

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY19 Adjusted Base	FY20 Recommended	% Change Over FY19	FY21 Recommended	% Change Over FY20
GPR	0	30,400,000	0.0	20,000,000	-34.2
PR-F	2,715,300	1,523,300	-43.9	1,098,300	-27.9
PR-O	20,022,100	20,567,800	2.7	20,606,600	0.2
SEG-O	6,527,900	6,505,400	-0.3	6,505,400	0.0
SEG-S	0	6,900,000	0.0	17,300,000	150.7
TOTAL	29,265,300	65,896,500	125.2	65,510,300	-0.6

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY19 Adjusted Base	FY20 Recommended	FTE Change Over FY19	FY21 Recommended	FTE Change Over FY20
PR-F	10.25	5.25	-5.00	5.25	0.00
PR-O	139.00	140.00	1.00	140.00	0.00
SEG-O	4.00	4.00	0.00	4.00	0.00
TOTAL	153.25	149.25	-4.00	149.25	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 also awards grants related to broadband infrastructure, essential telecommunication services and energy innovation.

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 20 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.

MISSION

The mission of the Public Service Commission is to ensure safe, reliable and affordable utility services and to expand broadband access throughout the State of Wisconsin. The commission works with gas, electric, water, telecommunications and energy providers to make sure Wisconsinites have access to efficient and uninterrupted quality services that advance with new technologies, changing consumer needs, societal priorities and economic realities.

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 and water 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 that water and electric rate cases in Wisconsin are completed within 200 days of filing.

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Objective/Activity: Ensure water and electric utility construction cases are processed within statutory time lines.

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: Complete an audit of every holding company once every three years. 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: Thoroughly investigate, resolve and respond to consumer complaints from utility customers in a timely manner.

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.

Goal: Foster innovative, cost-effective and conscientious water utility administration.

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

Goal: Continue to identify and address telecommunication needs of low-income households, those residing in high-rate areas of the state and customers with disabilities.

Objective/Activity: Meet demand for purchases of special telecommunications equipment by efficiently processing applications and promptly providing vouchers to approved, eligible disabled persons.

Objective/Activity: Ensure full telephone accessibility to citizens who are deaf, hard-of-hearing, deaf-blind and speech-disabled by holding regular Telephone Relay Service Council meetings to understand program challenges and successes.

Program 2: Office of the Commissioner of Railroads

Goal: Protect the 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 participation in 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.

Objective/Activity: Improve public safety at rail-highway crossings by maintaining a signal maintenance program that provides funds for maintaining active warning devices.

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Program 3: Affiliated Grant Programs

Goal: Foster the expansion, adoption and use of broadband technologies in Wisconsin.

Objective/Activity: Update the Wisconsin broadband map every six months.

Goal: Ensure quality broadband, essential telecommunication services and energy innovation are provided in Wisconsin by facilitating the development and administration of related grant programs.

Objective/Activity: Improve the likelihood of successful grant programs by working with grant recipients to ensure grant projects are successfully completed by the end of the grant performance period.

PERFORMANCE MEASURES

2017 AND 2018 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2017	Actual 2017	Goal 2018	Actual 2018
1.	Average time noncontested water rate cases were processed from filing date of application.	180 days	189 days	180 days	207 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%	90%	95%	88%
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%	58%	95%	29%
1.	Percent of pipeline safety units in compliance within 45 days. ¹	86%	96%	86%	96%
1.	Complete work on rate cases within 8 months of filing.	90%	65%	90%	57%
1.	Audit all holding companies at least once every 3 years.	2	3	2	0
1.	Percent of alternate telecommunications provider applications reviewed and appropriate certifications issued within 60 days of receipt of completed applications.	95%	100%	95%	80%
1.	Percent of interconnection agreement reviews completed within 45 days.	85%	48%	85%	88%
1.	Percent of complaints with an informal determination provided within 30 days.	95%	79%	95%	84%
1.	Number of external training sessions given by commission staff to water utilities, including speaking engagements at water industry association meetings.	10	20	10	24

