

State of Alaska FY2010 Governor's Operating Budget

Department of Commerce, Community, and Economic Development Regulatory Commission of Alaska RDU/Component Budget Summary

RDU/Component: Regulatory Commission of Alaska*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)***Contribution to Department's Mission**

Assure viable utility and pipeline service is provided with just and reasonable rates to consumers in Alaska.

Core Services

- Thoroughly review utility and pipeline filings for compliance and approval (examples: certificate applications, rate cases, PCE rates, telecom and natural gas competition, tariffs, ETC applications, interconnection agreements).
- Clear guidance to utility and pipeline service providers.
- Ensure Alaska's interests are considered in the development of federal legislation and regulations (examples: participation in national forums, FCC proceedings, FERC proceedings).
- Dispute resolution involving regulated entities (examples: telecom disputes, consumer disputes, pipeline disputes).
- Public information and education to enhance the public's understanding and use of utility and pipeline services (examples: web site, press releases, outreach workshops).

End Result	Strategies to Achieve End Result
A: Decision making in docketed matters is timely. <u>Target #1:</u> Final decisions of the RCA are issued within statutory deadlines. <u>Status #1:</u> In FY2008, the RCA issued 88, or 100%, of its final decisions on or before the statutory deadline.	A1: Decisions in docketed matters are issued within established timelines. <u>Target #1:</u> The Commission will conduct 18 docket status meetings to discuss procedural issues. <u>Status #1:</u> The Commission held 24 docket status meetings exceeding the target of 18. <u>Target #2:</u> Commissioners will meet in 45 regularly scheduled adjudicatory meetings to discuss utility and pipeline issues. <u>Status #2:</u> In FY2008 there were 72 scheduled adjudicatory meetings, 59 meetings were regularly scheduled meetings, and 13 were additional special adjudicatory meetings. This exceeded the target of 45 regularly scheduled adjudicatory meetings. <u>Target #3:</u> Less than 10% of extensions of statutory timelines are extended by the Commission on its own motion. <u>Status #3:</u> There were 14 proceedings extended that affected 28 dockets. Statutory timelines for two of these proceedings were changed by the Commission's motion, exceeding the target of 10%.
End Result	Strategies to Achieve End Result
B: The public and utilities have access to understandable applications, guidelines, directions, and forms.	B1: Provide external user training. <u>Target #1:</u> Provide two training sessions on web filing annually.

<p><u>Target #1:</u> Review all forms and update 25% of the outdated forms.</p> <p><u>Status #1:</u> RCA met its goal to update 25% of the outdated forms.</p>	<p><u>Status #1:</u> Training was held once for the public on web filings, not meeting the target of two training sessions annually.</p> <p><u>Target #2:</u> Provide two training sessions on applications and general filing requirements annually.</p> <p><u>Status #2:</u> Target of two training sessions on applications and filing requirements was met. A public presentation/training session was held and a technical review meeting with an external user group was held.</p> <p>B2: Timely review of filings.</p> <p><u>Target #1:</u> Complete audit of 1/3 of Utility Annual Operating Reports each calendar year.</p> <p><u>Status #1:</u> RCA received 156 Utility Annual Operating Reports in FY2008. Did not meet target of 52 audits.</p> <p><u>Target #2:</u> Issue responsive letter order within 21 days of utility filing a fuel cost change.</p> <p><u>Status #2:</u> 110 utility fuel cost charge filings were submitted. 64% were approved within 21 days, not meeting target of 100%.</p> <p><u>Target #3:</u> Complete audit of PCE Utility Annual Report within 90 days of filing.</p> <p><u>Status #3:</u> Received 59 annual reports. One of 59 audits was completed within 90 days, not meeting target of 100% audited within 90 days.</p> <p><u>Target #4:</u> Complete audit of PCE Utility Annual Reports each fiscal year.</p> <p><u>Status #4:</u> A total of 59 annual reports were filed, with a total of 8 audits completed. Did not meet the target of auditing 100% of the reports received.</p> <p>B3: Assist utilities in meeting compliance requirements.</p> <p><u>Target #1:</u> 95% of utilities in compliance at the end of each fiscal quarter.</p> <p><u>Status #1:</u> Of the 70 PCE utilities required to make compliance filings with the RCA, the numbers ranged from a high of 91% to a low of 77% of utilities being in compliance during each of the quarters in FY2008. Target of 95% of utilities being in compliance not met.</p>
End Result	Strategies to Achieve End Result
<p>C: The public is informed about the cost of utility services and how to be a wise utility consumer.</p> <p><u>Target #1:</u> Present information and answer questions at no less than 6 outreach opportunities per year (e.g., consumer workshops, home-buying seminars, job fairs, annual conventions and other public events) for customers of regulated utilities.</p>	<p>C1: Communicate with consumers and utilities to resolve disputes.</p> <p><u>Target #1:</u> Issue written disposition within 45 days on complaints received by mail.</p> <p><u>Status #1:</u> Of the 59 complaints received by mail in FY2008, written dispositions were completed for 47 complaints within 45 days. Did not meet target of 100%.</p>

