

State of Alaska FY2006 Governor's Operating Budget

**Dept. of Commerce, Community, and Economic Dev.
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

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

End Results	Strategies to Achieve Results
<p>A: Timely decisions</p> <p><u>Target #1:</u> 100% of orders issued within statutory deadlines. <u>Measure #1:</u> Percentage of orders not issued within deadlines.</p>	<p>A1: Issue public notice within two weeks.</p> <p><u>Target #1:</u> No missed deadlines. <u>Measure #1:</u> Quarterly reports indicate no missed deadlines.</p> <p><u>Target #2:</u> Commission adjudicates, makes determination, and issues order before deadline. <u>Measure #2:</u> Number of missed deadlines.</p>
End Results	Strategies to Achieve Results
<p>B: Improve the number of unresolved filings</p> <p><u>Target #1:</u> The number of resolved cases roughly equal the number of cases received each year <u>Measure #1:</u> Percentage of resolved cases compared to total number of cases received.</p>	<p>B1: Determine deadline at onset of case.</p> <p><u>Target #1:</u> 100% of cases calendared within first two weeks. <u>Measure #1:</u> Percentage of cases not calendared timely.</p>
End Results	Strategies to Achieve Results
<p>C: Improve pipeline expertise to administer AS 42.06.</p> <p><u>Target #1:</u> Better coordination and administration of pipeline cases</p>	<p>C1: Assign one FTE to analyze pipeline filings, establish deadlines and coordinate efforts of technical staff and contractual ALJs.</p> <p><u>Target #1:</u> Reduction in contractual monies spent on</p>

Measure #1: Reduction in contractual monies spent on Administrative Law Judges	Administrative Law Judges Measure #1: Percentage of reduction in ALJ billings.
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Major Activities to Advance Strategies

- 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.
- Support Alaska's interests in national regulatory commission interface with national issues.
- 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.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$5,861,500	Personnel:	
	Full time	60
	Part time	0
	Total	60

Performance Measure Detail

A: Result - Timely decisions

Target #1: 100% of orders issued within statutory deadlines.
Measure #1: 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.

A1: Strategy - Issue public notice within two weeks.

Target #1: No missed deadlines.
Measure #1: 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 #2: Commission adjudicates, makes determination, and issues order before deadline.
Measure #2: 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.

B: Result - Improve the number of unresolved filings

Target #1: The number of resolved cases roughly equal the number of cases received each year

Measure #1: 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.

B1: Strategy - Determine deadline at onset of case.

Target #1: 100% of cases calendared within first two weeks.

Measure #1: 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.

C: Result - Improve pipeline expertise to administer AS 42.06.

Target #1: Better coordination and administration of pipeline cases

Measure #1: Reduction in contractual monies spent on Administrative Law Judges

C1: Strategy - Assign one FTE to analyze pipeline filings, establish deadlines and coordinate efforts of technical staff and contractual ALJs.

Target #1: Reduction in contractual monies spent on Administrative Law Judges

Measure #1: 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

1. Implement measures which make it easier for regulated utilities to do business with the RCA.
2. Create a new regulatory environment that serves to create sustainable rural utility service.
3. Implement through regulations incentive based regulation of rural utility subsidies.
4. Improve RCA accountability for case management and time management.
5. Establish core operating strategies for each RCA division that promote efficiency and effective regulation.
6. Increase transparency in the regulatory process through the public meeting forum.
7. Determine the role for mediation and arbitration in settling RCA cases.

Significant Changes in Results to be Delivered in FY2006

Based on receiving approval for a capital funding mechanism, the RCA will deliver the following increases in accountability, transparency and regulatory effectiveness for fiscal 2006.

1. Fully integrated electronic website for utility and pipeline companies to electronically manage their tariffs and other day-to-day business with the RCA, reducing operating costs of the regulated entities.
2. New time management system will be implemented which will accurately track staff time and result in a fair allocation of Regulatory Cost Charges to Alaskan utilities. In FY05 the Commission will contract for the development of an enhanced workload management reporting system which will increase the transparency and accountability of the agency's operations.
3. Deployment of electronic receipt and distribution of Commission orders and case documents. Electronic filing will significantly speed up document availability, and reduce the number of paper copies and delivery charges currently associated with document submittal.

Major Component Accomplishments in 2004

Issued 493 substantive orders and 44 procedural orders.

Reduced the number of pending dockets from 163 to 151.

Processed 540 utility and pipeline tariff filings.

Handled 292 informal customer complaints.

Handled 151 new cases including certification dockets (44) and other proceedings (107).

Processed 408 nonregulated and 86 regulated Power Cost Equalization filings.

Awarded approximately \$4 million in U.S.D.A. grants for rural Alaska Internet deployment.

Developed inclusive process to forward implementation of a FERC-delegated, small hydroelectric program in Alaska.

Received second \$7.5 million installment from the United State Department of Agriculture for rural Alaska Internet deployment.

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

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**Regulatory Commission of Alaska
Component Financial Summary**

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,005.6	4,061.7	4,456.9
72000 Travel	58.9	55.0	55.0
73000 Services	2,191.2	1,315.1	1,280.1
74000 Commodities	60.6	56.9	56.9
75000 Capital Outlay	96.7	12.6	12.6
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	6,413.0	5,501.3	5,861.5
Funding Sources:			
1002 Federal Receipts	180.0	0.0	0.0
1141 RCA Receipts	6,191.6	5,501.3	5,861.5
1156 Receipt Supported Services	41.4	0.0	0.0
Funding Totals	6,413.0	5,501.3	5,861.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Managemen t Plan	FY2006 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	0.8	0.0	0.0
Unrestricted Fund	68515	2.4	0.0	0.0
Unrestricted Total		3.2	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	180.0	0.0	0.0
Alaska Public Utilities Comm. Receipts	51066	6,191.6	5,501.3	5,861.5
Receipt Supported Services	51073	41.4	0.0	0.0
Restricted Total		6,413.0	5,501.3	5,861.5
Total Estimated Revenues		6,416.2	5,501.3	5,861.5

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	0.0	0.0	5,501.3	5,501.3
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	0.0	0.0	27.2	27.2
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	101.6	101.6
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	0.0	39.4	39.4
Proposed budget increases:				
-ADN 850099 Advisory Section Manager and Commission Section Manager positions established by Revised Program	0.0	0.0	192.0	192.0
FY2006 Governor	0.0	0.0	5,861.5	5,861.5

**Regulatory Commission of Alaska
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2005</u>	<u>FY2006</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	58	60	Annual Salaries	3,259,936
Part-time	0	0	COLA	37,768
Nonpermanent	0	0	Premium Pay	65,417
			Annual Benefits	1,584,294
			<i>Less 6.90% Vacancy Factor</i>	<i>(341,615)</i>
			Lump Sum Premium Pay	0
Totals	58	60	Total Personal Services	4,605,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	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
Advisory Section Manager	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
Commission Section Manager	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	2	0	0	0	2
Law Office Assistant I	2	0	0	0	2
Micro/Network Tech II	1	0	0	0	1
Paralegal I	1	0	0	0	1
Paralegal II	4	0	0	0	4
Process Coordinator, RCA	1	0	0	0	1
Publications Spec II	1	0	0	0	1
Records & Licensing Spvr	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	60	0	0	0	60

