

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY17 Adjusted Base	FY18 Recommended	% Change Over FY17	FY19 Recommended	% Change Over FY18
PR-F	2,344,200	2,683,800	14.5	2,684,000	0.0
PR-O	17,114,600	19,329,900	12.9	19,013,800	-1.6
SEG-O	6,519,600	6,514,900	-0.1	6,514,900	0.0
SEG-S	1,500,000	14,000,000	833.3	0	-100.0
TOTAL	27,478,400	42,528,600	54.8	28,212,700	-33.7

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY17 Adjusted Base	FY18 Recommended	FTE Change Over FY17	FY19 Recommended	FTE Change Over FY18
PR-F	10.25	10.25	0.00	10.25	0.00
PR-O	138.00	138.00	0.00	138.00	0.00
SEG-O	4.00	4.00	0.00	4.00	0.00
TOTAL	152.25	152.25	0.00	152.25	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 utilities, 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 changing rates or service terms, issuing stocks or bonds, or undertaking major construction projects such as power plants, water wells, natural gas distribution facilities and electricity transmission lines.

The commission is composed of three full-time commissioners who decide the cases brought to the commission for changes in utility operations and 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.

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In keeping with its commitment to quality management principles, the commission is organized along regulatory and programmatic lines into four operating divisions: Division of Business and Program Management; Division of Water, Telecommunications and Consumer Affairs; Division of Regional Energy Markets; and Division of Energy Regulation. Commission staff consists of auditors, accountants, engineers, analysts, attorneys, economists, consumer specialists 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 4,300 rail-highway crossings in Wisconsin. The office also retains authority over the rates and services of intrastate water carriers.

The office is attached to the commission for administrative purposes. The office conducts formal investigations and public hearings based on the petition of a highway authority, local government, 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 commissioner's orders are legally binding. The establishment of new crossings, closure of crossings and alteration of crossings all require the commissioner'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 up to 50 percent of the cost of maintaining signal equipment at about 1,800 rail-highway crossings.

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 4,300 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: Ensure safe, reliable and reasonably priced energy, water and telecommunications services are provided to Wisconsin's citizens and businesses.

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

Objective/Activity: Ensure that rate cases in Wisconsin are completed within eight months of filing.

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Objective/Activity: Complete an audit of every utility holding company every three years, two per year. Ensure that ratepayers are not paying costs unrelated to the provision of retail utility service.

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

Objective/Activity: Increase consumers' access to alternate telecommunication 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 and arbitrating or mediating agreements when providers cannot negotiate one.

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

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

Objective/Activity: Active engagement and education of municipal utilities for proper administration of utilities.

Goal: Continue to identify and address telecommunication needs for low-income customers, high-rate areas of the state, customers with disabilities, nonprofit groups, medical clinics and public health agencies through outreach and marketing efforts.

Objective/Activity: Increase participation levels in the Lifeline program by effectively managing and promoting the program to low-income individuals.

Objective/Activity: Increase purchases of special telecommunications equipment by effectively and efficiently providing vouchers to approved, eligible disabled persons.

Objective/Activity: Work with social service agencies and organizations to improve their program knowledge of the Telecommunications Equipment Purchase Program (TEPP) through regular outreach.

Objective/Activity: Market the Medical Telecommunication Equipment Program (MTEP) and Access Programs by Nonprofit Groups grants to encourage participation and meet expenditure goals of \$500,000 each.

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: Improve the safety of rail-highway crossings in Wisconsin by enforcing compliance with state and federal regulations through inspection and investigation activities.

Objective/Activity: Improve the safety of rail-highway crossings in Wisconsin by increasing rail safety promotion activities.

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

Program 3: Affiliated Grant Programs

Goal: Ensure 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 requests for proposal (RFPs) for business program subcontractors.

