

State of Alaska FY2007 Governor's Operating Budget

**Dept of Commerce, Community, & 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

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

Certify Utilities

Regulate Public Utility and Common Carrier Pipelines

Decide Utility and Pipeline cases

Act as a Public Resource on Public Utility and Pipeline Matters

Administer the Power Cost Equalization Program

Resolve Consumer Complaints about Regulated Utilities

Provide Legislative Support on Public Utilities and Pipeline Matters

End Results	Strategies to Achieve Results
<p>A: Timely decisions</p> <p><u>Target #1:</u> 100% of orders issued within statutory deadlines.</p> <p><u>Measure #1:</u> Percentage of orders issued within statutory deadlines.</p>	<p>A1: Schedule public hearings to conclude 90 days prior to the statutory deadline to provide the RCA with sufficient time to review the hearing transcripts, adjudicate a decision, arrive at a decision and issue a final order.</p> <p><u>Target #1:</u> Schedule public hearings to conclude 90 days prior to the end of the statutory deadline</p> <p><u>Measure #1:</u> Percent of public hearings held during the fiscal year which were scheduled 90 days prior to the end of the statutory period.</p> <p>This is a new benchmark for fiscal 2007 which the RCA will initiate on July 1, 2006.</p> <p>A2: Issue the final order within 90 days after the conclusion of a public hearing.</p> <p><u>Target #1:</u> Schedule the first adjudication of a public hearing within four weeks after the conclusion of the hearing.</p> <p><u>Measure #1:</u> The percent of public hearing adjudications scheduled within four weeks after the conclusion of the hearing.</p>
End Results	Strategies to Achieve Results

<p>B: The RCA's caseload consists of current and active cases.</p> <p><u>Target #1:</u> The number of resolved cases roughly equal the number of cases received each year <u>Measure #1:</u> Number of cases closed during the fiscal year, compared to total number of cases opened during the year.</p>	<p>B1: The RCA's docket inventory should not include any matters that have no ongoing activity.</p> <p><u>Target #1:</u> Minimize the number of open cases in the RCA's docket inventory which are older than two years and not on appeal or remanded from appeal. <u>Measure #1:</u> The number of cases which are open longer than two years and which are not on appeal or on remand.</p>
<p>End Results</p>	<p>Strategies to Achieve Results</p>
<p>C: The RCA's final decisions are thoughtful, well-reasoned and sound.</p> <p><u>Target #1:</u> Minimal number of appeals of RCA's final orders. <u>Measure #1:</u> The number of RCA final decisions that are appealed to a higher court annually.</p>	<p>C1: The RCA's final order contain rationale for each componet of the decision.</p> <p><u>Target #1:</u> The RCA's Assistant Attorney General reviews each substantial final decision before it is released. <u>Measure #1:</u> The percent of substantial final orders the RCA's assistant attorney general reviews before they are released.</p>

Major Activities to Advance Strategies	
<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.

FY2007 Resources Allocated to Achieve Results							
<p>FY2007 Component Budget: \$6,668,100</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Full time</td> <td style="text-align: right;">57</td> </tr> <tr> <td>Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">57</td> </tr> </table>	Full time	57	Part time	0	Total	57
Full time	57						
Part time	0						
Total	57						

Performance Measure Detail

A: Result - Timely decisions

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

Orders issued with statutory deadlines

Year	YTD Total
2003	0
2004	0
	0%
2005	0

	0%
--	----

Analysis of results and challenges: The Regulatory Commission of Alaska is required to issue certain orders by deadlines defined in statute. The above table provides the data regarding the RCA's past performance in meeting those deadlines. These deadlines are important because they provide regulated utilities with a timeframe for regulatory decision making that they can rely upon in making business decisions.

A1: Strategy - Schedule public hearings to conclude 90 days prior to the statutory deadline to provide the RCA with sufficient time to review the hearing transcripts, adjudicate a decision, arrive at a decision and issue a final order.

