dockets in database.	200 closed	200 closed	200 closed
2.	Send paper files to archives.	12 boxes	12 boxes	12 boxes
2.	Electronic petitions and correspondence.	Develop	Complete	Improve implemented system

Prog. No.	Performance Measure	Goal 2011	Goal 2012	Goal 2013
2.	Full public access to database.	Develop	Complete	Improve implemented system
2.	Schedule signal projects.	To 2016	To 2018	To 2019
3.	Number of Web sites on which business program requests for proposals (RFPs) are posted.	5	5	5

Note: Based on the fiscal year.

¹Based on calendar year.

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Increase Employee Contributions to Pension and Health Insurance
2. Budget Efficiencies
3. Eliminate Long-Term Vacancies
4. Technical Modification
5. Annual Audit of Universal Service Funds
6. Convert Project Position to Permanent
7. Standard Budget Adjustments

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

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
FEDERAL REVENUE (1)	\$1,024.6	\$291.0	\$609.9	\$609.9	\$588.0	\$588.0
State Operations	1,024.6	291.0	609.9	609.9	588.0	588.0
PROGRAM REVENUE (2)	\$15,598.9	\$18,202.9	\$18,543.5	\$18,543.5	\$16,834.8	\$16,834.8
State Operations	15,228.5	17,160.4	17,501.0	17,501.0	15,792.3	15,792.3
Aids to Ind. & Org.	370.4	1,042.5	1,042.5	1,042.5	1,042.5	1,042.5
SEGREGATED REVENUE (3)	\$5,600.2	\$6,558.3	\$6,667.3	\$6,667.3	\$6,559.1	\$6,559.1
State Operations	435.0	618.3	727.3	727.3	619.1	619.1
Local Assistance	80.8	0.0	0.0	0.0	0.0	0.0
Aids to Ind. & Org.	5,084.4	5,940.0	5,940.0	5,940.0	5,940.0	5,940.0
TOTALS - ANNUAL	\$22,223.7	\$25,052.2	\$25,820.7	\$25,820.7	\$23,981.9	\$23,981.9
State Operations	16,688.1	18,069.7	18,838.2	18,838.2	16,999.4	16,999.4
Local Assistance	80.8	0.0	0.0	0.0	0.0	0.0
Aids to Ind. & Org.	5,454.8	6,982.5	6,982.5	6,982.5	6,982.5	6,982.5

(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 Program (in FTE positions) (4)

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
FEDERAL REVENUE (1)	5.00	5.00	5.00	5.00	5.00
PROGRAM REVENUE (2)	156.00	156.00	156.00	141.00	141.00
SEGREGATED REVENUE (3)	6.00	6.00	6.00	5.00	5.00
TOTALS - ANNUAL	167.00	167.00	167.00	151.00	151.00

(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 FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
1. Regulation of public utilities	\$21,154.1	\$23,864.3	\$24,480.9	\$24,480.9	\$22,779.8	\$22,779.8
2. Office of the commissioner of railroads	\$553.8	\$569.6	\$612.5	\$612.5	\$583.0	\$583.0
3. Other programs	\$515.8	\$618.3	\$727.3	\$727.3	\$619.1	\$619.1
TOTALS	\$22,223.7	\$25,052.2	\$25,820.7	\$25,820.7	\$23,981.9	\$23,981.9

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

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
1. Regulation of public utilities	155.00	155.00	155.00	140.00	140.00
2. Office of the commissioner of railroads	6.00	6.00	6.00	6.00	6.00
3. Other programs	6.00	6.00	6.00	5.00	5.00
TOTALS	167.00	167.00	167.00	151.00	151.00

(4) All positions are State Operations unless otherwise specified

1. Increase Employee Contributions to Pension and Health Insurance

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	0	0.00	0	0.00	-21,900	0.00	-21,900	0.00
PR-O	0	0.00	0	0.00	-772,400	0.00	-772,400	0.00
SEG-O	0	0.00	0	0.00	-28,200	0.00	-28,200	0.00
TOTAL	0	0.00	0	0.00	-822,500	0.00	-822,500	0.00

The Governor recommends increasing state employee contributions towards pension and health insurance costs. Employees will generally pay 50 percent of the total required retirement contribution, which for calendar year 2011 equals 5.8 percent of salary. The Governor further recommends increasing employee contributions for health insurance from approximately 6 percent of the premium to 12.6 percent of the premium. These modifications are necessary to bring state employee compensation in line with private sector employment and reduce compensation costs.

2. Budget Efficiencies

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-12,100	0.00	-12,100	0.00
TOTAL	0	0.00	0	0.00	-12,100	0.00	-12,100	0.00

The Governor recommends reducing funding, excluding salary and fringe benefits, in most GPR and PR appropriations by 10 percent to create additional efficiencies and balance the budget.

3. Eliminate Long-Term Vacancies

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-924,200	-15.00	-924,200	-15.00
SEG-O	0	0.00	0	0.00	-80,000	-1.00	-80,000	-1.00
TOTAL	0	0.00	0	0.00	-1,004,200	-16.00	-1,004,200	-16.00

The Governor recommends eliminating position authority and related funding for positions that have been vacant for longer than 12 months.

4. Technical Modification

The Governor recommends incorporating position changes related to budget repair legislation.

5. Annual Audit of Universal Service Funds

The Governor recommends requiring the Legislative Audit Bureau to audit at least one program funded by the universal service fund each fiscal year.

6. Convert Project Position to Permanent

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	23,100	1.00	0	0.00	23,100	1.00
TOTAL	0	0.00	23,100	1.00	0	0.00	23,100	1.00

The Governor recommends converting one agency liaison project position in the Office of the Commissioner of Railroads to a permanent administrative policy advisor position.

7. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	318,900	0.00	318,900	0.00	318,900	0.00	318,900	0.00
PR-O	340,600	0.00	317,500	-1.00	340,600	0.00	317,500	-1.00
SEG-O	109,000	0.00	109,000	0.00	109,000	0.00	109,000	0.00
TOTAL	768,500	0.00	745,400	-1.00	768,500	0.00	745,400	-1.00

The Governor recommends adjusting the commission's base budget for: (a) turnover reduction (-\$274,900 in each year); (b) removal of noncontinuing elements from the base (-\$23,100 and 1.0 FTE position in FY13); (c) full funding of continuing position salaries and fringe benefits (\$1,025,800 in each year); and (d) full funding of lease and directed moves costs (\$17,600 in each year).