<p>Status #1: During FY2008, the RCA presented information at five consumer protection workshops, five home-buying seminars, one Alaska Native convention, and one job fair. Exceeded target.</p>	<p>within 45 days.</p> <p>Target #2: Disposition of complaints filed by telephone, email and fax within 30 days.</p> <p>Status #2: Of the 456 complaints received by telephone, fax, or email during FY2008, disposition was completed for 421 complaints within 30 days. Did not meet target of 100% within 30 days.</p> <p>C2: Educate utility ratepayers about utility rates and services and available consumer assistance programs</p> <p>Target #1: Develop and/or modify at least five consumer fact sheets regarding utility rates and services.</p> <p>Status #1: During FY2008, the RCA developed or modified 10 consumer fact sheets-exceeded target.</p>
End Result	Strategies to Achieve End Result
<p>D: Decisions are based on thoroughly reviewed evidentiary record and are upheld on appeal.</p> <p>Target #1: The Assistant Attorney General reviews 100% of final orders before being issued.</p> <p>Status #1: A total of 88 final orders were issued by the Commission in FY2008. Of this total, 74 final orders were reviewed by the Assistant Attorney General before being issued, not meeting target of 100%.</p>	<p>D1: Professional/technical review of filings as necessary to provide expertise regarding issues.</p> <p>Target #1: 100% of professional/technical advisory staff positions are filled allowing timely staff reviews of filings and presentations of issues to commissioners.</p> <p>Status #1: At end of FY2008 the target of 100% of professional/technical advisory staff positions being filled was not met. Percentages ranged quarterly from 67% to 78% with an annual average of 72%.</p>

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Decide cases on a timely basis. • Clearly establish the rationale and basis for commission decision-making in Commission Orders. • Continually improve the regulatory environment by enacting regulations which respond to the developing utility markets and ratepayer needs. • Respond promptly to consumer needs and problems. | <ul style="list-style-type: none"> • Provide a user-friendly fully integrated website for ratepayers and regulated utilities. • Promote open process through frequent public meetings. • Improve staff technical ability through training and industry specific interaction. • Engage in open communication with regulated industries, political and public consumer groups. |
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FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$8,074,300

Personnel:

Full time	57
Part time	0
Total	57

Performance

A: Result - Decision making in docketed matters is timely.

Target #1: Final decisions of the RCA are issued within statutory deadlines.

Status #1: In FY2008, the RCA issued 88, or 100%, of its final decisions on or before the statutory deadline.

Percentage of final decisions issued on or before statutory deadline.

Fiscal Year	YTD Total
FY 2008	100%

Analysis of results and challenges: If the RCA fails to issue a final order prior to the statutory deadline, the utility or common carrier filing automatically goes into effect under the force of state law. The RCA carefully monitors the status of all dockets, and staff prioritizes its activities to ensure that all statutory deadlines are met.