Target #1: Schedule public hearings to conclude 90 days prior to the end of the statutory deadline
Measure #1: Percent of public hearings held during the fiscal year which were scheduled 90 days prior to the end of the statutory period.

This is a new benchmark for fiscal 2007 which the RCA will initiate on July 1, 2006.

Analysis of results and challenges: The RCA will implement this benchmark for Fiscal 2007.

A2: Strategy - Issue the final order within 90 days after the conclusion of a public hearing.

Target #1: Schedule the first adjudication of a public hearing within four weeks after the conclusion of the hearing.
Measure #1: The percent of public hearing adjudications scheduled within four weeks after the conclusion of the hearing.

Table of Adjudatory Meetings Scheduled within 30 Days After Conclusion of Hearing

Year	YTD Total	Target	Variance
2004	0	0	0
2005	0 0%	0 0%	0 0%

Analysis of results and challenges: This is a new measure adopted in 2006. Data will be available in 2006.

B: Result - The RCA's caseload consists of current and active cases.

Target #1: The number of resolved cases roughly equal the number of cases received each year
Measure #1: Number of cases closed during the fiscal year, compared to total number of cases opened during the year.

Docket Summary

Fiscal Year	Beginning	open dockets	closed dockets	ending docket
FY 1999	559	171	198	532
FY 2000	532 -4.83%	205 +19.88%	206 +4.04%	531 -0.19%
FY 2001	531 -0.19%	172 -16.10%	285 +38.35%	418 -21.28%
FY 2002	418 -21.28%	152 -11.63%	194 -31.93%	376 -10.05%
FY 2003	376 -10.05%	113 -25.66%	326 +68.04%	163 -56.65%
FY 2004	163 -56.65%	151 +33.63%	163 -50.00%	151 -7.36%
FY 2005	151	135	179	107

	-7.36%	-10.60%	+9.82%	-29.14%
--	--------	---------	--------	---------

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 - The RCA's docket inventory should not include any matters that have no ongoing activity.

Target #1: Minimize the number of open cases in the RCA's docket inventory which are older than two years and not on appeal or remanded from appeal.

Measure #1: The number of cases which are open longer than two years and which are not on appeal or on remand.

Dockets over 2 years that are not on appeal and/or remand

Year	YTD Total
2002	170
2003	46 -72.94%
2004	29 -36.96%
2005	12 -58.62%

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 - The RCA's final decisions are thoughtful, well-reasoned and sound.

Target #1: Minimal number of appeals of RCA's final orders.

Measure #1: The number of RCA final decisions that are appealed to a higher court annually.

Number of appealed decisions

Year	YTD Total
2003	14
2004	16 +14.29%
2005	7 -56.25%

C1: Strategy - The RCA's final order contain rationale for each component of the decision.

Target #1: The RCA's Assistant Attorney General reviews each substantial final decision before it is released.

Measure #1: The percent of substantial final orders the RCA's assistant attorney general reviews before they are released.

Year	YTD Total
2004	100
2005	100 0%

Key Component Challenges

1. Improve RCA accountability for case management and time management.
2. Increase transparency in the regulatory process through the public meeting forum.
3. Determine the role for mediation and arbitration in settling RCA cases.

Significant Changes in Results to be Delivered in FY2007

Based on receiving approval for a funding mechanism, the RCA will deliver the following increases in accountability, transparency, and regulatory effectiveness for fiscal 2007:

1. Fully integrated electronic website for utility and pipeline companies to electronically manage their tariffs and do other day-to-day business with the RCA, reducing operating costs of the each regulated utility.
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 FY06, the Commission will contract for the development of an enhanced workload management reporting system which will increase the transparency of, and accountability for, 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.
4. Development of Small Hydroelectric Power regulations which will allow the State to take over licensing of small hydroelectric power projects from the Federal Energy Regulatory Commission (FERC). The proposed benefit to the State is a faster more locally focused hydropower permitting program that will allow hydropower to replace diesel generation over the coming years in rural Alaska. The costs of implementing the licensing of small hydro projects is not covered by Regulatory Cost Charge (RCC) receipts collected from utilities and pipeline companies. Further, as the program is not expected to be self supporting for many years, if ever, a general government funding mechanism will need to be secured in order for the program to function.

