

State of Alaska FY2005 Governor's Operating Budget

Department of Community & Economic Development Regulatory Commission of Alaska RDU/Component Budget Summary

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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

The mission of the Regulatory Commission of Alaska (RCA) is to protect consumer interests and promote economic development by ensuring affordable, reliable utility and pipeline services and ensuring that the utility and pipeline infrastructure supports community needs.

Core Services

Certification

Economic Regulation

Power Cost Equalization Program

Consumer Complaint Resolution

Legislative Technical Resource

End Results	Strategies to Achieve Results
<p>(1) Timely decisions</p> <p><u>Target:</u> 100% of orders issued within statutory deadlines. <u>Measure:</u> Percentage of orders not issued within deadlines.</p> <p>(2) The change in the number of unresolved filings</p> <p><u>Target:</u> The number of resolved cases roughly equal the number of cases received each year <u>Measure:</u> Percentage of resolved cases compared to total number of cases received.</p> <p>(3) Improve pipeline expertise to administer AS 42.06.</p> <p><u>Target:</u> Better coordination and administration of pipeline cases <u>Measure:</u> Reduction in contractual monies spent on Administrative Law Judges</p>	<p>(1) Issue public notice within two weeks.</p> <p><u>Target:</u> No missed deadlines. <u>Measure:</u> Quarterly reports indicate no missed deadlines.</p> <p><u>Target:</u> Commission adjudicates, makes determination, and issues order before deadline. <u>Measure:</u> Number of missed deadlines.</p> <p>(2) Determine deadline at onset of case.</p> <p><u>Target:</u> 100% of cases calendared within first two weeks. <u>Measure:</u> Percentage of cases not calendared timely.</p> <p>(3) Assign one FTE to analyze pipeline filings, establish deadlines and coordinate efforts of technical staff and contractual ALJs.</p> <p><u>Target:</u> Reduction in contractual monies spent on Administrative Law Judges <u>Measure:</u> Percentage of reduction in ALJ billings.</p>

Major Activities to Advance Strategies

- | | |
|--|--|
| <ul style="list-style-type: none"> • Filing received & routed to assigned Staff • Staff reviews for completeness; requests additional information as needed; drafts notice • Staff analyzes filing; attempts to resolve issues (if any), drafts memo • Staff memo scheduled for adjudication | <ul style="list-style-type: none"> • Adjudicatory meetings held each week • Hearings scheduled as needed • Decisions rendered • Issue orders reflecting decisions • Hire Process Coordinator (or equivalent) • Establish Deadlines |
|--|--|

Major Activities to Advance Strategies

- Commissioner adjudicatory meeting; decision reached
- Order reflecting decision is drafted & signed off by participating Commissioners
- Order issued
- Staff reviews case and establishes deadline
- Each case calendared for adjudication and/or hearing
- Team Meetings
- Administrative Law Judges conduct hearings
- Administrative Law Judges draft orders

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$5,494,100

Personnel:	
Full time	58
Part time	0
Total	58

Performance Measure Detail

(1) Result: Timely decisions

Target: 100% of orders issued within statutory deadlines.
Measure: Percentage of orders not issued within deadlines.

Analysis of results and challenges: Timely decisions ensure that the regulated industries can move forward quickly on financial matters and/or efficiently utilize Alaska's limited construction season. In 2002, the Legislature enacted new statutes establishing deadlines for particular types of dockets. The RCA submits quarterly reports to Legislative Audit listing any decisions that have exceeded their allowed timeline and the reason(s) why.

(2) Result: The change in the number of unresolved filings

Target: The number of resolved cases roughly equal the number of cases received each year
Measure: Percentage of resolved cases compared to total number of cases received.

Analysis of results and challenges: At its formation in 1999, the RCA was tasked by the Legislature to eliminate the sizable backlog of cases from prior years, while completing current cases timely. RCA caseload has been a budget measure in the past. The RCA database records dockets opened during a year and dockets closed during the year. A comparison of these numbers is published in the agency's annual report.

(3) Result: Improve pipeline expertise to administer AS 42.06.

Target: Better coordination and administration of pipeline cases
Measure: Reduction in contractual monies spent on Administrative Law Judges

(1) Strategy: Issue public notice within two weeks.

Target: No missed deadlines.
Measure: Quarterly reports indicate no missed deadlines.