A1: Strategy - Decisions in docketed matters are issued within established timelines.

Target #1: The Commission will conduct 18 docket status meetings to discuss procedural issues.

Status #1: The Commission held 24 docket status meetings exceeding the target of 18.

Total number of Docket Status meetings held

Fiscal Year	YTD Total
FY 2008	24

Analysis of results and challenges: The target established for FY2008 was 24 docket status meetings. The target was met. However, upon evaluation and considering the number of employees required to attend, it appears that 18 docket status meetings would be a more appropriate target for FY2009 and thereafter.

Target #2: Commissioners will meet in 45 regularly scheduled adjudicatory meetings to discuss utility and pipeline issues.

Status #2: In FY2008 there were 72 scheduled adjudicatory meetings, 59 meetings were regularly scheduled meetings, and 13 were additional special adjudicatory meetings. This exceeded the target of 45 regularly scheduled adjudicatory meetings.

Total number of regularly scheduled adjudicatory meetings

Year	YTD Total
2008	59

Analysis of results and challenges: The number of adjudicatory meetings is dependent upon the number of issues to be decided. Although the commission met its goal in FY2008, commissioners were required to attend a total of 72 scheduled sessions to decide the many issues presented.

Target #3: Less than 10% of extensions of statutory timelines are extended by the Commission on its own motion.

Status #3: There were 14 proceedings extended that affected 28 dockets. Statutory timelines for two of these proceedings were changed by the Commission's motion, exceeding the target of 10%.

Percentage of proceedings extended by Commission's motion

Fiscal Year	YTD Total
FY 2008	14%

Analysis of results and challenges: A statutory timeline was incorrectly applied to Docket R-05-11, a regulations docket. When the commission addressed the error, it established a timeline that accommodated public participation

in workshops. The second timeline extended by the commission was also in a regulations matter, Docket R-06-3. The timeline was extended to allow public review of revised proposed regulations.

B: Result - The public and utilities have access to understandable applications, guidelines, directions, and forms.

Target #1: Review all forms and update 25% of the outdated forms.

Status #1: RCA met its goal to update 25% of the outdated forms.

Percentage of forms updated.

Fiscal Year	YTD Total
FY 2008	48.33%

Analysis of results and challenges: RCA shows a high volume of forms that have been updated for FY2008 due to the new case management system 'Go Live' which went live October 22, 2007. Many of the forms were updated and loaded into the system at that time.

B1: Strategy - Provide external user training.

Target #1: Provide two training sessions on web filing annually.

Status #1: Training was held once for the public on web filings, not meeting the target of two training sessions annually.

Fiscal Year	YTD Total
FY 2008	1

Analysis of results and challenges: The case management system had a "Go Live" date of October 22, 2007. After that date, one training session was held for the public for Beta Testing Kick-off on March 26, 2008.

Target #2: Provide two training sessions on applications and general filing requirements annually.

Status #2: Target of two training sessions on applications and filing requirements was met. A public presentation/training session was held and a technical review meeting with an external user group was held.

Fiscal Year	YTD Total
FY 2008	2

Analysis of results and challenges: The new case management system "Go Live", which went live October 22, 2007. The Advisory Section Manager held a presentation at the Public Meeting on October 15, 2007 for acceptance of Release 4 elements. On August 27, 2008, the Advisory Section Manager presented E-filing Draft Regulations reviewed and revised them with the external user group.

B2: Strategy - Timely review of filings.

Target #1: Complete audit of 1/3 of Utility Annual Operating Reports each calendar year.

Status #1: RCA received 156 Utility Annual Operating Reports in FY2008. Did not meet target of 52 audits.

Percentage of Utility Annual Operating Reports completed.

Fiscal Year	YTD Total
FY 2008	0

Analysis of results and challenges: Due to the inability to maintain full staffing at the Utility Financial Analyst III

level, the RCA did not perform audits of Utility Annual Operating Reports in FY2008. If the RCA had been able to fill the second Utility Financial Analyst III position early in FY 2008, staff would have been able to perform Utility Annual Operating Report audits.

