

PUBLIC UTILITY COMMISSION OF TEXAS

Agency Strategic Plan

For the Fiscal Years 2019-2023



June 8, 2018

AGENCY STRATEGIC PLAN

FISCAL YEARS 2019-2023

BY

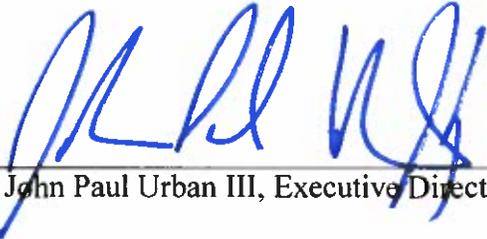
THE PUBLIC UTILITY COMMISSION OF TEXAS

| COMMISSIONER | DATES OF SERVICE | HOMETOWN |
|--------------------|--------------------|----------|
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DATE OF SUBMISSION

June 8, 2018

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AGENCY MISSION

The mission of the Public Utility Commission of Texas (PUC) is to protect customers, foster competition, and promote high-quality utility infrastructure. The Public Utility Commission of Texas is accountable to the people of Texas to provide equitable, efficient, and effective regulation in an increasingly competitive environment. We conduct business openly and fairly, observe the highest ethical standards, encourage public participation, and balance the views of customers, utilities, new market entrants, and other affected parties. We value commitment, competence, innovation, teamwork, and respect for the individual.

AGENCY GOALS AND ACTION PLANS

| OPERATIONAL GOAL I |
|---|
| Foster competition in the Electric Reliability Council of Texas (ERCOT) electric market by conducting effective market oversight through the evaluation of the market design and operations and the development and enforcement of market rules. |
| ACTION ITEMS |
| <ol style="list-style-type: none">1. <u>Electric Wholesale Market Oversight</u>: The PUC monitors market power associated with the generation, transmission, distribution, and sale of electricity in Texas. The Public Utility Regulatory Act (PURA) gives the PUC the authority to require mitigation of market power. The PUC has the authority to request any information it needs from market participants to assess market power and evaluate the development of a competitive market in the state. The PUC establishes and enforces rules relating to the operation of the wholesale electric market within the ERCOT power region to ensure well-functioning markets, efficient prices, and adequate generation capacity.2. <u>Electric Retail Market Oversight</u>: The PUC provides retail electric provider and aggregator certification and registration, develops retail market and customer-protection rules, participates in the development of ERCOT Protocols and other binding documents, designates and oversees providers-of-last-resort, and oversees the implementation of market activities.3. <u>ERCOT Oversight</u>: The PUC is required by law to certify an independent organization to ensure access to the transmission and distribution system for all buyers and sellers of electricity on a nondiscriminatory basis; ensure the reliability and adequacy of the regional electric network; and ensure that electricity production and delivery are accurately accounted for among the generators and wholesale buyers and sellers in the region. The PUC sets out the functions of the independent organization, standards for access to meetings and information, qualifications for board members, and reporting requirements. The PUC has previously designated ERCOT as the independent organization in PURA 39.151. The PUC approves the ERCOT budget and performance measures and has authority to review and order modifications to ERCOT Protocols and Guides.4. <u>Enforcement of Utilities Code Statutes, PUC Rules, and PUC Orders</u>: The PUC establishes review and audit plans to monitor compliance levels of utilities and other entities in an efficient manner. The review involves a comprehensive examination of a company and its activities. The PUC issues notices of violations, participates in contested case hearings, and assesses penalties when violations are found. |
| SUPPORTING STATEWIDE OBJECTIVES |
| <ol style="list-style-type: none">1. <u>Accountable to tax and fee payers in Texas</u>: The PUC ensures accountability by engaging in public decision-making and actively seeking public participation. The PUC process allows for meaningful participation in rulemaking and contested cases. Public and stakeholder |

comment is accepted on all rules that the PUC considers adopting. PUC and ERCOT meetings are broadcast on the internet and the PUC Interchange contains all non-confidential documents in each proceedings filed at the PUC. PUC rulings on contested cases and rulemakings are supported and explained through orders that provide detailed rationale and justification of PUC decisions.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions: The PUC ensures results are achieved efficiently through management review of the resources required to achieve desired outcomes. PUC staff develops the *Scope of Competition in the Electric Markets of Texas* report, which provides an update on the status of electric competition in Texas, and provides information on other electric industry matters. The report includes report includes primary regulatory issues facing the PUC and provides a framework for evaluating the prospective rules and projects that may require the greatest resources to accomplish. Also, enforcement staff has the discretion on whether to proceed with alleged violations and penalties, including notice of violation settlement agreements and full enforcement. PUC management is continuously monitoring workload and reallocating resources or hiring consultants as necessitated by the work being performed by staff. PUC's budgeted FTEs related to electricity and telecommunications regulation have declined 14% in the past decade as efficiencies have been gained.
3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve: The PUC ensures effective outcomes by measuring the results of PUC decisions and activities, and analyzing results to determine if action is needed to improve PUC outcomes. The PUC measures the average offer on Power-to-Choose for a 12-month, fixed-rate plan versus the national average price for electricity. The PUC estimates that the average competitive offer in Texas will be approximately 84 percent of the average cost for electricity nationally in fiscal year 2018. This is one measure of how well the retail market is operating. The PUC also tracks and analyzes enforcement data to identify market trends and violation types as a way to inform decisions and rulemakings. The PUC anticipates conducting more than 150 enforcement investigations and assessing approximately \$3 million in administrative penalties for violations in fiscal year 2018. In addition, the PUC continually monitors the wholesale electricity market in ERCOT to determine if market rules should be fine-tuned. The agency also participates in state-led challenges to federal environmental regulation that threaten the viability of the Texas electricity market.
4. Providing excellent customer service: The PUC ensures excellent customer service through a combination of accessible information and short response times to public inquiries and requests. Not only can all agency reports, including the *Scope of Competition in the Electric Markets of Texas* and the *Scope of Competition in Telecommunications Markets of Texas*, be downloaded from the PUC website, the agency also maintains an online staff directory to speed and simplify direct contact with the proper subject-matter-expert. The PUC is constantly updating and improving the Power-to-Choose website, which allows customers in competitive areas to comparison shop hundreds of electric service plans. The PUC also consistently responds to Public Information Act requests relating to the electric market in less than 10 days.
5. Transparent such that agency actions can be understood by any Texan: The PUC ensures transparency in agency actions by discussing all decisions in open meetings that are

broadcast on the internet and posts a full range of reports and policy documents (including detailed orders explaining the legal and policy basis of decision making) on the PUC website for maximum accessibility. Once a year, the PUC Enforcement Division presents all enforcement data to the PUC at an open meeting then posts it to the PUC website. Additionally, the PUC posts all contracts and solicitation documents for outsourced services on the PUC website.

OPERATIONAL GOAL II

Ensure that Texas ratepayers are charged just and reasonable rates for high-quality electric and water service through rate proceedings and monitoring activities. Ensure utilities construct and maintain critical utility infrastructure, which is vital for sustained economic growth in Texas. Ensure that telecommunications customers in rural areas of the state receive service at reasonable rates by providing financial assistance to eligible telecommunications providers.

ACTION ITEMS

1. Electric Utility Regulation: The PUC is authorized to establish and regulate rates that are just and reasonable. As such, the PUC computes rates, including the establishment of procedures for rate changes, cost recovery, and rate adjustments, and the securitization for recovery of system restoration costs. The PUC conducts earnings monitoring activities to ensure utilities are not realizing greater than expected returns on investment, and requires utilities to file rate cases to lower rates when warranted.
2. Wholesale Transmission Regulation: The PUC is authorized to establish rules related to wholesale transmission service and access. The PUC ensures that utilities provide nondiscriminatory access to wholesale transmission service. The PUC is also authorized to order transmission service to certain entities, including making a determination as to whether terms for service are reasonable.
3. Transmission Line Siting: The PUC considers applications for Certificates of Convenience and Necessity for electric transmission lines, as well as determining the geographic route and siting of the transmission line. PUC staff develops and maintains all forms related to electric CCNs.
4. Water and Wastewater Utility Regulation: The PUC is authorized to establish and regulate rates that are just and reasonable. As such, the PUC computes rates, including the establishment of procedures for rate changes, cost recovery, and rate adjustments. The PUC considers applications for Certificates of Convenience and Necessity (CCNs), which set forth a utility's service territory, and may grant an application if certain requirements are met. PUC staff develops and maintains all forms related to water and wastewater CCNs. The PUC conducts earnings monitoring activities to ensure utilities are not realizing greater than expected returns on investment.
5. High-Cost Universal Service Plan: The PUC designates which telecommunications providers are eligible to receive high-cost universal service support, and the amount of support, so that rural customers are charged reasonable rates for basic local telecommunications service while minimizing the level of the Texas Universal Service Fund fee.