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Prog. No.	Performance Measure	Goal 2017	Actual 2017	Goal 2018	Actual 2018
1.	Percent of increased Lifeline applications over prior fiscal year.	3%	-9.2%	3%	-8.4%
1.	Maintain number of telecommunications equipment vouchers provided to disabled persons.	+/- 3%	-25.6%	+/- 3%	-8.0%
1.	Work with social service agencies and organizations to improve their program knowledge of the Telecommunications Equipment Purchase Program (TEPP).	Outreach or TEPP meetings 2-3 times	4	Outreach or TEPP meetings 2-3 times	3
1.	Market the Nonprofit Access Program and Medical Telecommunications Equipment Program to encourage participation.	40 applications	48 applications	40 applications	39 applications
1.	Meet universal service fund grant expenditure goals of \$500,000 annually, for each grant program.	\$500,000	\$477,334	\$500,000	\$483,492
2.	Number of unique crossing investigations, inspections completed each year.	750	565	750	710
2.	Percent of signal cases investigated within 90 days of notice issued.	90%	83%	90%	100%
2.	Percent of follow-up investigations (i.e., rechecks) conducted within 180 days of completion date.	90%	69%	90%	98%
2.	Percent of signal notices issued within 45 days.	80%	93%	80%	100%
2.	Percent of complaints of an informal, nondocketed nature responded to within 30 days.	85%	93%	85%	97%
2.	Number of external rail safety promotion activities/events conducted by commission staff, including speaking engagements at rail safety meetings/conferences.	8	9	8	8
2.	Allocate signal project funding expenditure for fiscal year.	2021	2020 completed 2021 partial	2022	2021
2.	Number of highway/rail closure hearings and orders issued each year.	2	2	2	2
2.	Number of orders written to eliminate obsolete signal equipment, specifically wigwags.	2	1	2	All wigwags have been removed from the system

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Prog. No.	Performance Measure	Goal 2017	Actual 2017	Goal 2018	Actual 2018
3.	Number of Web sites on which business program RFPs are posted.	5	2	5	5

Note: Based on fiscal year, unless noted.

¹Based on calendar year. For actuals reporting, the commission calculated this measure based on the scoring percentage for the annual Federal Gas Pipeline Safety Program award.

2019, 2020 AND 2021 GOALS

Prog. No.	Performance Measure¹	Goal 2019¹	Goal 2020	Goal 2021
1.	Average time noncontested water rate cases were processed from filing date of application.	200 days	200 days	200 days
1.	Percent of water Simplified Rate Case dockets where a decision is issued in less than 45 days from filing date of application.	90%	90%	90%
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.	100%	100%	100%
1.	Average number of gas pipeline inspection days per inspector. ²	85 days	85 days	85 days
1.	Average time noncontested electric rate cases were processed from filing date of application.	200 days	200 days	200 days
1.	Percent of holding companies audited within the last three years.	100%	100%	100%
1.	Percent of electric and natural gas construction cases where a decision is issued within statutorily-required time lines.	100%	100%	100%
1.	Percent of inquiries and complaints acknowledged within 24 hours.	90%	90%	90%
1.	Percent of interconnection agreement reviews completed within 45 days.	85%	85%	85%
1.	Percent of complaints with an informal determination provided within 25 days from the date the utility has provided a complete response.	80%	80%	80%

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Prog. No.	Performance Measure¹	Goal 2019¹	Goal 2020	Goal 2021
1.	Number of external training sessions given by commission staff to water utilities, including speaking engagements at water industry association meetings.	15	15	15
1.	Average time to process applications for TEPP vouchers.	30 days	30 days	30 days
1.	Number of Telephone Relay Service Council meetings.	2	2	2
1., 3.	Percent of grant awards that are completed by the date indicated in the grant agreement.	100%	100%	100%
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.	4	4	4
2.	Allocate signal project funding expenditure for fiscal year.	2022	2023	2024
2.	Number of highway/rail closure hearings and orders issued each year.	2	2	2
3.	Frequency of updates to Wisconsin's broadband map.	Every 6 months	Every 6 months	Every 6 months

Note: Based on fiscal year, unless noted.

¹Certain performance measures and goals for 2019 have been modified.

²Based on calendar year.

