

State of Alaska
FY2020 Governor's Operating Budget

Department of Law
Regulatory Affairs Public Advocacy
Component Budget Summary

Component: Regulatory Affairs Public Advocacy

Contribution to Department's Mission

The Regulatory Affairs and Public Advocacy (RAPA) section exercises the Attorney General's responsibility to represent the public interest in utility and pipeline matters before the Regulatory Commission of Alaska (RCA). RAPA also represents the State of Alaska in pipeline matters before the Federal Regulatory Commission (FERC).

Core Services

- RAPA advocates for the public interest in matters before the RCA, paying particular attention to the interests of consumers who would not otherwise have an effective voice regarding the rates and services of regulated utilities and pipelines operating in the state.
- RAPA's representation of the state before the FERC in pipeline tariff proceedings has substantial financial impacts. For example, the state was recently successful in contesting the inclusion of approximately \$625 million in costs from being factored into Trans-Alaska Pipeline tariff rates. This decision will reduce tariff rates and increase production taxes and royalties paid to the state over the Trans-Alaska Pipeline's lifespan.
- AS 42.05.254(e) and AS 42.06.286(a) provide RAPA funding directly from a regulatory cost charge imposed on utilities and pipeline carriers that is administered by the RCA. In FY2019, about 7% of RAPA's budget is in general funds as the section took over some work previously performed by the former Oil, Gas and Mining section.

Major Component Accomplishments in 2018

RAPA helps ensure that utility and pipeline carrier tariff rates and service practices are just and reasonable. Approximately \$16 million in quantifiable consumer benefits can be tracked to RAPA advocacy in FY2018. This is based on the difference between the amounts requested by utilities in their respective revenue requirement proposals and the amounts ultimately awarded to them by the RCA. To achieve these results in FY2018, the department spent about \$2 million in RCA regulatory cost charge receipts.

During FY2018, RAPA participated in over fifty dockets. This includes filing testimonies, participating in public hearings and mediations, filing comments in rulemakings and successfully completing stipulations to settle cases.

Highlights of selected FY2018 dockets where RAPA participated:

- Participation in the Municipal Light and Power rate case resulting in a \$5,815,093 reduction in the electric utility's requested revenue requirement.
- Settlement of the Alaska Electric Light & Power rate case resulting in a \$2,310,892 reduction in the electric utility's requested revenue requirement.
- Participation in the ENSTAR Natural Gas Company rate case resulting in a \$6,285,299 reduction in the gas utility's requested revenue requirement.
- Participation in the CINGSA gas found gas sale appeal which was decided in the the Regulatory Commission of Alaska's favor, consistent with RAPA's positions.
- Settlement of the Alaska Power Company rate case resulting in a \$979,310 reduction in the electric utility's requested revenue requirement.

RAPA also investigates and participates in RCA "rulemaking" dockets that affect utility and pipeline carrier practices or services on a statewide basis.

Key Component Challenges

The pipeline tariff functions of the former Oil, Gas and Mining section merged with RAPA, with other functions moving to the Natural Resources section in FY2016. RAPA reduced its attorney staffing from four to two attorneys by the end of FY2018, while still reducing reliance on outside counsel for FERC matters. This has presented some challenges and RAPA hopes to hire a third attorney for the section during FY2019.

- RAPA spends substantial efforts to participate in FERC and RCA matters, when appropriate, involving all common carrier oil and gas pipelines operating in the state. The state's participation in tariff regulation is important in encouraging new investment in exploration and development of new areas in the state by ensuring fair transportation rates and access to existing pipeline infrastructure.
- RAPA is assuming more responsibility from outside counsel on TAPS cases that come before FERC. As RAPA becomes more familiar and competent in this area, the section will strive to reduce the use of outside counsel services. While this will reduce costs, it will also increase the workload of section attorneys.

Significant Changes in Results to be Delivered in FY2020

- Continuing efforts to participate in FERC proceedings involving TAPS tariffs with less reliance on outside counsel. This will gradually add to RAPA's workload as the section transitions work to in-house attorneys from outside counsel.
- Funding for outside counsel and other experts will be a challenge. Even though the section will continue to work toward significantly reducing reliance on outside counsel, the section will need to retain the general funds that it absorbed along with workload from the former Oil, Gas and Mining section in order to deal with pending FERC matters.