SUPPORTING STATEWIDE OBJECTIVES

1. Accountable to tax and fee payers in Texas: The PUC ensures accountability by engaging in public decision-making and actively seeking public participation. The PUC's process allows for meaningful participation in rate-setting and CCN proceedings. Affected customers may intervene in cases before the PUC, enter evidence into the record, and by motion, engage in

oral arguments before the PUC; thereby, helping to inform the decisions made by the PUC. The hearings on which the PUC makes decisions are open to the public and broadcast on the internet. All non-confidential documents in each proceeding are filed and made publicly available on the PUC Interchange website. The PUC continually assesses the appropriateness of the Universal Service Fee and has reduced the fee by 23% since 2012.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions: The PUC ensures results are achieved efficiently through management review of the resources required to achieve desired outcomes. PUC staff work diligently to conclude ratemaking and CCN cases within the timelines established by statute. However, extensions of time are granted in rate proceedings to encourage settlement, which often results in a more efficient outcome than a fully litigated case. PUC management assesses the complexity of each filing and assigns staff based on the anticipated workload in the case. The PUC, in accordance with legislative direction, continually reforms and evaluates expenditures from the Texas Universal Service Fund to ensure appropriate support for rural telephone companies and customers, while ensuring the fee paid by Texans is appropriate. The PUC also recommended consolidation of the Specialized Telecommunications Assistance Program at the Department of State Health Services, which the Legislature approved in 2013. Since the transfer, expenditures have been reduced by approximately \$1 million per year on average.
3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve: The PUC ensures effective outcomes by measuring the results of PUC decisions and activities, and analyzing results to determine if action is needed to improve PUC outcomes. The PUC conducts a thorough review of each electric and water utility request for a rate increase that is filed with the PUC. The PUC anticipates conducting 50 rate cases for regulated electric utilities and 100 rate reviews for water and sewer utilities in fiscal year 2018. The PUC requires companies to file annual earnings reports so that the PUC can determine if a company is earning a rate-of-return that exceeds the amount authorized by the PUC. The PUC has the authority to require a utility company to file a rate case if that company is over-earning. The PUC approves CCN applications for both electric and water utilities. The PUC also reviews utility reports to monitor the progress of infrastructure construction and maintenance. The PUC anticipates processing approximately 15 electric transmission line CCN applications and 150 water and wastewater CCN applications in fiscal year 2018.
4. Providing excellent customer service: The PUC ensures excellent customer service through the accessibility of information and records, and short response times to inquiries and requests from the public. Specifically, all agency reports, including monthly construction progress reports, can be downloaded from the PUC website. The PUC also maintains an online staff directory to make subject matter experts available for any question or inquiry. Also, the PUC contracts with the Texas Rural Water Association to assist water utilities complete filings with the PUC and to improve the financial and managerial capabilities of utilities to ensure customers receive continuous and adequate water and wastewater service.
5. Transparent such that agency actions can be understood by any Texan: The PUC ensures transparency in agency actions by discussing all decisions in open meetings, which are broadcast on the internet and posting reports and other policy documents on the PUC website so that the public can easily access information. Final orders memorializing decisions on rate and CCN matters are signed by the Commissioners and filed in the corresponding project

number and are available to the public on the PUC's online Interchange. Additionally, the PUC posts all contracts and solicitation documents for outsourced services on the PUC website.

OPERATIONAL GOAL III

Provide information and assistance to Texas electric, water, and telecommunications customers to promote public understanding and awareness of customers' rates, terms, services, and rights.

ACTION ITEMS

1. Customer Outreach Activities: The PUC provides information to customers in deregulated areas of the state about their choices regarding electric service and the selection of retail electric providers through the Power to Choose website, the Texas Electric Choice Call Center, and the Texas Electric Choice Outreach program. The PUC also provides information to customers of regulated electric, water, and telecommunications utilities via email, phone, and the PUC website.
2. Customer Dispute Resolution: The PUC provides customers with assistance in resolving disputes with electric, telecommunications, and water and wastewater providers by investigating complaints of alleged offenses, making informal decisions about an activity's compliance with applicable rules and statutes, and recommending corrective actions where appropriate. The PUC receives complaints via email, the PUC website, over the phone, and in person.

SUPPORTING STATEWIDE OBJECTIVES

1. Accountable to tax and fee payers in Texas: The PUC ensures accountability by engaging in public decision-making and actively seeking public participation. Regarding the Power to Choose website, the PUC has conducted usability studies and requested input on changes to the website from consumer advocates to make the site more user-friendly. Regarding customer dispute resolution activities, the PUC has direct interaction with electric and water customers. Customers are informed of the final resolution of a complaint and have the opportunity to provide input on the process and outcome.
2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions: The PUC ensures results are achieved efficiently through management review of the resources required to achieve desired outcomes. Approximately 94 percent of the information products distributed by PUC are disseminated electronically. The remaining six percent are distributed at high-density turnout events such as Earth Day Texas. Complaints received by the PUC call center are resolved through the PUC informal complaint resolutions process and take an average of 19 days to conclude, with 99.9 percent reaching resolution in under 30 days thus far in fiscal year 2018.
3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve: The PUC ensures effective outcomes by measuring the results of PUC decisions and activities, and analyzing results to determine if action is needed to improve PUC outcomes. The PUC projects 800,000 customer education information products will be distributed and staff will respond to approximately 25,000 information requests in fiscal year 2018. Furthermore, the PUC projects the PUC website will have more than 300,000 hits in fiscal year 2018, with most people searching for information on the consumer education pages. The PUC estimates that

it will conclude more than 7,500 customer complaints in fiscal year 2018, which will result in credits and refunds to customers in excess of \$500,000 for the year. Of the 7,500 complaints concluded during the year, approximately 99 percent will be resolved using the PUC's informal complaint resolution process.

4. Providing excellent customer service: The PUC ensures excellent customer service through the accessibility of information and records and short response times to inquiries and requests from the public. The PUC receives immediate feedback in customer outreach and customer dispute resolution activities. Customers are notified of the outcome of the dispute resolution process, so that the complainant can better understand the actions of the utility and how the outcome was reached. The individuals who interact with the PUC in both of these activities receive the customer service survey required as a part of the State's strategic planning process every two years. The PUC reviews the results of the survey and addresses agency processes and policy issues that were identified in the survey and need to be improved.
5. Transparent such that agency actions can be understood by any Texan: The PUC ensures transparency in agency actions by discussing all decisions in open meetings broadcast on the internet and posting reports and other policy documents on the PUC website for easy public access. The PUC website contains information to aid consumers in making informed electric, water, and telecommunications decisions. The topics range from explaining the process for filing a complaint, to clarifying charges that appear on electricity bills, to identifying who may intervene in a PUC proceeding and providing guidance on public participation. The website also contains retail electric market complaint data that allows customers to research the complaint history of retail electric providers and compare the types and total number of complaints of each provider. The PUC Customer Protection Division presents all complaint data to the PUC at an open meeting once a year, and that information is posted to the PUC website.

OPERATIONAL GOAL IV

Represent and protect the interests of Texas customers and market participants in federal agency and federal court proceedings that directly impact Texans.

