

The Senate of West Virginia



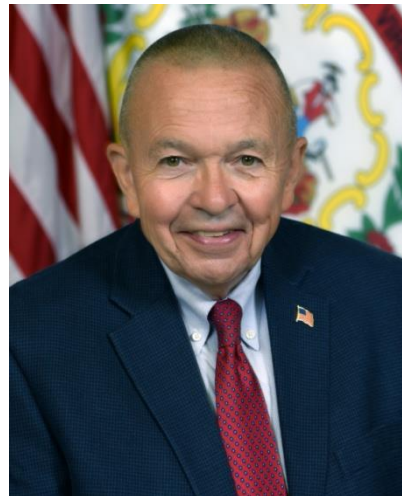
Public Service
Commission
of
West Virginia
FY2023
Proposed Budget
January 19, 2022

Public Service Commission of West Virginia



**Charlotte R. Lane
Chairman**

**William B. Raney
Commissioner**



**Renee A. Larrick
Commissioner**

Public Service Commission of West Virginia High Level Overview of FY2023 Budget

1. State Appropriated Special Revenue Funds

Gas Pipeline (8624)

Motor Carrier (8625)

Utilities (8623)



FY 2023 BUDGET

2. Federal Appropriated Funds

Gas Pipeline (8744)

Motor Carrier (8743)

3. Non-Appropriated Special Revenue Funds

Motor Carrier Out-of-State License Fund (8626)*

Law Enforcement Investigative Fund (8629)

Wireless Enhanced 911 Fees (8630)*

Cable Fund (8631)

Enhanced 911 Wireless Tower Access Assistance Fund (8632)

Gifts Grants & Donations (8633)

* Denotes Pass-Thru Fund

Public Service Commission of West Virginia Appropriated Special Revenue Funds

Budget Proposal – In compliance with fiscal year 2023 budget instructions, the budget proposal for FY2023 is no more than the FY2022 base budget. The request does not include premium increases for PEIA, BRIM, or PERS.

- **Fiscal Year 2023:** **\$ 23,997,582***
- **Fiscal Year 2022:** **\$ 23,997,582**

* Does not include transfers and improvements.

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

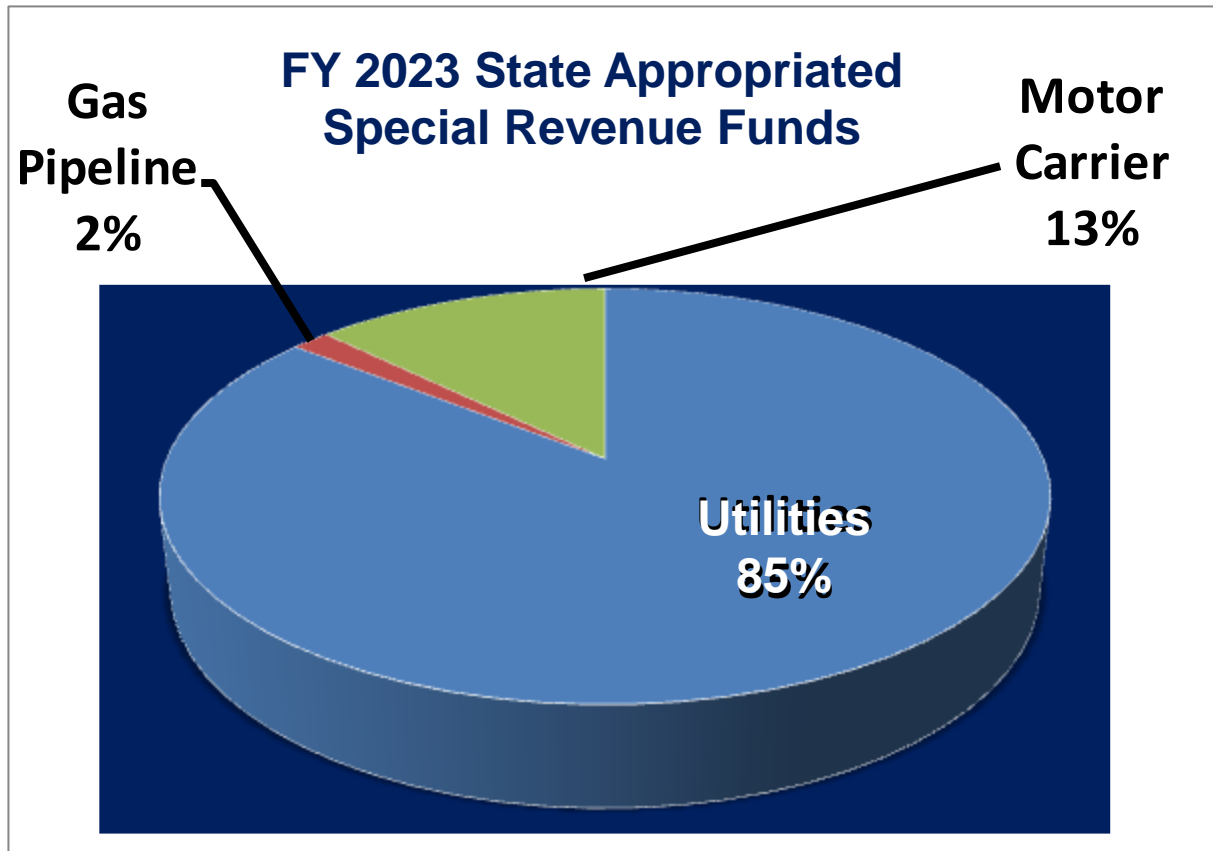
FY2023 BUDGET COMPARISON: AGENCY REQUEST TO GOVERNOR RECOMMENDATION (Governor Recommendation includes proposed pay increase)