Target #2: Issue responsive letter order within 21 days of utility filing a fuel cost change.

Status #2: 110 utility fuel cost charge filings were submitted. 64% were approved within 21 days, not meeting target of 100%.

Fuel cost charge letter orders within 21 days

Fiscal Year	YTD Total
FY 2008	64%

Analysis of results and challenges: Due to the inability to fill existing positions, the RCA is slower than desired in issuing PCE letter orders. If RCA had been able to fill an additional Utility Financial Analyst I position, the responsive PCE letter orders could have been issued in a timely manner.

Target #3: Complete audit of PCE Utility Annual Report within 90 days of filing.

Status #3: Received 59 annual reports. One of 59 audits was completed within 90 days, not meeting target of 100% audited within 90 days.

Annual report audits completed in 90 days .

Fiscal Year	YTD Total
FY 2008	.2%

Analysis of results and challenges: Due to the inability to fill existing positions, the RCA is slower than desired in issuing PCE letter orders. If RCA had been able to fill an additional Utility Financial Analyst I position, staff could have eliminated this backlog and audit current PCE annual report filings.

Target #4: Complete audit of PCE Utility Annual Reports each fiscal year.

Status #4: A total of 59 annual reports were filed, with a total of 8 audits completed. Did not meet the target of auditing 100% of the reports received.

Annual report audits completed.

Fiscal Year	YTD Total
FY 2008	1%

Analysis of results and challenges: Due to the inability to fill existing positions, the RCA is approximately 3 years behind in auditing PCE annual reports. If RCA had been able to fill an additional Utility Financial Analyst I position, staff could eliminate this backlog and audit current PCE annual report filings.

B3: Strategy - Assist utilities in meeting compliance requirements.

Target #1: 95% of utilities in compliance at the end of each fiscal quarter.

Status #1: Of the 70 PCE utilities required to make compliance filings with the RCA, the numbers ranged from a high of 91% to a low of 77% of utilities being in compliance during each of the quarters in FY2008. Target of 95% of utilities being in compliance not met.

Percentage of PCE Utilities in compliance.

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
FY 2008	90%	80%	91%	77%

Analysis of results and challenges: The PCE program is designed to get PCE credits to customers. This measure indicates that some utilities are not filing reports timely and may not be receiving reimbursements for PCE credits provided to customers.

C: Result - The public is informed about the cost of utility services and how to be a wise utility consumer.

Target #1: Present information and answer questions at no less than 6 outreach opportunities per year (e.g., consumer workshops, home-buying seminars, job fairs, annual conventions and other public events) for customers of regulated utilities.

Status #1: During FY2008, the RCA presented information at five consumer protection workshops, five home-buying seminars, one Alaska Native convention, and one job fair. Exceeded target.

Number of Outreach opportunities participated in.

Fiscal Year	YTD Total
FY 2008	12

Analysis of results and challenges: In FY2008 the RCA accepted AARP's invitation to present consumer utility information at AARP's consumer protection and financial education workshops. Therefore the RCA had more opportunities than planned.

C1: Strategy - Communicate with consumers and utilities to resolve disputes.

Target #1: Issue written disposition within 45 days on complaints received by mail.

Status #1: Of the 59 complaints received by mail in FY2008, written dispositions were completed for 47 complaints within 45 days. Did not meet target of 100% within 45 days.

Percent of complaints reveived by mail disposed within 45 days

Fiscal Year	YTD Total
FY 2008	80%

Analysis of results and challenges: More time was required for a couple of reasons. Some informal complaints presented unique issues that required more than one interaction with the utilities to resolve. Other complaints required commission action through a formal docket.

Target #2: Disposition of complaints filed by telephone, email and fax within 30 days.

Status #2: Of the 456 complaints received by telephone, fax, or email during FY2008, disposition was completed for 421 complaints within 30 days. Did not meet target of 100% within 30 days.