ACTION ITEMS

1. Participation in Federal Energy Regulatory Commission (FERC) proceedings. The PUC actively participates in a variety of proceedings before the FERC to protect the interests of Texas electric ratepayers and stakeholders. These proceedings include those necessary to maintain the independence of the ERCOT and proceedings affecting the interests of Texas ratepayers in the non-ERCOT regions of Texas.
2. Participation in administrative and federal court proceedings. The PUC participates in rulemaking proceedings before the Environmental Protection Agency (EPA) which impact the Texas electric industry. The PUC also actively participates in a variety of federal court appeals of EPA rules.
3. Participation in non-ERCOT Regional Transmission Organization (RTO) matters. The PUC participates in the Southwest Power Pool and Mid-Continent Independent System Operator activities as it deems necessary to protect the interests of Texas ratepayers located in the non-ERCOT areas of Texas.

SUPPORTING STATEWIDE OBJECTIVES

1. Accountable to tax and fee payers in Texas: The PUC ensures accountability by engaging in public decision-making and actively seeking public participation. The PUC informs the Governor's Office, Legislature, and, when appropriate for litigation matters, the Attorney General's Office of activities in federal matters. Comments submitted by the PUC on rulemakings at federal agencies are posted for the public to view.
2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions: The PUC ensures results are achieved efficiently through management review of the resources required to achieve desired outcomes. PUC staff consults with outside counsel who advises and assists the PUC in the scope of the PUC's duty to ensure Texas ratepayer interests are being represented during FERC proceedings to minimize duplicative efforts. Counsel is also instructed to be judicious in intervening in federal proceedings. The PUC, along with ERCOT and Texas Commission on Environmental Quality (TCEQ), may file joint comments when the interests of the three agencies align in a federal proceeding. This makes more efficient use of agency resources by reducing duplicative efforts.
3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve: The PUC ensures effective outcomes by measuring the results of PUC decisions and activities, and analyzing results to determine if action is needed to improve PUC outcomes. PUC management staff meet regularly to discuss PUC activities in rulemakings and other federal proceedings. PUC Commissioners also actively participate in non-ERCOT RTO meetings to represent Texas's

interests in those matters. On litigation relating to federal proceedings, PUC staff meets with counsel from the Attorney General's Office to discuss strategy, then informs PUC Commissioners during the closed session portion of open meetings.

4. Providing excellent customer service: The PUC ensures excellent customer service through the accessibility of information and records as well as short response times to public inquiries and requests. Recognizing that decisions made by federal agencies and in federal courts affect all Texas ratepayers, the PUC gives them a voice by actively participating in the decision-making process on federal activities.
5. Transparent such that agency actions can be understood by any Texan: The PUC ensures transparency in agency actions by discussing all decisions in open meetings broadcast on the internet and posting reports and other policy documents on the PUC website, so that the public can easily access information. PUC Commissioners and staff discuss activities relating to FERC proceedings and decisions made in non-ERCOT RTO meetings at PUC open meetings, when appropriate.

OPERATIONAL GOAL V

Ensure public trust in infrastructure by fostering a culture of security internally and among regulated utilities. Fostering resiliency to the myriad threats to the reliable delivery of utility services whether those threats be physical, cyber, manmade, or natural.

ACTION ITEMS

1. Emergency Response. The PUC Emergency Management Response Team serves in the State Operations Center during an emergency where it provides coordination and information from regulated utilities. The PUC works with the Office of the Governor to provide enforcement discretion of PUC rules and suspension of relevant statutes to protect public safety and ensure the timely restoration of utility services after a disaster.
2. Internal PUC Security. The PUC has partnered with the Department of Public Safety, the Department on Information Resources, and the Texas Facilities Commission to identify and correct security weaknesses. Pursuing the goal of a properly trained professional workforce, the PUC holds training for PUC staff in measures needed to take to create a more secure workspace and holding employees accountable for lapses in security.
3. Security among regulated utilities. The PUC works with ERCOT and the Texas Reliability Entity, a regional entity within the North American Electric Reliability Corporation (NERC), which enforces and coordinates regional reliability standards to the bulk power system, to ensure that standards for physical and cyber security are maintained by regulated electric utilities. Efficient rate regulation for utilities allows timely recovery of security investments. Participation in information sharing networks, such as the Electricity Information Sharing and Analysis Center, helps enhance situational awareness of threats to the electric grid and facilitate solutions.

SUPPORTING STATEWIDE OBJECTIVES

1. Accountable to tax and fee payers of Texas. Expenditures related to emergency response are reported to the Office of the Governor and the Legislative Budget Board. Contracts for security-related expenses are conducted under standard state purchasing guidelines and applicable rules and statute.
2. Efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision you consider redundant or not cost-effective. Ongoing coordination with the regulated utilities on emergency response and security preparedness helps ensure that there is not a needless duplication of effort while maintaining appropriate oversight.
3. Effective by successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve. Security of the state's electric, water, and

telecommunications infrastructure is a top priority that must be accomplished as a prerequisite to any of the PUC's other functions including the regulation of public utilities.

4. Attentive to providing excellent customer service. Timeliness is key in recovery scenarios, with plans that emphasize the security of utility customer data and speed the restoration of utility services after an emergency. The PUC also maintains open channels of communications so that customer complaints relating to security and disaster response can be acknowledged and rapidly forwarded for resolution.
5. Transparent such that agency actions can be understood by any Texan. The PUC's emergency communications plans provides for stakeholder notification during an emergency. Non-emergency security matters are conducted in a collaborative manner with utility and customer stakeholders.

REDUNDANCIES AND IMPEDIMENTS

| Redundancy or Impediment | Description | Recommendation | Benefit |
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| <p>Texas No-Call List</p> <p><u>Citations:</u></p> <p>§39.1025, Utilities Code</p> <p>Chapter 304, Subchapter B, Business and Commerce Code</p> | <p>The PUC is required to establish and maintain a statewide “No-Call List” of residences that do not want to receive telemarketing calls. Telemarketers may obtain the list at a cost of \$75 per quarter. The statute authorizes the PUC to investigate alleged violations and to assess administrative and civil penalties against violators. The PUC has exclusive jurisdiction if the violator is a telecommunications provider. The Attorney General's Office also has jurisdiction to investigate possible violations. Additionally, a state agency that has licensed an alleged violator may conduct investigations and assess any penalties for which it has authorization. The law also creates a</p> | <p>The PUC recommends deleting the requirement that the PUC maintain a state-specific no-call list. The Federal Trade Commission (FTC) maintains the National Do Not Call Registry, which prohibits the same sales calls that are prohibited if a number is on the Texas No-Call List. If the requirement for the PUC to maintain a Texas-specific list was deleted, the PUC would direct people to the sign up on the national list, which provides more expansive protections.</p> | <p>The FTC's jurisdiction extends beyond Texas to the entire country. Therefore, the FTC can investigate and assess penalties against violators that make calls from any state. Therefore, the protections afforded residences and businesses on the national list are greater than those on the Texas-specific list. Removing this requirement would allow the PUC to reallocate resources from this activity.</p> |

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| | private right of action in civil court for a customer that has been damaged through a violation of the statute. | | |
| <p>Streamlined Ratemaking for Water Utilities</p> <p><u>Citations:</u> §13.187, Water Code</p> <p>§36.209 and §39.210, Utilities Code</p> | <p>The Texas Utilities Code authorizes the PUC to approve periodic rate adjustments based on changes in an electric utility's invested capital. The utility is not required to file a rate case in order to recover these costs. The Water Code does not authorize the PUC to approve a similar adjustment for water and wastewater utilities.</p> | <p>The PUC recommends amending the Texas Water Code to authorize the PUC to approve periodic rate adjustments, known as Distribution System Improvement Charge (DSIC), for water and wastewater utilities to recover costs resulting from changes in the invested capital expenditures. This option, which is available in California, Pennsylvania, and Florida, allows a utility to use a DISC surcharge on customers' bills to accelerate the replacement of existing aging facilities that otherwise will occur if the utility has to wait until the completion of a rate case to begin receiving a return on its investment.</p> | <p>Water and sewer utilities may experience less regulatory lag in recovering costs associated with capital expenditures. Also, fewer Class A and B rate applications may be filed with the PUC, which would give the PUC more flexibility in allocating water resources to alternative activities if necessary.</p> |
| <p>Gross Receipts Assessment</p> <p><u>Citations:</u> §§16.001-16.004, Utilities Code</p> | <p>Public utilities, Retail Electric Provider (REPs), and other entities subject to the PUC assessment currently pay one-sixth of one percent of gross receipts from rates charged to the ultimate consumer in the state (note: this does not include water or wastewater utilities)</p> | <p>The PUC recommends authorizing the PUC to set the assessment rate at an amount necessary to produce revenue equal to the General Revenue appropriation to the PUC.</p> | <p>Authorizing the PUC to set the assessment rate would result in a significant fee reduction for entities paying the assessment. Based on the Comptroller's Biennial Revenue Estimate, the amount of revenue</p> |