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PERFORMANCE MEASURES

2015 AND 2016 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2015	Actual 2015	Goal 2016	Actual 2016
1.	Frequency of updates to Wisconsin's broadband map.	Every 6 months	Every 6 months	Every 6 months	Every 6 months
1.	Percent of noncontested water rate cases where a decision is issued in less than 180 days from filing date of application.	90%	58%	90%	49%
1.	Percent of water Simplified Rate Case dockets where a decision is issued in less than 45 days from filing date of application.	95%	94%	95%	91%
1.	Percent of water utility construction cases where a decision is issued in less than 90 days from the filing date of the application, for cases that do not require a hearing.	95%	96%	95%	97%
1.	Percent of pipeline safety units in compliance within 45 days. ¹	86%	86%	86%	86%
1.	Number of gas pipeline safety violations each year. ¹	68	103	68	71
1.	Number of different organizations receiving intervenor compensation awards.	5	6	5	2
1.	Percent of alternate telecommunications provider applications reviewed and appropriate certifications issued within 60 days of receipt of completed applications.	95%	89%	95%	86%
1.	Percent of interconnection agreement reviews completed within 45 days.	85%	91%	85%	46%
1.	Percent of complaints with an informal determination provided within 30 days.	95%	72%	95%	75%
1.	Number of external training sessions given by commission staff to water utilities, including speaking engagements at water industry association meetings.	10	12	10	14
1.	Maintain participation levels in TEPP.	8,000	6,449	8,000	5,126
1.	Maintain TEPP expenditures between \$1.4 million and \$1.8 million.	\$1.6 million	\$1.45 million	\$1.6 million	\$1.33 million
1.	Work with social service agencies and organizations to improve their program knowledge of TEPP.	Outreach or TEPP meetings 2-3 times	3	Outreach or TEPP meetings 2-3 times	3

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Prog. No.	Performance Measure	Goal 2015	Actual 2015	Goal 2016	Actual 2016
1.	Market the telemedicine program to encourage participation.	20	34	20	26
1.	Diverse locations and types of MTEP applications.	Statewide and 5 different types	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	\$500,000
2.	Number of unique crossing investigations, inspections completed each year.	750	137	750	287
2.	Percent of signal cases investigated within 90 days of notice issued.	90%	67%	90%	91%
2.	Percent of follow-up investigations (i.e., rechecks) conducted within 180 days of completion date.	90%	63%	90%	68%
2.	Percent of signal notices issued within 45 days.	80%	84%	80%	73%
2.	Percent of complaints of an informal, nondocketed nature responded to within 30 days.	85%	98%	85%	91%
2.	Number of external rail safety promotion activities/events conducted by office staff, including speaking engagements at rail safety meetings/conferences.	8	13	8	8
2.	Allocate signal project funding expenditure for fiscal year.	2019	2017 completed 2018 partial	2020	2019 completed 2020 partial
2.	Number of highway/rail closure hearings and orders issued each year.	2	3	2	2
2.	Number of orders written to eliminate obsolete signal equipment, specifically wigwags.	2	1	2	1
3.	Number of Web sites on which business program RFPs are posted.	5	5	5	5

Note: Based on fiscal year, unless noted.

¹Based on calendar year.

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2017, 2018 AND 2019 GOALS

Prog. No.	Performance Measure¹	Goal 2017¹	Goal 2018	Goal 2019
1.	Average time noncontested water rate cases were processed from filing date of application.	180 days	180 days	180 days
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 water utility construction cases where a decision is issued in less than 90 days from the filing date of the application, for cases that do not require a hearing.	95%	95%	95%
1.	Percent of pipeline safety units in compliance within 45 days. ²	86%	86%	86%
1.	Complete work on rate cases within 8 months of filing.	90%	90%	90%
1.	Audit all holding companies at least once every 3 years.	2	2	2
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.	Number of external training sessions given by commission staff to water utilities, including speaking engagements at water industry association meetings.	10	10	10
1.	Percent of increased Lifeline applications over prior fiscal year.	3%	3%	3%
1.	Maintain number of telecommunications equipment vouchers provided to disabled persons.	+/- 3%	+/- 3%	+/- 3%
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 Nonprofit Access Program and MTEP to encourage participation.	40 applications	40 applications	40 applications