Analysis of results and challenges: Timely decisions ensure that the regulated industries can move forward quickly on financial matters and/or efficiently utilize Alaska's limited construction season. In 2002, the Legislature enacted new statutes establishing deadlines for particular types of dockets. The RCA submits quarterly reports to Legislative Audit listing any decisions that have exceeded their allowed timeline and the reason(s) why.

Target: Commission adjudicates, makes determination, and issues order before deadline.

Measure: Number of missed deadlines.

Analysis of results and challenges: Timely decisions ensure that the regulated industries can move forward quickly on financial matters and/or efficiently utilize Alaska's limited construction season. In 2002, the Legislature enacted new statutes establishing deadlines for particular types of dockets. The RCA submits quarterly reports to Legislative Audit listing any decisions that have exceeded their allowed timeline and the reason(s) why.

(2) Strategy: Determine deadline at onset of case.

Target: 100% of cases calendared within first two weeks.

Measure: Percentage of cases not calendared timely.

Analysis of results and challenges: At its formation in 1999, the RCA was tasked by the Legislature to eliminate the sizable backlog of cases from prior years, while completing current cases timely. RCA caseload has been a budget measure in the past. The RCA database records dockets opened during a year and dockets closed during the year.

A comparison of these numbers is published in the agency's annual report.

(3) Strategy: Assign one FTE to analyze pipeline filings, establish deadlines and coordinate efforts of technical staff and contractual ALJs.

Target: Reduction in contractual monies spent on Administrative Law Judges

Measure: Percentage of reduction in ALJ billings.

Analysis of results and challenges: The RCA is intent on establishing a pipeline section to develop inhouse expertise and manage pipeline cases more effectively. Since this is a new section, no data exists.

Key Component Challenges

The overall challenge facing the agency is to more efficiently and effectively decide matters subject to the jurisdiction of the agency and increase transparency in regulation. Achieving these two goals will improve the confidence of those regulated industries doing business in Alaska. This, in turn, will result in increased investment in Alaska.

Challenges during FY04:

As directed by the Legislature, issue proposed telecommunications regulations on specified topics.

Evaluate applications for federally funded Rural Alaska Internet grant program.

Initiate small hydroelectric system licensing program and regulations.

Host Western Conference of Public Service Commissioners (June, 2004).

Increase public outreach through Consumer Protection & Information Section.

Challenges during FY05:

Continue to increase public outreach.

Increase public Internet access to RCA databases.

Implement small hydroelectric licensing program.

Long-term challenges:

Continue to improve the professionalism and knowledge, skills and abilities of the Commissioners and the agency staff.

Increase the Commission's credibility with the Alaska Legislature and with the utilities and pipelines that we regulate.

Significant Changes in Results to be Delivered in FY2005

Reorganization. A new RDU, RCA Audit and Investigations, is established to contain all budgeted items relating solely to public advocacy, including the Department of Law Reimbursable Services Agreement, RCA-based technical personnel costs, expert witness contractual costs, and administrative overhead expense. Per Executive Order No. 111, as of July 1, 2003, the Attorney General (AG), not RCA, determines whether the public interest needs representation in a case. If so, the AG assigns an Assistant Attorney General (AAG). The AAG has the use of RCA technical staff and contractual monies to develop an advocacy position. The AAG expenses are reimbursed to the Department of Law through a reciprocal services agreement. The order diminishes RCA's oversight of the Department of Law's participation in RCA cases. It is important that the RCA's budget separately reflect the cost of public advocacy, as a management/audit tool.

Pipeline Regulation. Under AS 42.06, the RCA certifies and regulates all intrastate pipeline carriers and the intrastate portion of interstate carriers. Pipeline regulation is expected to increase in the next five years due to major developments in Cook Inlet and with the TAPS pipeline. Although agency employees in various disciplines (engineering, finance, tariffs and legal) currently work on pipeline cases, two contractual administrative law judges hold most of the regulatory expertise and history in these matters. Under AS 42.06, the RCA is responsible for providing expertise to address pipeline matters. To perform this work adequately, it is necessary to add two new positions: a Research Analyst IV and a Utility Financial Analyst II position, and acquire additional lease space. The addition of these resources will ensure that pipeline dockets are addressed and resolved in a timely manner, benefiting the regulated entities and ultimately promoting economic development and investment. Funding source is RCA receipts.

Major Component Accomplishments in 2003

Issued 711 substantive orders, compared to 518 for the prior year.

Significantly reduced number of pending dockets, from 374 to 161.

Processed 480 utility and pipeline tariff filings.