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GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Broadband Expansion Funding
2. Initiatives to Expand Broadband in Wisconsin
3. Comprehensive Broadband Report
4. Office of Sustainability and Clean Energy
5. Zero-Carbon Statutory Goal
6. Utility Contributions to Focus on Energy
7. Intervenor Compensation Grant Funding
8. Transfer of High-Voltage Transmission Line Fee Administration
9. Costs Associated with the Office of the Commissioner of Railroads
10. Standard Budget Adjustments

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

	ACTUAL FY18	ADJUSTED BASE FY19	AGENCY REQUEST FY20	AGENCY REQUEST FY21	GOVERNOR'S RECOMMENDATION FY20	GOVERNOR'S RECOMMENDATION FY21
GENERAL PURPOSE REVENUE	\$0.0	\$0.0	\$0.0	\$0.0	\$30,400.0	\$20,000.0
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	30,400.0	20,000.0
FEDERAL REVENUE (1)	\$1,895.5	\$2,715.3	\$2,799.1	\$2,799.4	\$1,523.3	\$1,098.3
State Operations	1,895.5	2,715.3	2,799.1	2,799.4	1,523.3	1,098.3
PROGRAM REVENUE (2)	\$16,114.4	\$20,022.1	\$20,214.8	\$20,235.9	\$20,567.8	\$20,606.6
State Operations	15,668.5	19,279.6	19,472.3	19,493.4	19,525.3	19,564.1
Aids to Ind. & Org.	445.9	742.5	742.5	742.5	1,042.5	1,042.5
SEGREGATED REVENUE (3)	\$13,761.2	\$6,527.9	\$6,505.4	\$6,505.4	\$13,405.4	\$23,805.4
State Operations	383.9	587.9	565.4	565.4	565.4	565.4
Aids to Ind. & Org.	13,377.3	5,940.0	5,940.0	5,940.0	12,840.0	23,240.0
TOTALS - ANNUAL	\$31,771.2	\$29,265.3	\$29,519.3	\$29,540.7	\$65,896.5	\$65,510.3
State Operations	17,948.0	22,582.8	22,836.8	22,858.2	21,614.0	21,227.8
Aids to Ind. & Org.	13,823.2	6,682.5	6,682.5	6,682.5	44,282.5	44,282.5

- (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 FY19	AGENCY REQUEST FY20	AGENCY REQUEST FY21	GOVERNOR'S RECOMMENDATION FY20	GOVERNOR'S RECOMMENDATION FY21
FEDERAL REVENUE (1)	10.25	10.25	10.25	5.25	5.25
PROGRAM REVENUE (2)	139.00	139.00	139.00	140.00	140.00
SEGREGATED REVENUE (3)	4.00	4.00	4.00	4.00	4.00
TOTALS - ANNUAL	153.25	153.25	153.25	149.25	149.25

- (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 FY18	ADJUSTED BASE FY19	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY20	FY21	FY20	FY21
1. Regulation of public utilities	\$21,464.2	\$28,101.5	\$28,352.0	\$28,372.6	\$27,429.2	\$27,042.2
2. Office of the commissioner of railroads	\$554.2	\$575.9	\$601.9	\$602.7	\$601.9	\$602.7
3. Affiliated grant programs	\$9,752.7	\$587.9	\$565.4	\$565.4	\$37,865.4	\$37,865.4
TOTALS	\$31,771.2	\$29,265.3	\$29,519.3	\$29,540.7	\$65,896.5	\$65,510.3

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

	ADJUSTED BASE FY19	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY20	FY21	FY20	FY21
1. Regulation of public utilities	143.25	143.25	143.25	139.25	139.25
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	153.25	153.25	153.25	149.25	149.25

(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			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	30,400,000	0.00	20,000,000	0.00
PR-O	0	0.00	0	0.00	53,000	1.00	70,700	1.00
SEG-S	0	0.00	0	0.00	6,900,000	0.00	17,300,000	0.00
TOTAL	0	0.00	0	0.00	37,353,000	1.00	37,370,700	1.00

The Governor recommends increasing expenditure authority for the commission's broadband expansion grant program to \$39.3 million in each year of the biennium, including: (a) a minimum of \$2 million annually in funding that is already budgeted from the universal service fund; (b) a transfer of \$6.9 million in FY20 and \$17.3 million in FY21 from the Department of Administration e-rate funds; and (c) an allocation of \$30.4 million GPR in FY20 and \$20 million GPR in FY21 to the grant program. The Governor also recommends increasing expenditure and position authority to provide an additional position in the State Broadband Office to assist with the expanded broadband expansion grant program. See Department of Administration, Item #5.