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| | to defray the expenses incurred in the administration of the Public Utility Regulatory Act. | | collected from this assessment will exceed the PUC's authorized General Revenue appropriation by approximately \$45.3 million in fiscal year 2017. |
| Notice of Water or Sewer Utility Proceedings | The Texas Water Code prescribes specific notices requirements for a number of water or sewer utility proceedings, particularly matters related to Certificates of Convenience and Necessity. In contrast, the Texas Utilities Code generally permits the PUC greater flexibility with respect to the type of notice given, and allows the PUC to waive notice requirements for good cause. The prescriptive notice required in the Water Code at times can be an impediment to the efficient processing of proceedings and can at times increase costs to | The PUC recommends that the statute be amended to allow the PUC to set rules regarding notice as prescribed by the presiding officer under PUC Procedural Rule § 25.55. | Granting the PUC discretion to have flexibility in the type and content of notices required for various proceedings will enable more efficient proceedings at the PUC, and may lower costs to water or sewer utilities and their ratepayers. |

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| | utility customers unnecessarily. | | |
| <p>Certain Certificate of Convenience and Necessity (CCN) Amendments in an Area Within the Boundaries of a Political Subdivision</p> <p>Citation: §13.258. Water Code</p> | <p>Senate Bill 1842(SB 1842) was enacted by the 85th Texas Legislature regarding a water and sewer utility’s application for a CCN amendment and use of a municipal utility district’s (MUD’s) CCN under contract.</p> <p>SB 1842 added new TWC §13.258 to allow a Class A water or sewer utility to apply to the TCEQ for an amendment of a CCN held by a MUD. Once approved, the Class A utility would have the same rights and powers under the CCN as the MUD. The statute excluded a CCN held by a MUD located inside the corporate limits or extraterritorial jurisdiction of the City of Houston.</p> <p>The new TWC §13.258 requires the utility to file</p> | <p>The PUC recommends amending TWC §13.258(a) to add the word “utility” before the word “commission”. This will require that the application be filed and processed by the PUC. Currently, as written, the application is filed with the TCEQ and processed by the PUC.</p> | <p>Having the application under new TWC §13.258 filed and processed by the PUC would remove some of the regulatory burden for a Class A utility to file such an application. It would also alleviate some of the coordination involved between the TCEQ and PUC to complete the processing of an application filed under this statute.</p> |

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| | <p>the application with the TCEQ, but specifies in subsections (d) and (e), the limited information that the PUC may request and that the PUC must complete the application in 60 days. In addition, new TWC §13.258(f) specifies that the PUC's decision on the application becomes final and may not be appealed.</p> | | |
| <p>Revocation or Amendment of a CCN</p> <p>Citation: §§13.254(a-7) to (a-11)</p> | <p>This subsection describes a notice that must go to a ratepayer for an area that is not currently served and that is seeking to be released from a CCN.</p> | <p>The PUC recommends repealing TWC §13.254 (a-7) as it appears to have been included in the statute in error. The PUC also recommends renumbering (a-8) to (a-11) of this subsection.</p> | <p>Removal of §13.254(a-7) would provide clarity for individuals seeking to be released from a CCN.</p> |
| <p>Billing Comparisons in Notice of Intent to Change Rates for a Class A or Class B rate application</p> <p>Citation: §§13.187(a-1)(2) and (a-1)(3), TWC §13.1871(b)(2) and (b)(3), TWC</p> | <p>These sections and subparagraphs require a utility to provide notice when the utility files for a rate change with the PUC. The notice must include a billing comparison that includes the existing water rate and the new</p> | <p>The PUC recommends amending TWC §§13.187(a-1) (2) (A) and (B) to remove the 10,000 and 30,000 gallon comparisons. The PUC also recommends amending TWC §13.187(a-1)(3) to remove the 10,000 gallon comparison for sewer rate filing packages. Instead, the PUC recommends amending the statute to allow the PUC to establish the gallons to be used in the billing comparisons for the notice to change rates for a Class A utility.</p> | <p>Both the 10,000 and 30,000 gallon usage amount for the billing comparison are higher than the average household usage in Texas. In addition, customers often see the</p> |

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| | <p>water rate computed for use of 10,000 and 30,000 gallons of water. For sewer rates, the utility must show a billing comparison using 10,000 gallons of use unless the utility is proposing a flat rate for sewer service.</p> | <p>Similarly, the PUC also recommends amending TWC §§13.1871(b)(2) and (b)(3) to remove the required 10,000 and 30,000 gallon comparison and allowing the PUC to establish the gallonage used in the notice of intent to change rates in a Class B rate filing package.</p> | <p>comparison calculations for 10,000 and 30,000 gallons and protest a rate based on the calculated amounts; however, once the customer sees the proposed rate calculation at their actual usage amount, the customer is not opposed to the increase.</p> <p>These higher gallon comparisons are also contradictory to promoting conservation.</p> <p>Allowing the PUC to establish by rule the amounts to be used in the billing comparison would help provide flexibility for notice that is more in line with usage in the area and would also help with promoting conservation.</p> |
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SUPPLEMENTAL SCHEDULES

BUDGET STRUCTURE AND PERFORMANCE MEASURES

PUBLIC UTILITY COMMISSION GOALS

- GOAL 1 ENSURE COMPETITION, CHOICE, JUST RATES, AND RELIABLE QUALITY SERVICE:** To ensure fair competition, customer choice, just and reasonable rates, system reliability, a high level of service quality, and the opportunity for technological advancement in the electric, telecommunications, and water industries.
- GOAL 2 EDUCATE CUSTOMERS AND ASSIST CUSTOMERS:** To serve the public by distributing customer education information, administering customer service programs, and assisting customers in resolving disputes concerning electric and telecommunications services.
- GOAL 3 ELECTRIC UTILITY RESTRUCTURING:** To achieve specific legislative objectives by administering special programs for energy assistance to low-income Texans, and for customer education information in regions subject to electric competition (nontransferable).
- GOAL 4 INDIRECT ADMINISTRATION**

OBJECTIVES AND OUTCOME MEASURES

OBJECTIVE 1-1: Maintain Policies to Foster Competition in Telecom & Elec Mkts: Maintain innovative policies to foster competition in telecommunications and retail electric markets, such that by the end of fiscal year 2023, 85 percent of Texas cities are served by three or more certified telecommunications providers, and 100 percent of residential electric customers in areas of the state open to competition have at least five providers for electric service.

Outcome Measures:

- OC 1-1.01** Percent of Texas Cities Served by Three or More Certificated Telecommunications Providers
- OC 1-1.02** Percentage of Residential Customers in Areas Open to Competition Having a Choice of More than Five Electric Services Providers
- OC 1-1.03** Average Price of Electricity per kWh in Texas for Residential Customers from Competitive Suppliers as a Percentage of the National Residential Average
- OC 1-1.04** Average Price of Electricity per kWh in Texas for Commercial Customers as a Percentage of the National Commercial Average
- OC 1-1.05** Average Price of Electricity per kWh in Texas for Industrial Customers as a Percentage of the National Industrial Average
- OC 1-1.06** Average Annual Residential Electric Bill from Competitive Suppliers as a Percentage of the National Average
- OC 1-1.07** Average Price of Electricity per kWh Offered on Power-to-Choose as Percentage of National Residential Average

OBJECTIVE 1-2: Regulate Providers Ensuring Companies Meet Service Quality Standards: Regulate service providers such that by 2023, 90 percent of regulated telecommunications customers are served by exchanges that meet service quality standards and 100 percent of electric customers are served by companies meeting service quality standards. Provide effective oversight of water and sewer utilities.