Handled 609 informal customer complaints.

Handled 113 new cases including certification dockets (47) and other proceedings (66).

Processed 234 nonregulated and 121 regulated Power Cost Equalization filings.

Received \$7.5 million in U.S.D.A. grants for rural Alaska Internet deployment, with an additional \$7.5 million awarded in FY2004.

Statutory and Regulatory Authority

AS 42.04 Regulatory Commission of Alaska

AS 42.05 Public Utilities
AS 42.06 Pipeline Carrier
AS 42.45 Power Cost Equalization
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
<p>Contact: Mark K. Johnson, Commissioner Phone: (907) 276-6222 Fax: (907) 276-0160 E-mail: mark_k_johnson@rca.state.ak.us</p>

**Regulatory Commission of Alaska
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,896.5	4,179.2	4,054.5
72000 Travel	53.1	60.0	55.0
73000 Contractual	1,778.8	1,933.3	1,315.1
74000 Supplies	50.5	62.5	56.9
75000 Equipment	134.6	13.8	12.6
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	5,913.5	6,248.8	5,494.1
Funding Sources:			
1108 Statutory Designated Program Receipts	0.0	105.0	0.0
1141 RCA Receipts	5,913.5	6,143.8	5,494.1
Funding Totals	5,913.5	6,248.8	5,494.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	3.4	0.0	0.0
Unrestricted Fund	68515	5.4	0.0	0.0
Unrestricted Total		8.8	0.0	0.0
Restricted Revenues				
Statutory Designated Program Receipts	51063	0.0	105.0	0.0
Alaska Public Utilities Comm. Receipts	51066	5,913.5	6,143.8	5,494.1
Restricted Total		5,913.5	6,248.8	5,494.1
Total Estimated Revenues		5,922.3	6,248.8	5,494.1

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	0.0	6,248.8	6,248.8
Adjustments which will continue current level of service:				
-Changes to Retirement and Other Personal Services Rates	0.0	0.0	120.6	120.6
-Transfer Public Advocacy Costs to RCA Audits & Investigations from Regulatory Commission of Alaska	0.0	0.0	-942.8	-942.8
-Reduce One-Time Funding for the FY04 RCA Western Conference of Public Service Commissioners	0.0	0.0	-105.0	-105.0
Proposed budget increases:				
-Increase for Additional Pipeline Regulatory Expenses	0.0	0.0	172.5	172.5
FY2005 Governor	0.0	0.0	5,494.1	5,494.1

**Regulatory Commission of Alaska
Personal Services Information**

Authorized Positions		Personal Services Costs		
	FY2004 Authorized	FY2005 Governor		
Full-time	62	58	Annual Salaries	3,060,240
Part-time	0	0	Premium Pay	63,679
Nonpermanent	0	0	Annual Benefits	1,220,219
			<i>Less 6.67% Vacancy Factor</i>	<i>(289,638)</i>
			Lump Sum Premium Pay	0
Totals	62	58	Total Personal Services	4,054,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk I	1	0	0	0	1
Administrative Clerk II	6	0	0	0	6
Administrative Clerk III	3	0	0	0	3
Administrative Manager II	1	0	0	0	1
Analyst/Programmer II	1	0	0	0	1
Analyst/Programmer III	1	0	0	0	1
Analyst/Programmer V	1	0	0	0	1
Commissioner, RCA	5	0	0	0	5
Communications Com Car Sp I	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	2	0	0	0	2
Law Office Assistant I	2	0	0	0	2
Micro/Network Tech II	1	0	0	0	1
Paralegal II	4	0	0	0	4
Publications Spec II	1	0	0	0	1
Records & Licensing Spvr	1	0	0	0	1
Reg Comm Alaska Process Coord	1	0	0	0	1
Research Analyst IV	1	0	0	0	1
Special Staff Assistant	1	0	0	0	1
Utility Eng Analyst III	1	0	0	0	1
Utility Eng Analyst IV	4	0	0	0	4
Utility Engineering Analyst V	1	0	0	0	1
Utility Fin Analyst I	1	0	0	0	1
Utility Fin Analyst II	2	0	0	0	2
Utility Fin Analyst III	2	0	0	0	2
Utility Fin Analyst IV	1	0	0	0	1
Utility Tariff Anlyst I	2	0	0	0	2
Utility Tariff Anlyst II	1	0	0	0	1
Utility Tariff Anlyst III	1	0	0	0	1
Totals	58	0	0	0	58