FUND TYPE	REQUESTED BUDGET	GOVERNOR RECOMMENDATION	DIFFERENCE
PSC (8623)*	\$20,544,654	\$21,061,445	\$516,791
Pipeline Safety (8624)	\$ 395,624	\$ 401,615	\$ 5,991
Motor Carrier (8625)	\$ 3,057,304	\$ 3,114,700	\$ 57,396
TOTAL	\$23,997,582	\$24,577,760	\$580,178

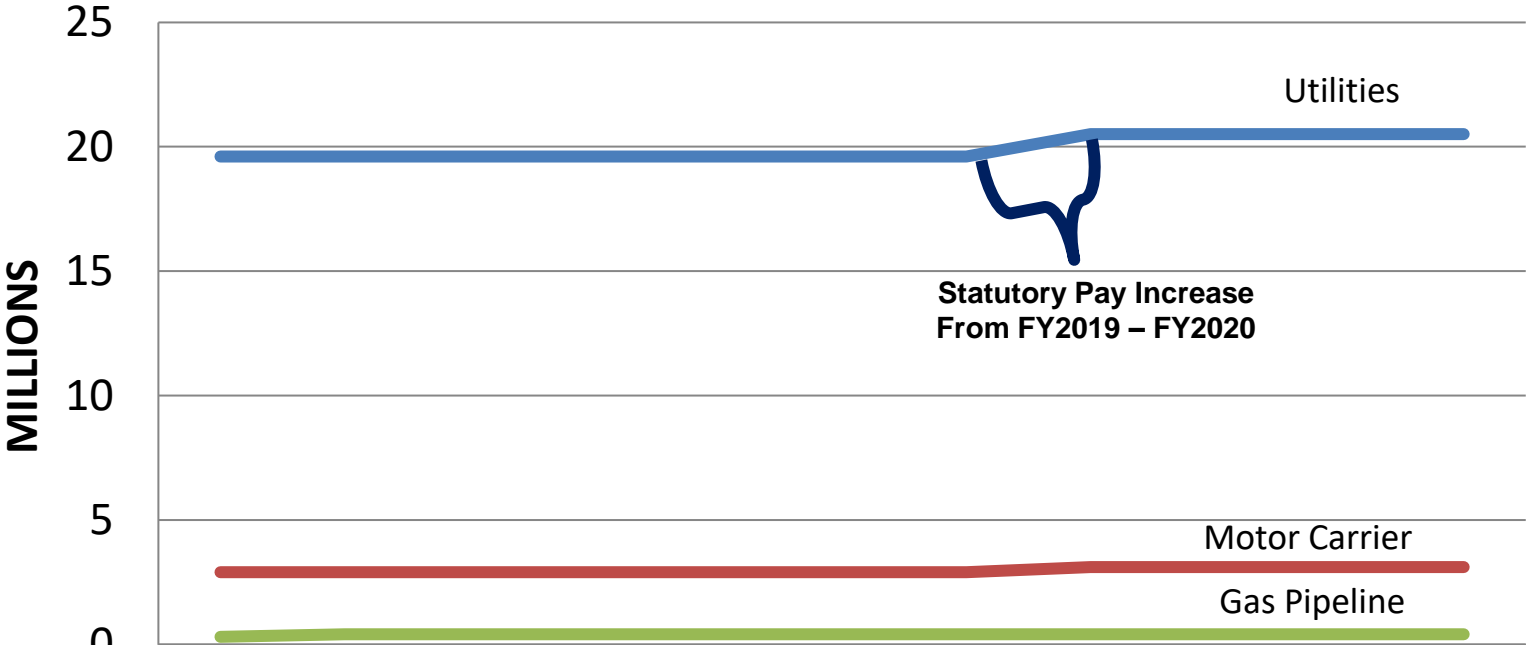
*The PSC fund (8623) initial appropriation is \$22,079,030. This number includes two transfers (1) Consumer Advocate and (2) Motor Carrier. The dollars appropriated to the Public Service Commission fund *after* transfers is \$20,544,654