Outcome Measures:

OC 1-2.01 Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average

OC 1-2.02 Average Price of Electricity per kWh in Texas for Residential Customers from Regulated Suppliers as a Percentage of the National Average

OC 1-2.03 Average Price of Electricity per kWh in Texas for Commercial Customers from Regulated Suppliers as a Percentage of the National Average

OC 1-2.04 Average Annual Residential Electric Bill from Regulated Suppliers as a Percent of the National Average

OC 1-2.05 Percentage of Telephone Subscribers Lines Served by Exchanges Meeting Commission Service Quality Standards

OC 1-2.06 Percentage of Electric Customers Served by Transmission and Distribution Utilities Meeting Commission Service Quality Standards

OBJECTIVE 1-3: Ensure Compliance with Statutes, Rules, and Orders: To ensure compliance with statutes, rules, and orders such that by 2023, 90 percent of all settlement agreements entered in formal enforcement proceedings will contain specific provisions regarding how future violations of the same type will be avoided.

Outcome Measures:

OC 1-3.01 Percent of Settlement Agreements Entered in Formal Enforcement Proceedings That Contain Specific Provisions Regarding How Future Violations of the Same Type by the Entity that is the Subject of the Proceeding Will be Avoided

OBJECTIVE 2-1: Inform Customers of Choices & Rights & Facilitate Information Access: Inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services through 2023.

OBJECTIVE 2-2: Resolve Complaints Consistent w/Laws & PUC Rules & Orders: To resolve complaints consistent with relevant law and PUC rules and orders, such that all customer complaints will be concluded within the targeted average number of days each fiscal year through 2023.

Outcome Measures:

OC 2-2.01 Percentage of Customer Complaints Resolved through Informal Complaint Resolution Process

OC 2-2.02 Credits & Refunds Obtained for Customers through Complaint Resolution

DIRECTLY BUDGETED STRATEGIES, OUTPUT, EFFICIENCY AND EXPLANATORY MEASURES

STRATEGY 1-1-1: Foster and Monitor Market Competition: Foster and monitor market competition by evaluating the relevant electric and telecommunications markets, and develop policies to enhance effectiveness of competition and benefits for customers; and register and license competitive service providers. Develop rules, conduct studies and prepare reports responsive to changes in electric and telecom markets.

Efficiency Measure:

EF 1-1-1.01 Average Number of Days to Process an Application for a Certificate of Operating Authority or Service Provider Certificate of Operating Authority

Explanatory Measures:

EX 1-1-1.01 Number of Electric Coops and Municipal Utilities Regulated for Wholesale Transmission Rates

EX 1-1-1.02 Percentage of Statewide Electric Generating Capacity Above Peak Demand in ERCOT

EX 1-1-1.03 Percent of Energy Savings Goal Due to Energy Efficiency Programs

EX 1-1-1.04 Percent of Demand Reduction Goal Due to Energy Efficiency Programs

EX 1-1-1.05 Number of Power Generation Companies in Texas

EX 1-1-1.06 Number of Aggregators in Texas

EX 1-1-1.07 Number of Applications and Amendments for Cable Franchise Certificates

Output Measures:

OP 1-1-1.01 Number of Retail Electric Providers Registered

OP 1-1-1.02 Number of Cases Completed Related to Competition Among Providers

STRATEGY 1-2-1: Conduct Rate Cases for Regulated Telephone Electric and Water Utilities: Conduct rate cases for regulated telephone and electric utilities

under the Administrative Procedures Act and methods of alternative dispute resolution to evaluate whether revenue requirements, cost allocation, rate design, and affiliate transactions are reasonable and in compliance with all laws and PUC rules; register and license regulated service providers; evaluate utility infrastructure and quality of service. Provide regulatory oversight of water and sewer utilities to ensure that charges to customers are necessary and cost - based; and to promote and ensure adequate customer service.

Efficiency Measures:

EF 1-2-1.01 Average Number of Days to Process a Major Rate Case for a Transmission and Distribution Utility

Explanatory Measures:

EX 1-2-1.01 Number of Electric Utilities Regulated

EX 1-2-1.02 Number of Telecom Service Providers Regulated

EX 1-2-1.03 Number of Water and Sewer Utilities Regulated

Output Measures:

OP 1-2-1.01 Number of Rate Cases Completed for Regulated Electric Utilities

OP 1-2-1.02 Number or Rate Cases Completed for Regulated Telecommunications Providers

OP 1-2-1.03 Number of Water Utility Rate Reviews Performed

OP 1-2-1.04 Number of Water CCN Applications Processed

STRATEGY 1-3-1:

Conduct Investigations and Initiate Enforcement Actions:
Conduct investigations and initiate enforcement actions to ensure compliance with relevant law, PUC rules, and orders.

Explanatory Measure:

EX 1-3-1.01

Dollar Amount Administrative Penalties Assessed for Violations

Output Measure:

OP 1-3-1.01

Number of Enforcement Investigations Conducted

STRATEGY 2-1-1:

Provide Information and Educational Outreach to Customers:
Provide information and distribute materials to customers on changes in the electric and telecommunications industries. Produce and disseminate customer education information for electric market competition through outsourcing and address customer inquiries through a third party call center and website. Respond to requests for information from the public and media. Conduct outreach activities and administer Relay Texas.

Efficiency Measure:

EF 2-1-1.01 Percent of Customer Information Products Distributed Electronically

Explanatory Measure:

EX 2-1-1.01 Number of Website Hits to Consumer Protection Home Page

EX 2-1-1.02 Number of Power-to-Choose Website Hits

Output Measures:

OP 2-1-1.01 Number of Information Requests to Which Responses Were Provided

OP 2-1-1.02 Number of Customer Information Products Distributed

STRATEGY 2-2-1:

Assist Customers in Resolving Disputes: Assist customers in resolving disputes concerning electric and telecommunications services consistent with statutes and rules.

Efficiency Measure:

EF 2-2-1.01

Average Number of Days to Conclude Customer Complaints

Explanatory Measure:

EX 2-2-1.01

Number of Complaints Received for Unauthorized Changes in Service

Output Measure:

OP 2-2-1.01

Number of Customer Complaints Concluded

STRATEGY 3-1-1:

Energy Assistance: Reimburse retail electric providers from the System Benefit Trust Fund for electric service billing discounts; administer automated and self-enrollment of eligible participants for the billing discounts.

INDIRECT ADMINISTRATION STRATEGIES

STRATEGY 4-1-1: Central Administration

STRATEGY 4-1-2: Information Resources

STRATEGY 4-1-3: Other Support Services

FY 2020-2021 PERFORMANCE MEASURE DEFINITIONS

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 01 % Tx Cities Srvd by 3 or More Certificated Telecommunication Providers

Cross Reference to Prior Biennium Measure Code: OC 01-01.01

Short Definition: This measure reports the percentage of municipalities in Texas served by three or more Certificated Telecommunications Providers (CTPs). For purposes of this measure, “municipalities” is defined as cities, towns and villages that are incorporated. “CTPs” are defined as those who provide either residential, non-residential or point-to-point service.

Data Limitations: The decision of a CTP to offer service in any geographic area is outside the control of the Public Utility Commission (PUC). This measure reports results from the first quarter of a calendar year; therefore, there is a seven month lag in reported performance.

Data Source: CTPs are required to file quarterly reports with the PUC. The data used to calculate this measure are obtained from such reports.

Method of Calculation: This performance measure is calculated by dividing the number of cities with three or more CTPs providing local service by the total number of cities. Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to indicate the status of competitive telecommunications markets in Texas as reflected by whether customers have a choice in the selection of their local telecommunications provider.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 02 % of Residential Customers in Areas Open to Competition Having a Choice of More than Five Providers for Electric Service

Cross Reference to Prior Biennium Measure Code: OC 01-01.02

Short Definition: This measure reflects the number, expressed as a percentage, of residential customers in areas of the state open to electric competition who have a choice of five or more electric providers.

Data Limitations: None.

Data Source: The PUC provides information about retail residential electric prices on its Power to Choose website. The number of companies who post retail residential prices will be used to determine the number of providers in each region of the state. The number of residential customers in each region of the state will be obtained from the transmission and distribution utilities.