Statutory and Regulatory Authority

AS 44.23.020(e)

Contact Information
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Regulatory Affairs Public Advocacy Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2019</u> <u>Management</u> <u>Plan</u>	<u>FY2020</u> <u>Governor</u>		
Full-time	10	9	Annual Salaries	889,738
Part-time	0	0	COLA	19,181
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	470,042
			<i>Less 2.52% Vacancy Factor</i>	<i>(34,761)</i>
			Lump Sum Premium Pay	0
Totals	10	9	Total Personal Services	1,344,200

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Attorney V	1	0	0	0	1
Attorney VI	1	0	0	0	1
Law Office Assistant I	2	0	0	0	2
Pub Advocate Util Analyst I	4	0	0	0	4
Pub Advocate Util Analyst II	1	0	0	0	1
Totals	9	0	0	0	9

Component Detail All Funds
Department of Law

Component: Regulatory Affairs Public Advocacy (2764)
RDU: Civil Division (35)

Non-Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	1,649.7	1,525.8	1,525.8	1,465.8	1,344.2	-121.6	-8.3%
72000 Travel	16.6	6.5	6.5	6.5	6.5	0.0	0.0%
73000 Services	453.3	1,267.4	1,267.4	1,327.4	1,477.4	150.0	11.3%
74000 Commodities	14.1	18.8	18.8	18.8	18.8	0.0	0.0%
75000 Capital Outlay	0.9	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	2,134.6	2,818.5	2,818.5	2,818.5	2,846.9	28.4	1.0%
Fund Sources:							
1004 Gen Fund (UGF)	286.4	457.9	457.9	457.9	458.6	0.7	0.2%
1141 RCA Rcpts (DGF)	1,848.2	2,360.6	2,360.6	2,360.6	2,388.3	27.7	1.2%
Unrestricted General (UGF)	286.4	457.9	457.9	457.9	458.6	0.7	0.2%
Designated General (DGF)	1,848.2	2,360.6	2,360.6	2,360.6	2,388.3	27.7	1.2%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	11	10	10	10	9	-1	-10.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Law

Component: Regulatory Affairs Public Advocacy (2764)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 Conference Committee	ConfCom	2,818.5	1,525.8	6.5	1,267.4	18.8	0.0	0.0	0.0	10	0	0
1004 Gen Fund		457.9										
1141 RCA Rcpts		2,360.6										
Subtotal		2,818.5	1,525.8	6.5	1,267.4	18.8	0.0	0.0	0.0	10	0	0
***** Changes From FY2019 Authorized To FY2019 Management Plan *****												
Align Authority to Comply with Vacancy Factor Guidelines	LIT	0.0	-60.0	0.0	60.0	0.0	0.0	0.0	0.0	0	0	0
The purpose of this line item transfer is to align authority within the Regulatory Affairs and Public Advocacy component in order to comply with vacancy factor guidelines.												
Subtotal		2,818.5	1,465.8	6.5	1,327.4	18.8	0.0	0.0	0.0	10	0	0
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
Align Authority to Comply with Vacancy Factor Guidelines	LIT	0.0	-150.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0
The purpose of this line item transfer is to align authority within the Regulatory Affairs and Public Advocacy component in order to comply with vacancy factor guidelines.												
Transfer Attorney IV (03-0377) to Natural Resources for Required Legal Expertise	Trout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Transfer Attorney IV (03-0377) to the Natural Resources component to keep pace with the required level of legal expertise needed within the section.												
Department of Law attorney positions are partially exempt and flexibly-ranged positions. Attorneys I-VI are transferred in accordance with attorney salary placement, allowing positions to be sub-filled at lower levels. Budget authority is evaluated and aligned between components as needed.												
Reverse Supervisory Unit Furlough Contract Terms	SalAdj	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1141 RCA Rcpts		0.8										
The Alaska Public Employees Association (representing the supervisory unit) contractually required 15 hours of furlough for each permanent full-time employee in each year from July 1, 2016, to June 30, 2019. The furlough requirement was removed from the contract in FY2020.												
FY2020 Salary Adjustments - GGU, CEA, TEAME	SalAdj	25.8	25.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios with Descriptions
Department of Law