Public Service Commission of West Virginia

Composition of State Appropriated Special Revenue Funds



Public Service Commission of West Virginia State Appropriated Special Revenue Funds FY2013-FY2023



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Utilities (8623)	19.6	19.6	19.6	19.6	19.6	19.6	19.6	20.5	20.5	20.5	20.5
Motor Carrier (8625)	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.1	3.1	3.1	3.1
Gas Pipeline (8624)	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4



For over a *decade*, the year over year graphs of budgeted PSC State Appropriated Special Revenue Funds, with the exception of statutory pay increases, have been essentially flat

Public Service Commission of West Virginia Appropriated Special Revenue Funds

Utilities Fund (8623)

- **Fiscal Year 2023 Budget** **\$20,544,654**
- **Revenue Sources (Special Revenue)**
 - The primary revenue sources for this fund are statutory assessments upon intrastate revenues and property of utilities regulated under Chapter 24 of the West Virginia Code.
- **Utilities Fund Programs (Utilities/Weight Enforcement)**
 - **Utilities Program**
 - **Justification for Maintaining Program.** This Program provides funding for the Commission's extensive advocacy, regulatory, and adjudicatory functions in order to provide quality utility service throughout the State and support for the Commission's railroad safety program.

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

– Utilities Program (continued)

- **Staffing Levels.** Maintaining staffing levels has been difficult and turnover is significant. Retirement, inadequate salary; and competition from private and public sector entities have negatively impacted staffing. The budgeted staffing levels will enable the Commission to react to increasingly complex regulatory issues such as telecommunications, natural gas, and electric utility generation, increased infrastructure filings, complex financings and mergers and acquisitions.
- **Persons and Entities Served.** This Program balances needs of current and future customers, the citizens, the Utilities, and the State's economy while assuring the availability of reasonably priced, safe, and reliable utility service to utility customers.

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

- **Utilities Program (continued)**

- **Benefits Received.** The Utility Program benefits the State by assuring that consumers receive the best utility service from financially viable and technically competent utilities. The Commission provides impartial and efficient resolution of jurisdictional and disputed utility issues, helps to increase business investment, job creation/retention and the State's overall competitiveness through fair and efficient utility rates. During the past seven years, the Commission has authorized over \$3 billion for electric utility projects alone. In addition, the Commission processes hundreds of formal cases and thousands of informal matters related to electric, telephone, gas, water and sewer utilities.