Method of Calculation: On the Power to Choose website, offers for residential electric service are listed based on the transmission and distribution company service area. The number of companies serving in each area is determined from the offers. Determine which TDU service areas have more than five providers. Determine the number of residential customers in areas open to competition for each TDU service area. Add together the number of customers in areas open to competition for all areas which have more than five providers. Divide the total number of customers in areas having more than five providers by the total number of customers in areas of the state open to competition. Multiply by 100 to obtain the percentage.

Purpose/Importance: In order for competitive markets to be successful, customers must have a choice of providers. This measure provides an indication of how many customers have a meaningful choice of providers.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 03 Avg Price Elec/kWh in TX for Residential Customers As % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-01.04

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for residential customers from competitive suppliers in Texas as a percentage of the national average cost of electricity for the same class of service.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC cannot control electricity prices in other states.

The EIA-826 form is not required of all Retail Electric Providers (REPs) by the Energy Information Agency (EIA) and the data is not always submitted by all REPs.

The Power Sales data in the Electric Power Monthly and for EIA-826 include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: Texas residential data are obtained from the monthly Electric Sales and Revenue with State Distributions Reports from the EIA-826 forms filed by REPs with the PUC in compliance with its rules. The report provides information for REPs including revenue from retail electric sales associated with transmission and distribution revenues, sales, and customer count by sector.

National residential data are obtained from the EIA's Electric Power Monthly publication, which collects electric power sales data from approximately 260 of the largest primarily investor-owned and publicly-owned electric utilities in the United States.

Method of Calculation: The numerator is obtained by summing the monthly revenues as well as the monthly sales from the EIA reports to obtain the annual revenue and annual sales for all competitive REPs serving Texas residential customers. Divide annual revenue by annual sales to determine a weighted average price for Texas residential customers.

The denominator is obtained by adding the 12 monthly U.S. Cost of Electricity per kWh rates for residential customers identified in Electric Power Monthly, and dividing by 12.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to show how Texas residential electricity prices per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 04 Avg Price Electricity/kWh for TX Commercial Customers As % Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-01.05

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for commercial customers from competitive suppliers in Texas as a percentage of the national average price of electricity for the same class of service.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC cannot control electricity prices in other states.

The EIA-826 form is not required of all Retail Electric Providers (REPs) by the Energy Information Agency (EIA) and the data is not always submitted by all REPs. The Power Sales data in the Electric Power Monthly include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: Texas commercial data are obtained from the monthly Electric Sales and Revenue with State Distributions Reports from the EIA-826 forms filed by the REPs with the PUC in compliance with its rules. The report provides information for REPs including revenue from retail electric sales associated with transmission and distribution revenues, sales, and customer count by sector. The national commercial data is obtained from the EIA's Electric Power Monthly publication, which collects electric power sales data monthly from approximately 260 of the largest primarily investor-owned and publicly-owned electric utilities in the United States.

Method of Calculation: The numerator for this measure is obtained from the EIA Reports. Identify REPs serving Texas commercial customers, sum the monthly revenues and the monthly sales to obtain the annual revenue and annual sales. Divide annual revenue by annual sales to determine a weighted average price for Texas commercial customers. If the EIA Report is not available to calculate the numerator, add the twelve monthly Cost of Electricity per kWh in Texas for commercial customers' rates as provided in the Electric Power Monthly publication, and divide by 12.

The denominator for this measure is obtained by adding the twelve monthly U.S. cost of Electricity per kWh rates for commercial customers identified in the Electric Power Monthly publication, and dividing by 12.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to show how Texas commercial electricity prices per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 05 Avg Price Electricity/kWh for TX Industrial Customers As % Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-01.06

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for industrial customers from competitive suppliers in Texas as a percentage of the national average price of electricity for the same class of service.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC cannot control electricity prices in other states. The EIA-826 form is not required of all Retail Electric Providers (REPs) by the Energy Information Agency (EIA) and the data is not always submitted by all REPs.

The power sales data in the Electric Power Monthly include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: Texas industrial class data are obtained from the monthly Electric Sales and Revenue with State Distributions Reports from the EIA-826 forms filed by the REPs with the PUC in compliance with PUC rules. The report provides information for REPs including revenue from retail electric sales associated with transmission and distribution revenues, sales, and customer count by sector. If the report is not available, the Texas industrial data will be obtained from the same source as the national industrial average data, which is the EIA's Electric Power Monthly publication, which collects electric power sales data monthly from approximately 260 of the largest primarily investor-owned and publicly-owned electric utilities in the United States.

Method of Calculation: The numerator for this measure is obtained by compiling the monthly Form EIA-826 Report. For each REP serving Texas industrial customers, sum the monthly revenues and the monthly sales to obtain the annual revenue and annual sales. Divide annual revenue by annual sales to determine a weighted average price for Texas industrial customers. If the EIA Report is not available to calculate the numerator, add the twelve monthly cost of Electricity per kWh in Texas for industrial customers' rates as provided in the Electric Power Monthly publication and dividing by 12.

The denominator for this measure is obtained by adding the twelve monthly U.S. Cost of Electricity per kWh rates for industrial customers identified in the Electric Power Monthly publication and dividing by 12.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to show how Texas industrial electricity prices per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 06 Avg Ann Resid Elec Bill from Competitive Suppliers as a % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-01.08

Short Definition: This measure represents the average annual residential electric bill from competitive suppliers in Texas as a percentage of the national annual average residential electric bill.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC has no control over the usage of individual customers. The EIA-826 form is not required of all Retail Electric Providers (REPs) by the Energy Information Agency (EIA) and the data is not always submitted by all REPs.

Data Source: Texas residential data are obtained from the EIA's Electric Sales and Revenue with State Distributions Report database that provides retail electric sales, transmission and distribution (T&D) revenues, and customer count by sector for Retail Electric Providers (REPs). U.S. residential data for the average monthly bill are obtained from a yearly publication by the EIA.

Method of Calculation: The numerator is obtained by multiplying average annual Texas residential electric energy consumption (A) by the average Texas residential electricity price (B). To obtain (A), divide annual Texas residential electric energy sales by the number of Texas residential customers. To obtain (B), divide annual residential class electric revenues by total annual Texas residential electric energy sales.

The denominator is obtained from EIA data, calculated by multiplying average monthly usage per customer by average price per kwh.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to show how the Texas annual residential electric bill from competitive suppliers compares to the national average.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 07 Average Price/kWh Offered on Power-to-Choose as % of Nat'l Average

Cross Reference to Prior Biennium Measure Code: None

Short Definition: This measure represents the average price of electricity per kilowatt hour (kWh), based on 1,000 kWh used, for residential customers from competitive suppliers in Texas offered for a 12-month, fixed-price contract on the Power-to-Choose website as a percentage of the national average cost of electricity for the same class of service.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC cannot control electricity prices in other states.

REPs are not required to post offers on the Power-to-Choose website. Therefore, not all of the offers for a 12-month, fixed-price contract will be included in this measure.

The Power Sales data in the Electric Power Monthly include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: Texas residential data are obtained from the Available Offers page on the Power-to-Choose website on the first day of each month.

National residential data are obtained from the EIA's Electric Power Monthly publication, which collects electric power sales data from approximately 260 of the largest primarily investor-owned and publicly-owned electric utilities in the United States.

Method of Calculation: The numerator is obtained by exporting all offers on the Power-to-Choose website into a spreadsheet on the first day of each month. The spreadsheet is sorted to isolate the prices offered for 12-month, fixed-price contract, based on 1,000 kWh. Finally, an average of all offers meeting these parameters is calculated.

The denominator is obtained by adding the twelve monthly U.S. Cost of Electricity per kWh rates for residential customers identified in Electric Power Monthly, and dividing by 12.

Then, the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to show how Texas residential electricity price offers per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-Cumulative.

New Measure: Yes.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 01 Average Annual Residential Telephone Bill as a % of National Average

Cross Reference to Prior Biennium Measure Code: OC 01-02.01

Short Definition: This measure reports the average annual residential telephone bill in Texas as a percentage of the national average residential telephone bill. The term “bill” is defined as the weighted average monthly rate for single-line residential telephone service.

Data Limitations: The Public Utility Commission (PUC) has limited jurisdiction over telephone rates in Texas, and no ability to affect telephone rates in other states. The Federal Communications Commission (FCC) gathers data annually and generally publishes the data in spring or summer of each year. So, while this measure consistently uses the most recent national data made available by the FCC, the national data is not from the same period as the state data.