Component: Regulatory Affairs Public Advocacy (2764)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
1004 Gen Fund		0.7										
1141 RCA Rcpts		25.1										
FY2020 Salary Adjustments - GGU, CEA, TEAME: \$25.8												
FY2020 GGU HI from \$1432 to \$1530: \$7.0												
FY2020 GGU 3% COLA: \$18.8												
Reverse Alaska State Employees Association (GGU) 15 Hour Furlough												
1141 RCA Rcpts	SalAdj	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Alaska State Employees Association (representing the general government unit) contractually required 15 hours of furlough for each permanent full-time employee in each year from July 1, 2016, to June 30, 2019. The furlough requirement was removed from the contract in FY2020.												
Totals		2,846.9	1,344.2	6.5	1,477.4	18.8	0.0	0.0	0.0	9	0	0

Personal Services Expenditure Detail
Department of Law

Scenario: FY2020 Governor (15610)
Component: Regulatory Affairs Public Advocacy (2764)
RDU: Civil Division (35)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
03-0063	Law Office Assistant I	FT	A	GP	Anchorage	200	11J	12.0		45,132	1,816	0	33,907	80,855	20,214
03-0108	Attorney VI	FT	A	XE	Anchorage	N00	26L	12.0		130,452	0	0	63,249	193,701	0
03-0411	Attorney V	FT	A	XE	Anchorage	99	25N	12.0		134,258	0	0	64,466	198,724	99,362
03-0424	Pub Advocate Util Analyst I	FT	A	GP	Anchorage	200	22J	12.0		95,796	3,856	0	51,214	150,866	0
08-6028	Pub Advocate Util Analyst I	FT	A	GP	Anchorage	200	22L / M	12.0		103,228	4,155	0	53,753	161,136	0
08-6045	Pub Advocate Util Analyst II	FT	A	SS	Anchorage	99	24P / Q	12.0		148,451	0	0	68,588	217,039	0
08-6071	Pub Advocate Util Analyst I	FT	A	GP	Anchorage	99	22N	12.0		109,927	4,424	0	56,041	170,392	0
08-6073	Pub Advocate Util Analyst I	FT	A	GP	Anchorage	200	22A / B	12.0		76,935	3,096	0	44,771	124,802	0
08-6079	Law Office Assistant I	FT	A	GP	Anchorage	200	11J / K	12.0		45,559	1,834	0	34,053	81,446	0
Total													Total Salary Costs:	889,738	
Positions													Total COLA:	19,181	
Full Time Positions:													Total Premium Pay:	0	
Part Time Positions:													Total Benefits:	470,042	
Non Permanent Positions:															
Positions in Component:													Total Pre-Vacancy:	1,378,961	
													Minus Vacancy Adjustment of 2.52%:	(34,761)	
													Total Post-Vacancy:	1,344,200	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	1,344,200	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	119,576	116,561	8.67%
1141 RCA Receipts	1,259,385	1,227,639	91.33%
Total PCN Funding:	1,378,961	1,344,200	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail (1676)
Department of Law
Travel

Component: Regulatory Affairs Public Advocacy (2764)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
2000	Travel		16.6	6.5
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
2000 Travel Detail Totals			16.6	6.5
2000	In-State Employee Travel	Travel for attorneys to interview witnesses and attend court proceedings, as well as for necessary training for both attorneys and paraprofessionals. Includes travel for management purposes.	2.4	1.5
2001	In-State Non-Employee Travel	Travel costs for witnesses to testify in court.	1.2	2.5
2002	Out of State Employee Travel	Travel costs and expenses for out-of-state travel for conferences, training, etc.	11.3	1.9
2006	Other Travel Costs	Travel cost transfers.	1.7	0.6