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

- **Weight Enforcement Program**

- **Justification for Maintaining Program.** This Program monitors the content of shipments and enhances the safety of the traveling public by enforcing the State laws governing overweight / oversized vehicles. This has a positive impact on highway safety and highway maintenance.
- **Staffing Levels.** Maintaining staffing levels is particularly difficult within the Weight Enforcement Division and turnover is significant because of retirement, inadequate salary, competition from private and public sector entities, and employment location requirements. Commission believes proposed staffing levels (filled/posted/or to be posted) are adequate. Although Weight Enforcement and Motor Carrier programs are fiscally separate, they are operationally combined (as mandated by the Legislature) and have allowed cross-training and productivity gains for both programs. Staffing may be impacted by gas drilling activities and increased monitoring of loads and hauling incident to drilling.

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

-Weight Enforcement Program (continued)

- **Persons and Entities Served.** The traveling public is benefitted by these programs and the control and monitoring of loads and contents is both a safety matter and helps the State by decreasing the wear and tear on highways experienced by overloaded and oversized motor carrier traffic.
- **Benefits Received.** The operation of these Programs assures approximately \$40 million of Federal funding to West Virginia for highways and has *reduced injuries* from accidents on West Virginia roadways.

•**Issues for the Utilities Fund (8623)**

- ✓ Funding of the Weight Enforcement program by the Department of Highways was eliminated by the Legislature after fiscal year 2007.
- ✓ Currently able to fund the Weight Enforcement program from the intrastate revenue and property assessments collected from utilities
- ✓ Continue to look for options to provide other funding for the Weight Enforcement program.

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

Utilities Fund (8623) Two Main Sources of Revenues:

I. Intrastate Revenue Assessment (IRA)

- Maximum \$.40 per \$100 of intrastate revenue
- **Current assessment \$.30, or 75% of maximum**
- Produces approximately \$13.4 million in revenue
- **91% of IRA received in the first month of the fiscal year**

II. Property Assessment (PA)

- Maximum \$.10 per \$100 of property value
- **Current assessment \$.075, or 75% of maximum**
- Produces approximately \$4.8 million in revenue
- **87% of PA received in the seventh month of the fiscal year**

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

Gas Pipeline Fund (8624)

- **Fiscal Year 2023 Budget** **\$395,624**
- **Revenue Sources (Special Revenue)**
 - The revenue for this fund is generated through a fee per mile assessment of the pipeline industry regulated under Chapter 24B of the West Virginia Code.
- **Justification for Program**
 - This Program promotes pipeline safety and administers and enforces gas pipeline safety regulations as outlined in the West Virginia Code to ensure the safe design, construction, testing, maintenance, operation and inspection for approximately 14,000 miles of intrastate natural gas and hazardous liquid transmission and gathering pipeline facilities and gas distribution facilities in the State.
- **Staffing Levels**
 - Staffing levels are dictated in part through an agreement with PHMSA.* A full complement of inspectors for the Division is seven. This number provides adequate support for the current pipeline mileage and operations. Changes in regulations and future increases in pipeline mileage may require additional inspectors.

***PHMSA = Pipeline and Hazardous Materials Safety Administration (U.S. Dept. of Transportation)**

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

Gas Pipeline Fund (8624) continued:

- **Persons and Entities Served**

- This program serves and benefits the citizens and the State by monitoring the integrity and safety of pipelines used in the transportation of natural gas and hazardous liquids through pipelines in conjunction with PHMSA.

- **Benefits Received**

- The State works closely in conjunction with PHMSA to assure that inspectors are trained, records are kept current and that inspections are undertaken. State also is able to investigate any pipeline safety incidents or violations and impose corrective actions and penalties for the failure to properly conduct pipeline operations.

- **Issues for Gas Pipeline Fund (8624)**

- The Commission believes that regulation, inspection and oversight may need to be increased with the increasing age of pipeline infrastructure, the change in demands on the systems, and the installation of additional pipelines.
- Pending federal regulations could expand the Commission's pipeline safety responsibilities by altering the present criteria used to determine exempt gathering lines. Those rule changes, if implemented, could result in an increase in the amount of intrastate pipeline subject to Commission jurisdiction and potentially necessitate the hiring of additional inspectors.