Percent of complaints received by telephone, email, and fax, disposed within 30 days

Fiscal Year	YTD Total
FY 2008	92%

Analysis of results and challenges: Some of these informal complaints presented unique issues requiring more than one interaction with utilities to resolve.

C2: Strategy - Educate utility ratepayers about utility rates and services and available consumer assistance programs

Target #1: Develop and/or modify at least five consumer fact sheets regarding utility rates and services.

Status #1: During FY2008, the RCA developed or modified 10 consumer fact sheets-exceeded target.

Number of Consumer Fact sheets developed or modified

Fiscal Year	YTD Total
FY 2008	10

Analysis of results and challenges: Due to consumer concerns regarding increasing energy costs, the RCA was proactive in preparing new fact sheets.

D: Result - Decisions are based on thoroughly reviewed evidentiary record and are upheld on appeal.

Target #1: The Assistant Attorney General reviews 100% of final orders before being issued.

Status #1: A total of 88 final orders were issued by the Commission in FY2008. Of this total, 74 final orders were reviewed by the Assistant Attorney General before being issued, not meeting target of 100%.

Percentage of final orders reviewed by AAG

Fiscal Year	YTD Total
FY 2008	84%

Analysis of results and challenges: A review of final orders that were reviewed by the Assistant AG reveals that the majority of orders not reviewed were issued in 2007, a period of transition in the Process Coordinator and Commission Section Manager positions. Only five final orders were issued without review in the second half of FY2008.

D1: Strategy - Professional/technical review of filings as necessary to provide expertise regarding issues.

Target #1: 100% of professional/technical advisory staff positions are filled allowing timely staff reviews of filings and presentations of issues to commissioners.

Status #1: At end of FY2008 the target of 100% of professional/technical advisory staff positions being filled was not met. Percentages ranged quarterly from 67% to 78% with an annual average of 72%.

Professional/technical Advisory Staff Positions Filled

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2008	72%	67%	72%	78%	72%

*Methodology: Total number of filled professional/technical advisory staff divided by total number of professional/technical advisory staff.
Total professional/technical advisory staff positions = 18*

Analysis of results and challenges: After this measure fell to 67% the RCA started an intense recruiting effort that is continuing into FY2009.

Key Component Challenges

Continue to attract and retain qualified professional staff, administrative law judges and RCA Commissioners.

Develop and implement regulations to guide the use of electronic filing and electronic distribution of Commission information.

Continue to implement the Case Management System and Web Portal for utilities and pipeline companies.

Significant Changes in Results to be Delivered in FY2010

In addition to responding to filings presented to the Regulatory Commission of Alaska and consumer concerns, the Regulatory Commission of Alaska will:

- Review the State Energy Plan (expected from Alaska Energy Authority during fiscal year 2009) and evaluate it for potential impacts and needed regulatory changes.
- Review and evaluate the integrated resources energy plan for the electrical Railbelt utilities developed by the Railbelt Energy Grid Authority for potential impact and regulatory changes.
- Develop regulations providing for electronic filing and service that will allow utilities, pipeline carriers, and consumers to more easily access the Commission.

Major Component Accomplishments in 2008

The RCA delivered a fully-integrated electronic website making all filings, comments and Commission Orders available to the public. In addition, the website allows comments, consumer complaints and a limited number of utility filings to be made electronically. This electronic filing process significantly sped up document availability and reduced the number of paper copies and delivery charges associated with document submittal.

Successful coordination with the legislative task force established in HCR 8.