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Prog. No.	Performance Measure¹	Goal 2017¹	Goal 2018	Goal 2019
1.	Meet universal service fund grant expenditure goals of \$500,000 annually, for each grant program.	\$500,000	\$500,000	\$500,000
2.	Number of unique crossing investigations, inspections completed each year.	750	750	750
2.	Percent of signal cases investigated within 90 days of notice issued.	90%	90%	90%
2.	Percent of follow-up investigations (i.e., rechecks) conducted within 180 days of completion date.	90%	90%	90%
2.	Percent of signal notices issued within 45 days.	80%	80%	80%
2.	Percent of complaints of an informal, nondocketed nature responded to within 30 days.	85%	85%	85%
2.	Number of external rail safety promotion activities/events conducted by commission staff, including speaking engagements at rail safety meetings/conferences.	8	8	8
2.	Allocate signal project funding expenditure for fiscal year.	2021	2022	2023
2.	Number of highway/rail closure hearings and orders issued each year.	2	2	2
2.	Number of orders written to eliminate obsolete signal equipment, specifically wigwags.	2	2	2
3.	Number of Web sites on which business program RFPs are posted.	5	5	5

Note: Based on fiscal year, unless noted.

¹Certain performance measures and goals for 2017 have been modified.

²Based on calendar year.

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Broadband Expansion Funding
2. Focus on Energy School Prioritization
3. Intervenor Compensation Funding
4. One-Time Funding for Operation Dark Sky
5. Relay Service Program Transfer
6. Elimination of Stray Voltage Program
7. Standard Budget Adjustments

ITEMS NOT APPROVED

8. Hill Farms Move Costs

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

	ACTUAL FY16	ADJUSTED BASE FY17	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY18	FY19	FY18	FY19
FEDERAL REVENUE (1)	\$3,437.9	\$2,344.2	\$2,683.8	\$2,684.0	\$2,683.8	\$2,684.0
State Operations	3,437.9	2,344.2	2,683.8	2,684.0	2,683.8	2,684.0
PROGRAM REVENUE (2)	\$14,328.4	\$17,114.6	\$16,306.7	\$16,293.5	\$19,329.9	\$19,013.8
State Operations	14,217.6	16,743.4	15,935.5	15,922.3	18,587.4	18,271.3
Aids to Ind. & Org.	110.8	371.2	371.2	371.2	742.5	742.5
SEGREGATED REVENUE (3)	\$5,896.3	\$8,019.6	\$8,014.9	\$8,014.9	\$20,514.9	\$6,514.9
State Operations	429.4	579.6	574.9	574.9	574.9	574.9
Aids to Ind. & Org.	5,466.9	7,440.0	7,440.0	7,440.0	19,940.0	5,940.0
TOTALS - ANNUAL	\$23,662.6	\$27,478.4	\$27,005.4	\$26,992.4	\$42,528.6	\$28,212.7
State Operations	18,084.9	19,667.2	19,194.2	19,181.2	21,846.1	21,530.2
Aids to Ind. & Org.	5,577.7	7,811.2	7,811.2	7,811.2	20,682.5	6,682.5

(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 BASE FY17	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY18	FY19	FY18	FY19
FEDERAL REVENUE (1)	10.25	10.25	10.25	10.25	10.25
PROGRAM REVENUE (2)	138.00	138.00	138.00	138.00	138.00
SEGREGATED REVENUE (3)	4.00	4.00	4.00	4.00	4.00
TOTALS - ANNUAL	152.25	152.25	152.25	152.25	152.25

(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

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

	ACTUAL FY16	ADJUSTED BASE FY17	AGENCY REQUEST FY18	AGENCY REQUEST FY19	GOVERNOR'S RECOMMENDATION FY18	GOVERNOR'S RECOMMENDATION FY19
1. Regulation of public utilities	\$21,252.8	\$24,806.8	\$24,371.8	\$24,358.5	\$27,395.0	\$27,078.8
2. Office of the commissioner of railroads	\$480.4	\$592.0	\$558.7	\$559.0	\$558.7	\$559.0
3. Affiliated grant programs	\$1,929.4	\$2,079.6	\$2,074.9	\$2,074.9	\$14,574.9	\$574.9
TOTALS	\$23,662.6	\$27,478.4	\$27,005.4	\$26,992.4	\$42,528.6	\$28,212.7

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

	ADJUSTED BASE FY17	AGENCY REQUEST FY18	AGENCY REQUEST FY19	GOVERNOR'S RECOMMENDATION FY18	GOVERNOR'S RECOMMENDATION FY19
1. Regulation of public utilities	142.25	142.25	142.25	142.25	142.25
2. Office of the commissioner of railroads	6.00	6.00	6.00	6.00	6.00
3. Affiliated grant programs	4.00	4.00	4.00	4.00	4.00
TOTALS	152.25	152.25	152.25	152.25	152.25