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

Motor Carrier Fund (8625)

- **Fiscal Year 2023 Budget** **\$3,057,304**
- **Revenue Sources (Special Revenue)**
 - The revenue for this fund is from the Motor Carrier industry, principally from fees per Chapter 24A of the West Virginia Code and from the Federal UCR (Unified Carrier Registration) program.
- **Justification for Maintaining Program**
 - This Program provides funding to ensure compliance with statutes and rules relating to the transportation of coal, commercial vehicles, and hazardous materials in and through West Virginia.
- **Staffing Levels**
 - The Commission has been attempting to increase staff but salary and problems in locating individuals willing to live and work within various areas of the State have made staffing difficult. The Motor Carrier program and the Weight Enforcement program are fiscally separate but are operationally combined as mandated by the Legislature. The combination of these programs has allowed cross-training of the Weight and Motor Carrier Enforcement Officers and has resulted in productivity gains for both programs.

Public Service Commission of West Virginia

Appropriated Special Revenue Funds

Motor Carrier Fund (8625) continued:

- **Persons and Entities Served**
 - This program serves and benefits the citizens of West Virginia and the traveling public.
- **Benefits Received**
 - The primary benefit of the program is enhanced safety of the traveling public, and the Commission believes the existence of this program is responsible, at least in part, for the decreased number of injuries from motor carrier accidents in West Virginia over the past five years.
- **Issues for Motor Carrier Fund (8625)**
 - There are currently no funding or other issues for the Motor Carrier Fund.

Public Service Commission of West Virginia Fiscal Year 2023: Other Funds

- **Federal Appropriated Funds**

– Gas Pipeline (8744)	\$752,739
– Motor Carrier (8743)	\$1,761,529

- **Non-Appropriated Special Revenue Funds**

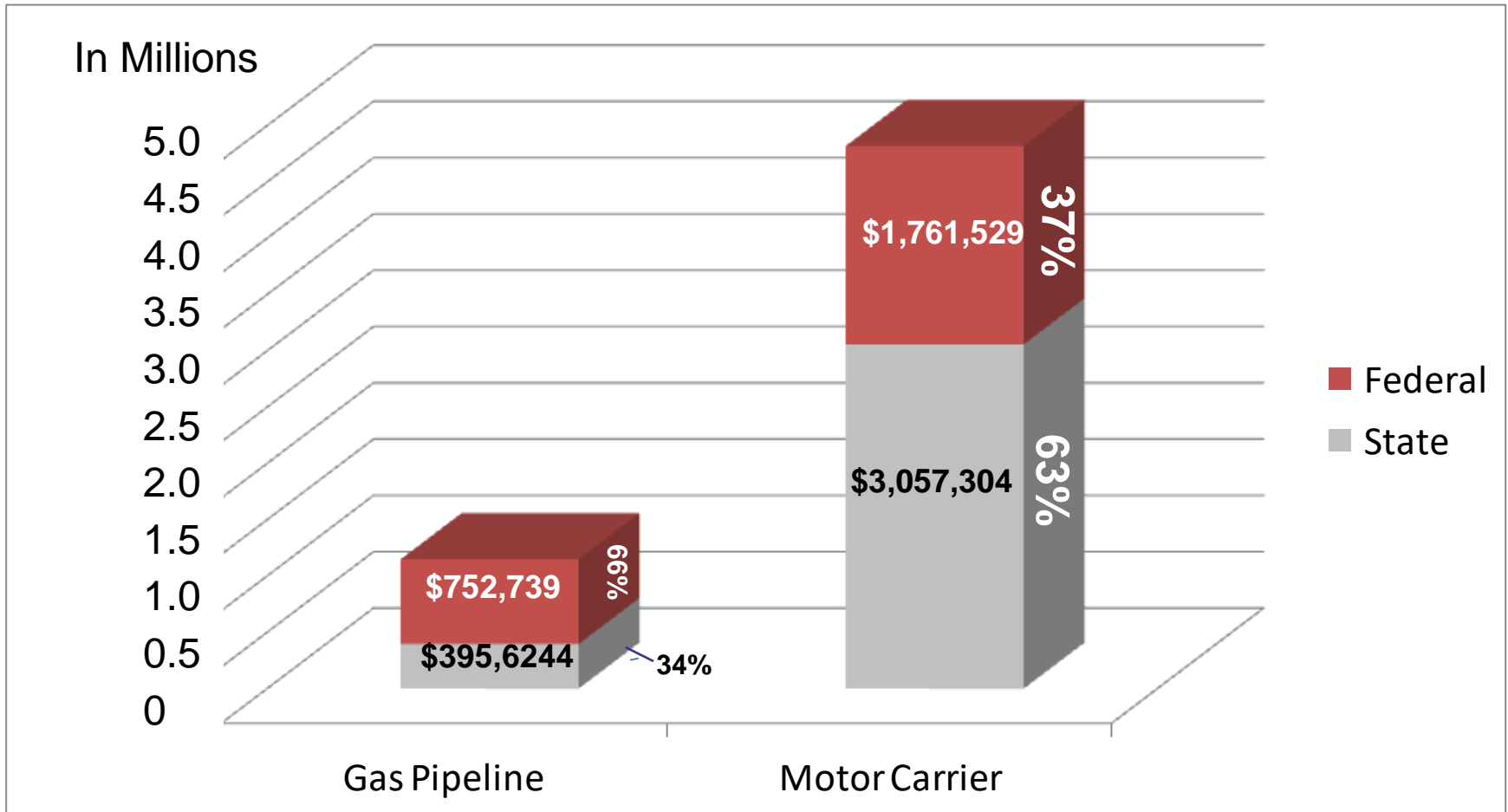
– Cable Fund (8631) ¹	\$107,645
– Law Enforcement Fund (8629) ²	\$60,000
– Gifts, Grants & Donations (8633) ³	\$525,000