Statutory and Regulatory Authority

AS 42.04	Regulatory Commission of Alaska
AS 42.05	Alaska Public Utilities Regulatory Act
AS 42.06	Pipeline Act
AS 42.45	Rural and Statewide Energy Programs
3 AAC 47	Regulatory Cost Charges for Public Utilities and Pipeline Carriers
3 AAC 48	Practice and Procedure
3 AAC 49	Deregulation
3 AAC 50	Energy Conservation
3 AAC 51	Telecommunications Relay Services
3 AAC 52	Operation of Public Utilities
3 AAC 53	Telecommunications

Contact Information

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Regulatory Commission of Alaska Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,295.3	5,378.1	5,482.4
72000 Travel	61.5	55.0	55.0
73000 Services	1,020.2	2,868.7	2,467.4
74000 Commodities	141.8	56.9	56.9
75000 Capital Outlay	603.7	12.6	12.6
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	6,122.5	8,371.3	8,074.3
Funding Sources:			
1061 Capital Improvement Project Receipts	20.7	0.0	0.0
1141 RCA Receipts	6,101.8	8,371.3	8,074.3
Funding Totals	6,122.5	8,371.3	8,074.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	4.4	0.0	0.0
Alaska Public Utilities Comm. Receipts	51066	755.6	2,500.0	2,000.0
Unrestricted Fund	68515	0.4	0.0	0.0
Unrestricted Total		760.4	2,500.0	2,000.0
Restricted Revenues				
Alaska Public Utilities Comm. Receipts	51066	6,101.8	8,371.3	8,074.3
Capital Improvement Project Receipts	51200	20.7	0.0	0.0
Restricted Total		6,122.5	8,371.3	8,074.3
Total Estimated Revenues		6,882.9	10,871.3	10,074.3

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.0	0.0	8,371.3	8,371.3
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.0	113.9	113.9
Proposed budget decreases:				
-Reverse ADN870124 RCA Litigation Sec2(b) Ch 10 SLA 2007 P1 L13 (SB61) Lapses 6/30/09	0.0	0.0	-410.9	-410.9
FY2010 Governor	0.0	0.0	8,074.3	8,074.3

**Regulatory Commission of Alaska
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2009</u> <u>Management</u> <u>Plan</u>	<u>FY2010</u> <u>Governor</u>		
Full-time	57	57	Annual Salaries	3,759,038
Part-time	0	0	COLA	148,210
Nonpermanent	4	3	Premium Pay	0
			Annual Benefits	1,864,297
			Less 5.01% Vacancy Factor	(289,145)
			Lump Sum Premium Pay	0
Totals	61	60	Total Personal Services	5,482,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant II	1	0	0	0	1
Administrative Clerk II	3	0	0	0	3
Administrative Clerk III	5	0	0	0	5
Administrative Law Judge	2	0	0	0	2
Administrative Officer II	1	0	0	0	1
Advisory Section Manager	1	0	0	0	1
Analyst/Programmer I	1	0	0	0	1
Analyst/Programmer II	1	0	0	0	1
Analyst/Programmer V	1	0	0	0	1
Commission Section Mgr	1	0	0	0	1
Commissioner, RCA	5	0	0	0	5
Communications Com Car Sp II	1	0	0	0	1
Communications Com Car Sp III	3	0	0	0	3
Communications Com Car Sp IV	1	0	0	0	1
Consmr Prot-Info Off I	2	0	0	0	2
Consmr Prot-Info Off II	1	0	0	0	1
Hearing Examiner	5	0	0	0	5
Law Office Assistant I	3	0	0	0	3
Law Office Assistant II	2	0	0	0	2
Micro/Network Spec I	1	0	0	0	1
Paralegal I	5	0	0	0	5
Process Coordinator, RCA	1	0	0	0	1
Records & Licensing Spvr	1	0	0	0	1
Utility Eng Analyst II	1	0	0	0	1
Utility Eng Analyst IV	1	0	0	0	1
Utility Engineering Analyst V	1	0	0	0	1
Utility Fin Analyst I	1	0	0	0	1
Utility Fin Analyst II	1	0	0	0	1
Utility Fin Analyst III	2	0	0	0	2
Utility Fin Analyst IV	1	0	0	0	1
Utility Tariff Anlyst I	1	0	0	0	1
Utility Tariff Anlyst II	2	0	0	0	2
Utility Tariff Anlyst III	1	0	0	0	1
Totals	60	0	0	0	60