Line Item Detail (1676)
Department of Law
Services

Component: Regulatory Affairs Public Advocacy (2764)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		453.3	1,327.4
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			453.3	1,327.4
3000	Education Services	Conferences, training and memberships.	10.9	15.6
3002	Legal and Judicial Services	Depositions, research costs, expert witness and consultant fees.	238.4	889.3
3003	Information Technology	Training, consulting and software licensing and maintenance. Annual maintenance fee for mission-critical information management systems.	4.0	1.6
3004	Telecommunications	Local telephone service, long distance charges and cellular phone services paid to third-party telephone utilities.	0.0	1.2
3006	Delivery Services	Freight, courier, postage, and transportation of trial exhibit materials.	0.0	1.3
3010	Equipment/Machinery	Office equipment rental - copier and postage meters.	0.7	1.8
3011	Other Services	Cost transfers and miscellaneous items within the services line (commissions, etc.).	123.9	324.5
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide RSA Administration, Enterprise Technology Services computer services.	6.2	5.8
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide RSA Administration, Enterprise Technology Services telecommunications services.	9.4	7.7
3022	Inter-Agency Human Resources	Law - Administrative Services (2164) RSA Law, Human Resources	7.2	5.1

Line Item Detail (1676)
Department of Law
Services

Component: Regulatory Affairs Public Advocacy (2764)

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			453.3	1,327.4
3023	Inter-Agency Building Leases	Admin - Department-wide position. Leased office space managed by General Services.	28.9	27.8
3026	Inter-Agency Insurance	Admin - Department-wide RSA Administration, Risk Management.	0.3	0.3
3027	Inter-Agency Financial	Admin - Department-wide RSA Administration, Finance Chargeback (IRIS)	0.6	0.8
3038	Inter-Agency Management/Consulting	Law - Administrative Services (2164) RSA Law, Information services, project and management support.	22.8	44.6

Line Item Detail (1676)

**Department of Law
Commodities**

Component: Regulatory Affairs Public Advocacy (2764)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
4000	Commodities		14.1	18.8
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
4000 Commodities Detail Totals			14.1	18.8
4000	Business	Reference materials and subscriptions, including statutes, software applications, non-capital desktop refresh, and miscellaneous office supplies.	3.4	2.0
4022	Commodity Transfer	Commodity cost transfers.	10.7	16.8

Line Item Detail (1676)
Department of Law
Capital Outlay

Component: Regulatory Affairs Public Advocacy (2764)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
5000	Capital Outlay		0.9	0.0
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
5000 Capital Outlay Detail Totals			0.9	0.0
5009	Capital Outlay Transfer	Capital cost transfers.	0.9	0.0

Revenue Detail (1681)
Department of Law

Component: Regulatory Affairs Public Advocacy (2764)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2018 Actuals	FY2019 Management Plan
5141 RCA Rcpts (1141 RCA Rcpts)			1,848.2	2,360.6
5402 Regulatory Commission of Alaska Receipts		Regulatory Commission of Alaska - Expert technical support of Regulatory Affairs and Public Advocacy non-attorney professionals who provide accounting, engineering, economic and policy analysis for all types of regulated utilities and preparation of written testimony for hearings.	1,848.2	2,360.6
6004 Gen Fund (1004 Gen Fund)			2.0	0.0
6046 General Fund - Prior Year Reimbursement Recovery			2.0	0.0

Inter-Agency Services (1682)
Department of Law

Component: Regulatory Affairs Public Advocacy (2764)

				FY2018 Actuals	FY2019 Management Plan
Component Totals				75.4	92.1
With Department of Administration				45.4	42.4
With Department of Law				30.0	49.7
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan	
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	RSA Administration, Enterprise Technology Services computer services.	6.2	5.8
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	RSA Administration, Enterprise Technology Services telecommunications services.	9.4	7.7
3022	Inter-Agency Human Resources	Law - Administrative Services (2164)	RSA Law, Human Resources position.	7.2	5.1
3023	Inter-Agency Building Leases	Admin - Department-wide	Leased office space managed by General Services.	28.9	27.8
3026	Inter-Agency Insurance	Admin - Department-wide	RSA Administration, Risk Management.	0.3	0.3
3027	Inter-Agency Financial	Admin - Department-wide	RSA Administration, Finance Chargeback (IRIS)	0.6	0.8
3038	Inter-Agency Management/Consulting	Law - Administrative Services (2164)	RSA Law, Information services, project and management support.	22.8	44.6