Data Source: Texas access line data is obtained from Texas telephone companies that provide, upon written request from Commission staff, the number of access lines billed at each tariffed residential rate. Texas residential rates are obtained from telephone company tariffs on file at the Commission or by written request to telephone companies from PUC staff. National data is obtained annually from a report published by the Federal Communications Commission (FCC), as noted in the procedures for this measure.

Method of Calculation: This performance measure is calculated by dividing the weighted average of single-line residential telephone rates of the ten largest local exchange companies in Texas by the national single-line residential telephone rate. Then the quotient is multiplied by 100 to obtain the reported percentage. The ten largest local exchange companies in Texas are the ten incumbent local exchange companies that serve the most access lines in Texas.

Purpose/Importance: The purpose of this measure is to show how Texas residential telephone bills compare to the national average telephone bill.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 02 Avg Price Electricity Per kWh for Residential Cust from Regulated Suppliers as % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-02.03

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for residential customers from regulated suppliers in Texas as a percentage of the national average cost of electricity for the same class of service.

Data Limitations: Factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The Public Utility Commission (PUC) cannot control electricity prices in other states. The EIA-826 form is not required of all utilities by the Energy Information Agency (EIA) and the data is not always submitted by all utilities.

The Power Sales data in the Electric Power Monthly and in the EIA-826 database include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: The Texas residential data are obtained from the monthly Electric Sales and Revenue with State Distributions Report database from the EIA. The report provides information for utilities including revenue from retail electric sales, sales, and customer count by sector. However, if the report is not available, the Texas residential data will be obtained from the monthly bill comparisons compiled by the PUC staff, which monthly report base rates, fuel charges, and any surcharges or refunds in effect for the period.

The national residential data are obtained from EIA's Electric Power Monthly publication which collects electric power sales data monthly from approximately 260 of the largest primarily investor-owned and publicly owned electric utilities in the United States.

Method of Calculation: The numerator is obtained by summing monthly revenues as well as monthly sales from the EIA report to obtain the annual revenue and annual sales for all the regulated suppliers serving Texas residential customers. Divide annual revenue by the annual sales to determine a weighted average price for Texas residential customers. If the EIA Report is not available, then compile the monthly bill surveys for regulated suppliers for each of the twelve months in the period. A twelve-month average residential rate will be determined for each of the investor owned utilities. The residential averages computed for each of the investor owned utilities will then be used to determine a weighted average for all the regulated suppliers in Texas for the twelve-month period.

The denominator for this measure is obtained by adding the twelve monthly U.S. Cost of Electricity per kWh rates for residential customers identified in the Electric Power Monthly publication, and dividing by 12.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to show how Texas residential electricity prices per kWh compare to the national electricity prices per kWh for residential service.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 03 Avg Price Electricity Per kWh for Commercial Cust from Regulated Suppliers as % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-02.04

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for commercial customers from regulated suppliers in Texas as a percentage of the national average cost of electricity for the same class of service.

Data Limitations: Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The Public Utility Commission (PUC) cannot control prices in other states.

The EIA-826 form is not required of all utilities by the Energy Information Agency (EIA) and the data is not always submitted by all utilities. The Power Sales data in the Electric Power Monthly and the EIA-826 database include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: The Texas commercial data are obtained from the monthly Electric Sales and Revenue with State Distributions Report database from the EIA. The report provides information for utilities including revenue from retail electric sales associated with transmission and distribution revenues, sales, and customer count by sector. However, if the report is not available, the Texas commercial data will be obtained through surveys compiled by the PUC staff Electric Division which monthly report base rates, fuel charges, and any surcharges or refunds in effect for the period for regulated suppliers for Texas commercial customers. The national commercial data are obtained from the EIA's Electric Power Monthly publication which collects electric power sales data monthly from approximately 260 of the largest primarily investor-owned and publicly owned electric utilities in the United States.

Method of Calculation: The numerator is obtained by summing the monthly revenues as well as the monthly sales in the EIA report to obtain the annual revenue and annual sales for all the regulated suppliers serving Texas commercial customers. Divide annual revenue by the annual sales to determine a weighted average price for Texas commercial customers. If the EIA Report is not available, compile the monthly bill surveys for regulated suppliers for each of the twelve months in the period. A twelve-month average commercial rate will be determined for each of the investor-owned utilities. The commercial averages computed for each of the investor-owned utilities will then be used to determine a weighted average for all the regulated suppliers in Texas for the twelve-month period.

The denominator is obtained by adding the twelve monthly U.S. Cost of Electricity per kWh rates for commercial customers identified in the Electric Power Monthly publication, and dividing by 12.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to show how Texas commercial electricity prices per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 04 Average Annual Residential Electric Bill from Regulated Suppliers as % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-02.05

Short Definition: This measure represents the average annual residential electric bill from regulated suppliers in Texas as a percentage of the national annual average residential electric bill.

Data Limitations: Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The Public Utility Commission (PUC) has no ability to affect prices in other states. The PUC has no control over the usage of individual customers.

The EIA-826 form is not required of all utilities by the Energy Information Agency (EIA) and the data is not always submitted by all utilities.

Data Source: Texas residential data are obtained from the EIA's Electric Sales and Revenue with State Distributions database that provides retail electric sales, transmission and distribution (T&D) revenues, and customer count by sector for utilities. Alternatively, Texas residential price data are obtained from monthly surveys compiled by the PUC staff which report base rates, fuel charges, and any surcharges or refunds in effect for regulated suppliers of Texas residential customers. U.S. residential data such as electric energy sales, number of customers, and total revenue of aggregate electric are obtained from the EIA's Electric Sales and Revenue with State Distribution Database.

Method of Calculation: The numerator is obtained by multiplying average annual Texas residential electric energy consumption (A) by the average Texas residential electricity price (B). To obtain (A), divide annual Texas residential electric energy sales by the number of Texas residential customers. To obtain (B), divide annual residential class electric revenues by total annual Texas residential electric energy sales.

The denominator is obtained from EIA data, and is calculated by multiplying average annual U.S. residential consumption of electric energy (C) by the average annual U.S. residential electricity price (D). To obtain (C), divide annual U.S. residential electric energy sales by the number of U.S. residential customers. To obtain (D), divide annual residential electric revenues by total annual U.S. residential electric energy sales.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to show how the Texas annual residential electric bill from regulated suppliers compares to the national average.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: Below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 05 % of Subscribers Served by Exchanges Meeting Service Quality Standards

Cross Reference to Prior Biennium Measure Code: OC 01-02.07

Short Definition: This measure shows the statewide percent of incumbent local exchange company access lines that either meet or exceed the Public Utility Commission's (PUC's) service quality standards.

Data Limitations: None.

Data Source: Texas access line data is obtained from Texas telephone companies who provide, upon written request from the PUC, the number of access lines in each telephone exchange. Service quality data is obtained from reports filed by Texas telephone companies, as described in the procedures for this measure.

Method of Calculation: This measure is calculated by dividing the total number of incumbent local exchange company access lines in Texas telephone exchanges that meet or exceed the PUC's service quality standards by the total number of incumbent local exchange company access lines in Texas.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to evaluate, once annually, whether service quality in Texas is increasing or decreasing. This measure is important because it reflects the PUC's progress in meeting its goal of ensuring compliance with relevant laws and regulations governing provision of reliable high quality telecommunications services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 06 % Electric Customers Served by TDUs Meeting Service Quality Standards

Cross Reference to Prior Biennium Measure Code: OC 01-02.08

Short Definition: This measure reflects the percent of customers served by transmission and distribution utilities meeting Public Utility Commission (PUC) service quality standards, and provides an assessment of the degree to which utilities are meeting their obligation to provide reliable service.

Data Limitations: None.

Data Source: Electric service quality data is obtained from service quality reports the PUC requires electric utilities to submit annually.