Major Component Accomplishments in 2005

Issued 578 substantive orders and 103 procedural orders.

Reduced the number of pending dockets from 151 to 107.

Processed 657 utility and pipeline tariff filings.

Handled 412 informal customer complaints.

Handled 136 new cases including certification dockets (52) and other proceedings (84).

Processed 431 non-regulated and 119 regulated Power Cost Equalization filings.

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
42.45.350 Licensing of water-power development projects

Contact Information
<p>Contact: Kate Giard, Chairman Phone: (907) 263-2110 Fax: (907) 276-0160 E-mail: kate_giard@rca.state.ak.us</p>

Regulatory Commission of Alaska Component Financial Summary			
		<i>All dollars shown in thousands</i>	
	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,764.5	4,620.7	4,860.2
72000 Travel	50.7	55.0	55.0
73000 Services	1,581.1	1,330.1	1,683.4
74000 Commodities	135.2	56.9	56.9
75000 Capital Outlay	102.8	12.6	12.6
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	5,634.3	6,075.3	6,668.1
Funding Sources:			
1004 General Fund Receipts	0.0	0.0	325.0
1141 RCA Receipts	5,634.3	6,075.3	6,343.1
Funding Totals	5,634.3	6,075.3	6,668.1

Estimated Revenue Collections				
Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
General Fund Program Receipts	51060	1.7	0.0	0.0
Unrestricted Fund	68515	0.2	0.0	0.0
Unrestricted Total		1.9	0.0	0.0
Restricted Revenues				
Alaska Public Utilities Comm. Receipts	51066	5,634.3	6,075.3	6,343.1
Restricted Total		5,634.3	6,075.3	6,343.1
Total Estimated Revenues		5,636.2	6,075.3	6,343.1

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	0.0	0.0	6,075.3	6,075.3
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	85.9	85.9
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	9.9	9.9
-FY 07 Retirement Systems Cost Increase	0.0	0.0	163.5	163.5
Proposed budget increases:				
-Small Hydroelectric Licensing Program	325.0	0.0	0.0	325.0
-Risk Management Self-Insurance Funding Increase	0.0	0.0	8.5	8.5
FY2007 Governor	325.0	0.0	6,343.1	6,668.1

Regulatory Commission of Alaska Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2006</u>	<u>FY2007</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	55	57	Annual Salaries	3,241,864
Part-time	0	0	COLA	88,529
Nonpermanent	0	0	Premium Pay	55,926
			Annual Benefits	1,720,250
			<i>Less 4.82% Vacancy Factor</i>	(246,369)
			Lump Sum Premium Pay	0
Totals	55	57	Total Personal Services	4,860,200

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 Law Judget	1	0	0	0	1
Administrative Manager II	1	0	0	0	1
Advisory Section Manager	1	0	0	0	1
Analyst/Programmer II	2	0	0	0	2
Analyst/Programmer V	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
Hydro Power Coordinato	1	0	0	0	1
Law Office Assistant I	2	0	0	0	2
Micro/Network Tech II	1	0	0	0	1
Paralegal I	2	0	0	0	2
Paralegal II	2	0	0	0	2
PL Rates Sp III	1	0	0	0	1
PL Tariff Analyst	1	0	0	0	1
Process Coordinator, RCA	1	0	0	0	1
RCA Commission Section Mgr	1	0	0	0	1
Records & Licensing Spvr	1	0	0	0	1
Utility Eng Analyst IV	3	0	0	0	3
Utility Engineering Analyst V	1	0	0	0	1
Utility Fin Analyst I	1	0	0	0	1
Utility Fin Analyst III	3	0	0	0	3
Utility Fin Analyst IV	1	0	0	0	1
Utility Tariff Anlyst I	2	0	0	0	2
Utility Tariff Anlyst III	2	0	0	0	2
Totals	57	0	0	0	57