1 Each cable operator pays the Commission an annual fee of 12 cents per subscriber. Fees support Commission cable related activities.

2 The Law Enforcement Fund reflects \$60,000 in spending authority; however, the current cash balance is \$0.00.

3 This fund was created over a decade ago for the deposit of State grant monies that were used to purchase equipment. Fund 8633 has a current cash balance of \$101,856.

Public Service Commission of West Virginia Gas Pipeline & Motor Carrier Federal/State Funding Mix

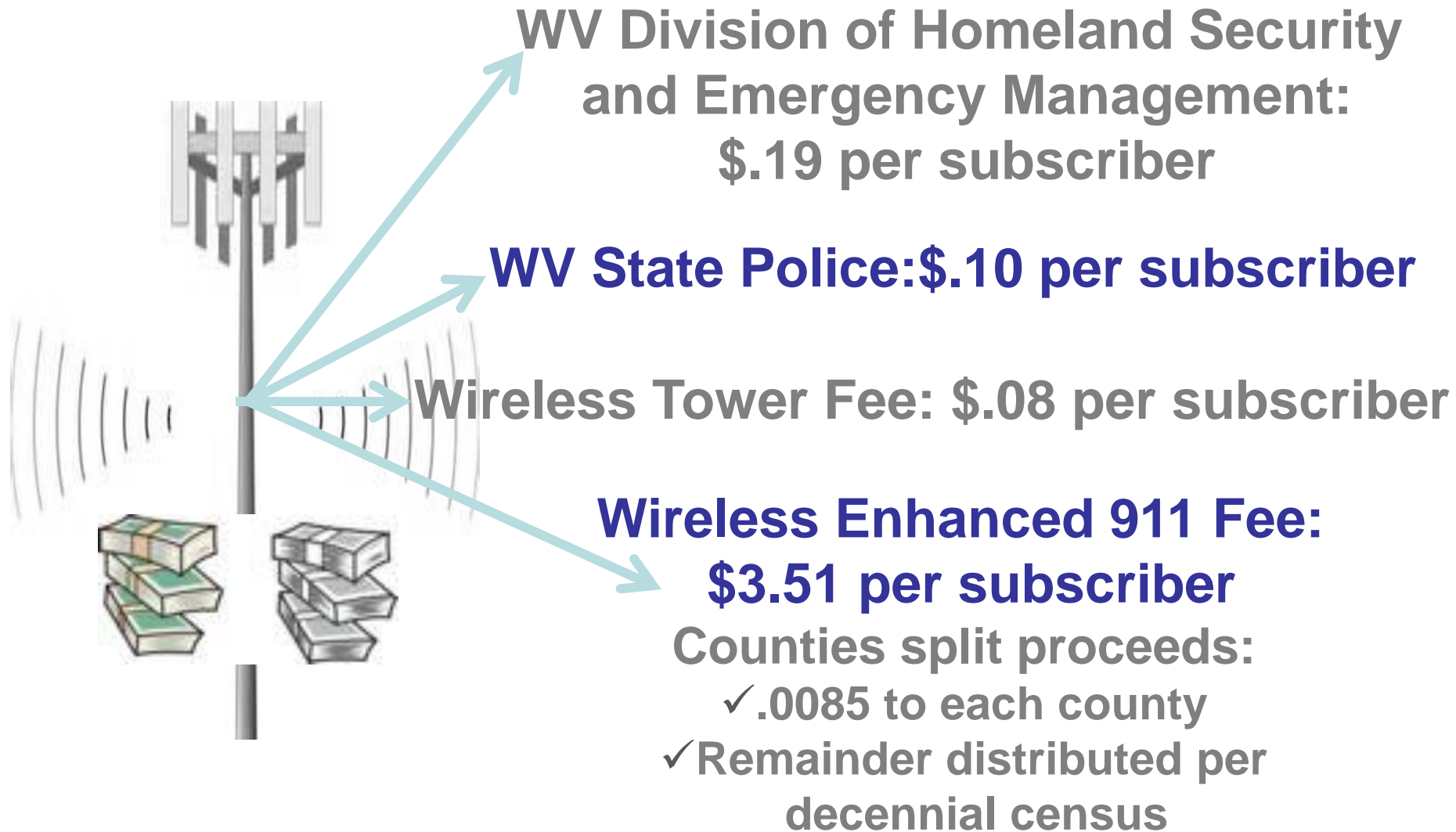


Public Service Commission of West Virginia Fiscal Year 2023: E911 Pass-Thru Fund

• Projected Distribution of E911 Revenue	
➤ Tower Fund*	\$ 1,108,824
➤ State Police	\$ 1,409,692
➤ WV Division of Homeland Security and Emergency Management	\$ 2,671,928
➤ WV Counties	\$47,316,008
• Total Projected E911 Revenue (1)	\$52,861,325

(1) E911 expected revenue based on actual fiscal year 2021 collections and distributions.

Public Service Commission of West Virginia Fiscal Year 2023: E911 Receipts Distribution