2. Initiatives to Expand Broadband in Wisconsin

The Governor recommends several initiatives to encourage the expansion of adequate broadband access to all Wisconsin residents, including: (a) modifying current law to specify that it is the goal of the State of Wisconsin that by 2025 all homes and businesses within the state have access to high-speed broadband that provides a minimum download speed of at least 25 megabits per second and an upload speed of at least 3 megabits per second; (b) modifying current law to adjust the definition of broadband "underserved" as an area that lacks access to service of download speeds of at least 25 megabits per second and upload speeds of at least 3 megabits per second and "unserved" as an area that lacks access to service of download speeds of at least 10 megabits per second and upload speeds of at least 1 megabit per second; and (c) modifying several statutory provisions that discourage municipalities from providing broadband service to residents in broadband "unserved" and "underserved" areas.

3. Comprehensive Broadband Report

The Governor recommends that the commission and the Department of Administration submit a joint report to the Governor and the Legislature, no later than June 30, 2020, that provides updates on emerging broadband technologies, recommendations on how to provide incentives to telecommunications providers to serve unserved or underserved areas of Wisconsin and proposals on how existing state resources can be leveraged to serve those areas. See Department of Administration, Item #4.

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4. Office of Sustainability and Clean Energy

Source of Funds	Agency Request				Governor's Recommendations			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	0	0.00	0	0.00	-1,275,800	-5.00	-1,701,100	-5.00
TOTAL	0	0.00	0	0.00	-1,275,800	-5.00	-1,701,100	-5.00

The Governor recommends transferring the commission's State Energy Program and 5.0 FTE positions to create the Office of Sustainability and Clean Energy within the Department of Administration to advance clean energy initiatives, including oversight of a \$4 million clean energy research grant funded by the environmental fund. See Department of Administration, Item #1.

5. Zero-Carbon Statutory Goal

The Governor recommends creating a statutory goal that all electricity produced in the State of Wisconsin should be 100 percent carbon-free by January 1, 2050.

6. Utility Contributions to Focus on Energy

The Governor recommends modifying current law to allow the commission to increase the funds available to the Focus on Energy program beyond 1.2 percent of each utility's annual operating revenues by submitting a proposal to the Joint Committee on Finance under a passive review process.

7. Intervenor Compensation Grant Funding

Source of Funds	Agency Request				Governor's Recommendations			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	300,000	0.00	300,000	0.00
TOTAL	0	0.00	0	0.00	300,000	0.00	300,000	0.00

The Governor recommends increasing expenditure authority for the intervenor compensation program to strengthen rate case decisions and increasing the total amount that the commission may award in grant funding to nonstock and nonprofit corporations that advocate on behalf of ratepayers to \$500,000 annually.

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8. Transfer of High-Voltage Transmission Line Fee Administration

The Governor recommends transferring the administration and payment of environmental impact fees for high-voltage transmission lines from the Department of Administration to the commission. See Department of Administration, Item #15.

9. Costs Associated with the Office of the Commissioner of Railroads

Source of Funds	Agency Request				Governor's Recommendations			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	14,000	0.00	14,000	0.00	14,000	0.00	14,000	0.00
TOTAL	14,000	0.00	14,000	0.00	14,000	0.00	14,000	0.00

The Governor recommends increasing budget authority for the office to account for newly allocated rent and office costs previously absorbed directly by the commission.

10. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendations			
	FY20		FY21		FY20		FY21	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	83,800	0.00	84,100	0.00	83,800	0.00	84,100	0.00
PR-O	178,700	0.00	199,800	0.00	178,700	0.00	199,800	0.00
SEG-O	-22,500	0.00	-22,500	0.00	-22,500	0.00	-22,500	0.00
TOTAL	240,000	0.00	261,400	0.00	240,000	0.00	261,400	0.00

The Governor recommends adjusting the commission's base budget for: (a) turnover reduction (-\$263,500 in each year); (b) full funding of continuing position salaries and fringe benefits (\$398,600 in each year); (c) reclassifications and semiautomatic pay progression (\$13,200 in each year); and (d) full funding of lease and directed moves costs (\$91,700 in FY20 and \$113,100 in FY21).