(4) All positions are State Operations unless otherwise specified

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1. Broadband Expansion Funding

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-225,000	0.00	-225,000	0.00
SEG-S	0	0.00	0	0.00	12,500,000	0.00	-1,500,000	0.00
TOTAL	0	0.00	0	0.00	12,275,000	0.00	-1,725,000	0.00

The Governor recommends increasing expenditure authority for and making statutory changes to the commission's broadband expansion grant program and the broadband office, including: (a) increasing expenditure authority for the broadband expansion grants in FY18 to account for a \$6 million transfer from the universal service fund reserves and a \$5 million transfer from the Department of Administration e-rate reserves; (b) lifting the \$1.5 million annual cap to allow for immediate spending of the existing \$3 million universal service fund allocation; (c) allowing the broadband expansion grants and associated program responsibilities to be paid from the universal service fund rate-assessed appropriation to utilize underspending; (d) authorizing the commission to reserve grant funds for Connect America Fund and Alternative Connect America Cost Model providers in FY18; (e) transferring any unexpended funds from each universal service fund program at the end of each fiscal year on an ongoing basis to the broadband expansion grants; and (f) changing the appropriation type from annual to continuing. See Department of Administration, Item #1.

2. Focus on Energy School Prioritization

The Governor recommends directing the commission to prioritize school energy efficiency projects in the Focus on Energy program by allocating an additional \$10 million from Focus on Energy funding annually for school projects and further prioritizing this funding to public elementary and secondary schools.

3. Intervenor Compensation Funding

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	371,300	0.00	371,300	0.00
TOTAL	0	0.00	0	0.00	371,300	0.00	371,300	0.00

The Governor recommends increasing expenditure authority for the intervenor compensation program to strengthen rate case decisions by ensuring that all relevant information has been considered.

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4. One-Time Funding for Operation Dark Sky

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	325,000	0.00	0	0.00
TOTAL	0	0.00	0	0.00	325,000	0.00	0	0.00

The Governor recommends providing one-time funding for costs related to the Department of Military Affairs' Operation Dark Sky, a large-scale, multistate domestic operations exercise designed to prepare the state to respond to a widespread disruption of electrical power and communication systems caused by a cyberattack. See Department of Military Affairs, Item #2.

5. Relay Service Program Transfer

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	2,879,000	1.00	2,879,100	1.00
TOTAL	0	0.00	0	0.00	2,879,000	1.00	2,879,100	1.00

The Governor recommends transferring the relay service program to the commission from the Department of Administration. See Department of Administration, Item #16.

6. Elimination of Stray Voltage Program

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-305,100	-1.00	-305,100	-1.00
TOTAL	0	0.00	0	0.00	-305,100	-1.00	-305,100	-1.00

The Governor recommends eliminating the stray voltage program, including expenditure and position authority, due to improved practices in electrical installation and grounding leading to fewer cases of stray voltage. See Department of Agriculture, Trade and Consumer Protection, Item #7.

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7. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY18		FY19		FY18		FY19	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	339,600	0.00	339,800	0.00	339,600	0.00	339,800	0.00
PR-O	-829,900	0.00	-821,100	0.00	-829,900	0.00	-821,100	0.00
SEG-O	-4,700	0.00	-4,700	0.00	-4,700	0.00	-4,700	0.00
TOTAL	-495,000	0.00	-486,000	0.00	-495,000	0.00	-486,000	0.00

The Governor recommends adjusting the commission's base budget for: (a) turnover reduction (-\$261,000 in each year); (b) full funding of continuing position salaries and fringe benefits (-\$251,100 in each year); (c) full funding of lease and directed moves costs (\$17,100 in FY18 and \$26,100 in FY19); and (d) 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	FY18		FY19	
		Dollars	Positions	Dollars	Positions
8. Hill Farms Move Costs	PR-O	22,000	0.00	0	0.00
TOTAL OF ITEMS NOT APPROVED	PR-O	22,000	0.00	0	0.00