Public Service Commission of West Virginia FY 2007 – FY 2021: E911 Pass-Thru Fund

Breakdown of E911 Revenue FY2007 – FY2021

<input type="checkbox"/> Tower Fund	\$ 15,108,824
<input type="checkbox"/> State Police	\$ 18,440,070
<input type="checkbox"/> DHSEM	\$ 28,212,281
<input type="checkbox"/> WV Counties	\$505,530,104

E911 Revenue Distributed FY2007 – FY2021

 **\$570,505,230**

Public Service Commission of West Virginia
FY2023 Appropriation Request
Additional Information



Public Service Commission of West Virginia

Fiscal Year 2023: Additional Information

COVID Related Expenses & Unfilled FTE's

- **COVID Related Expenses** (As of 12/31/2021)

- FY2021: \$43,529
- FY2022: \$15,746
- Estimated COVID Related Expenses
 - FY2022 (1/19/2022- 06/30/2022) \$27,783
 - FY2023 \$43,529

- **COVID Related Aid Received: \$0**



- **Number of unfilled FTE's: 43**

- < \$32,000 **6**
- \$32,000 - \$64,000 **24**
- \$64,000 - \$100,000 **13**
- > \$100,000 **0**

Public Service Commission of West Virginia Fiscal Year 2023: Additional Information



The Commission and the Consumer Advocate partnered with state utilities to ensure (1) quality utility service and (2) stakeholder safety throughout the pandemic:

RECENT RESPONSE TO COVID-19

-  **The majority of water, sewer, electric, and gas utilities worked with the Governor’s Office, the Commission, and CAD to provide over \$18 million in pandemic relief dollars for customers who fell behind on their utility payments.**
-  **The Commissioners, Staff, CAD and APCo worked together to distribute approximately \$13 million from the Fresh Start fund to residential customers with delinquent balances. These funds were used as a “phase 2” COVID relief program.**

Public Service Commission of West Virginia Fiscal Year 2023: Additional Information

INITIAL RESPONSE TO COVID-19

-  **Early on, the Commission urged all utility companies operating in the state to immediately suspend utility service terminations except where necessary (safety, customer request).**
 - Many utilities immediately complied with this request.
-  **Temporarily waived the requirements for manual meter readings of meters located inside homes.**

Public Service Commission of West Virginia

Fiscal Year 2023: Additional Information

Response To COVID-19



Commission temporarily waived requirement that trash collectors pick up bulky goods.

- Possibility that trash collectors could be spread thin because of employee absences;
- Prevents diversion of hauler resources from normal household trash collection.



Held conference calls with the major utility companies in the state to determine the status of their operations.

- Shared best practices for operating during pandemic;
- Authorized utilities to track extraordinary costs directly related to continuity of safe, reliable utility service during COVID-19 emergency; costs deferred to future proceeding.

Public Service Commission of West Virginia

Fiscal Year 2023: Additional Information

Response To COVID-19


Enforced the guidelines set forth by the CDC for social distancing and wearing masks.


- Issued strict Headquarters Building Protocols;
- Limited contact between employees and the public.

Transitioned approximately 76% of Charleston PSC employees to work from home in a matter of days.

- Issued laptops, cameras, printers and air cards;
- Expanded access to internal databases;
- Utilized call forwarding and video chats;
- Improved file sharing among PSC stakeholders;
- In person meetings held by conference calls and video chats;
- E-learning (training and seminars) became the favored method of staff development.

Public Service Commission of West Virginia Fiscal Year 2023: Additional Information Response To COVID-19 & Related Efficiencies

 **Authored and distributed the pamphlet *Pandemic Preparedness Planning, a Checklist for Utilities and Other Businesses*, to all companies operating in West Virginia.**

 **Set up electronic filing system for certain cases.**

- Moving to e-filing **created efficiencies for PSC stakeholders**;
- Process change shifted some of case filing work from stakeholders to PSC employees in Executive Secretary Office;
- Net effect positive for Stakeholders.

 **Extended Administrative Law Judge (ALJ) due dates in cases not subject to statutory deadlines by two months.**

- Allowed parties to fully participate in Commission cases during shutdown.

Public Service Commission of West Virginia

Fiscal Year 2023: Additional Information

Supplementals/Improvements

Supplementals/Improvements Granted Fiscal Years 2021-2022

FY 2021- Fund 8743 Federal Motor Carrier Fund; one-time **appropriation** increase of \$934,500:

1. **\$862,500 for Mineral Wells SRIS;**
Project completed; Cost \$ 793,477
\$72,000 for License Plate Readers (LPR);
Federal Government terminated program
and related funding for LPR.

FY 2022 – Fund 8743 Federal Motor Carrier Fund; one-time **appropriation** increase of \$412,000; Rt.50 SRIS; compiling specs for bid package

Fund 8623 Utilities Fund; one-time **appropriation** increase of \$270,000; Parking Garage repairs; currently out to bid

Public Service Commission of West Virginia Fiscal Year 2023: Additional Information Proposed Legislation – Financial Issues

- ✓ **New efficiencies realized since last budget hearing:**
 - **Virtual meetings, hearings and training.**
 - **Investments from legislature necessary to help realize further efficiencies: **None****

- ✓ **Difficulty hiring and retaining staff; Positions expected to be filled in 2022:**
67

- ✓ **PSC current and future financial issues that may require legislative action:**
None



Thank You

We Look Forward
To A Great Year
For PSC
Stakeholders