Method of Calculation: This measure is calculated by dividing the number of customers served by transmission and distribution utilities that meet or exceed the PUC's service quality standards by the total number of customers of transmission and distribution utilities in Texas.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: The purpose of this measure is to evaluate, once annually, whether service quality in Texas is increasing or decreasing. This measure is important because it reflects the PUC's progress in meeting its goal of ensuring compliance with relevant laws and regulations governing provisions of reliable, high quality transmission and distribution services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 03 Ensure Compliance with Statutes, Rules, and Orders
OUTCOME: 01 Percent Agreements with Specific Provisions for Avoiding Future Violations

Cross Reference to Prior Biennium Measure Code: OC 01-03.01

Short Definition: Percent of settlement agreements entered in formal enforcement proceedings that contain specific provisions regarding how future violations of the same type by the entity which is the subject of the proceeding will be avoided.

Data Limitations: None.

Data Source: PUC staff uses a database to track all enforcement proceedings, which includes information about whether a case was resolved through settlement, and whether the settlement contained provisions addressing avoidance of future violations.

Method of Calculation: The numerator is calculated by querying the enforcement database to identify cases resolved through settlement that contained specific provisions addressing the avoidance of future violations of the same type. The identified cases are counted to determine the total.

The denominator is calculated by querying the enforcement database for the total number of cases resolved.

Then the quotient is multiplied by 100 to obtain the reported percentage.

Purpose/Importance: Deterrence of future violations is an important element of an effective enforcement program. This measure reflects the PUC's efforts to deter future violations.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
OUTCOME: 01 % Customer Complaints Resolved through Informal Resolution Process

Cross Reference to Prior Biennium Measure Code: OC 02-02.01

Short Definition: This measure compares the number of customer complaints resolved informally to the total number of complaints resolved both formally and informally.

Data Limitations: None.

Data Source: The number of informal complaints resolved is obtained from the measure Number of Consumer Complaints Concluded measure. The Agency Information System (AIS) database contains records of formal complaints.

Method of Calculation: The numerator is the total number of informal complaints resolved, and is obtained from the measure Number of Customer Complaints Concluded. The denominator is obtained by adding the numerator to the total number of formal customer complaints concluded. Then the quotient is multiplied by 100 to obtain the reported percentage. The total number of formal customer complaints is obtained from the AIS database by querying the number of closed records in the appropriate subclass as detailed in the procedures for this measure.

Purpose/Importance: This measure is important because it reflects the relative ability of staff to resolve disputes informally, which is generally a shorter and less costly means of resolution. This measure is also important because it tracks the progress of the PUC in attaining the goal of assisting customers in resolving disputes concerning electric and telecommunications services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
OUTCOME: 02 Credits & Refunds Obtained for Customers through Complaint Resolution

Cross Reference to Prior Biennium Measure Code: OC 02-02.02

Short Definition: This measure captures the dollar amount of credits and refunds the Public Utility Commission (PUC) obtains for customers whose complaints were concluded using the informal complaint resolution process.

Data Limitations: None.

Data Source: As part of the informal complaint resolution process, service providers notify the PUC in writing when a customer who filed a complaint with the PUC was given a refund or issued a credit to his/her account. Staff enters any credits given by the utility into the database.

Method of Calculation: The database is queried after the end of the reporting period. The query solicits refunds or credits issued for all complaints concluded during the reporting period

Purpose/Importance: This measure reflects the PUC's success in helping utility customers obtain credits or refunds to which they may be entitled. This measure is important because it tracks the PUC's progress in attaining the goal of assisting customers in resolving disputes concerning electric and telecommunications service.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above target.

| | | |
|------------|----|--|
| GOAL: | 01 | Ensure Competition, Choice, Just Rates, and Reliable Quality Service |
| OBJECTIVE: | 01 | Maintain Policies to Foster Competition in Telecom & Elec Mkts |
| STRATEGY: | 01 | Foster and Monitor Market Competition |
| TYPE: | EF | |
| DESC: | 01 | Avg Number of Days to Process an Application for a Telecom COA & SPCOA |

Cross Reference to Prior Biennium Measure Code: EF 01-01-01.01

Short Definition: This measure reports the average number of days to process an application for a telecommunications Certificate of Authority (COA) and Service Provider Certificate of Authority (SPCOA).

Data Limitations: This measure can be affected by requests for hearings, a factor beyond the Public Utility Commission's (PUC) control. Holding a hearing can greatly increase the processing time. Hearings in these cases would be conducted by the State Office of Administrative Hearings (SOAH). The PUC has no control over SOAH operations.

A case is considered complete on the date the final order is filed in the PUC Central Records, as denoted by the "date closed" field in the Agency Information System (AIS). Final orders are subject to motions for rehearing; however, orders on rehearing do not change the date on which a case is considered completed for purposes of this measure. By establishing the date of the final order as the date a case is completed, the days between the final order and any orders on rehearing are not counted and the number of days between filing of the application and ultimate resolution may be greater than reported. Orders on rehearing are entered in very few cases.

Data Source: The Agency's AIS tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: The number of days to process a case is the period of time from the date the case is filed until the date the final order is filed in the PUC's Central Records, as denoted by the "date closed" field in AIS.

The calculation is the sum of calendar days that transpired to process each application divided by the total number of applications filed.

The number of calendar days elapsed for processing each case is calculated by subtracting the filing date from the final order date (date-filed minus date-closed in AIS).

Purpose/Importance: The purpose of this measure is to provide an indication of the agency's efficiency in processing COA and SPCOA applications.

Calculation Type: Non cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 01 Number of Elect Coops and Municipal Utilities Reg for Wholesale Trans Rate

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.01

Short Definition: This measure reflects the number of non-investor-owned utilities--including electric cooperatives, municipal utilities, and river authorities--regulated for wholesale transmission rates under the jurisdiction of the Public Utility Commission (PUC) at the end of the fiscal year pursuant to PURA Chapter 35, Subchapter A.

Data Limitations: None.

Data Source: Data are obtained from the group of companies included as transmission owners/load entities on the matrix list filed as part of the final order in the PUC's most recent docket on wholesale transmission charges.

Method of Calculation: Results for this measure are determined by counting the number of non-investor-owned transmission owners/load entities included on the matrix list filed as part of the final order in the commission's most recent docket on wholesale transmission charges.

Purpose/Importance: This measure identifies the total number of electric cooperatives, municipal utilities, and river authorities regulated for wholesale transmission rates over which the PUC has jurisdiction and for which rate cases and rate reviews are conducted.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 02 Percent of Statewide Electric Generating Capacity Above Peak Demand in ERCOT

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.02

Short Definition: With regard to electric service, most of the state lies within a region known as the Electric Reliability Council of Texas (ERCOT). This measure represents the amount of electric generating capacity in ERCOT that is above the peak demand for electricity. It shows the difference in percentage terms between the demand for electricity in ERCOT and the amount of electricity that can be generated in order to meet the demand.

Data Limitations: The measure is calculated using data for the previous calendar year which results in a 10-month lag in the measure.

Data Source:

Data for the ERCOT region is taken from the ERCOT Capacity Demand Reserve Report and the ERCOT Demand and Energy Report.

Method of Calculation: This measure is calculated in accordance with the following formula: Percent of Capacity Above Peak Demand = (Generating Capacity – Peak Demand) / Peak Demand. The resulting number is multiplied by 100 to calculate the percent. The Generating Capacity will be the total capacity in ERCOT. Peak Demand will be the total peak demand in ERCOT.

Purpose/Importance: It is important for generating capacity to be greater than peak demand so there is enough capacity to meet the expected demand, to meet additional, unexpected demand, and to provide reserve capacity that can be used in the event of equipment failures. An inadequate supply of generating capacity could result in loss of power to customers. This measure provides a way to track how much generating capacity there is in relation to the peak demand for electricity.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 03 Percent of Energy Savings Goal Due to Energy Efficiency Programs

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.03

Short Definition: This measure represents the energy savings from standard offer and market transformation programs administered by Texas electric utilities.

Data Limitations: Due to the time lag in energy efficiency project implementation and reporting/verification of savings, it may be difficult to achieve timeliness and consistency. Many factors which affect this measure are outside the Public Utility Commission's (PUC) control because the energy efficiency programs are administered by the utility companies.

Data Source: PUC rules require electric utilities to file Annual Energy Efficiency Reports. Included in the report is the utility's annual growth in demand with the corresponding energy and demand savings goal for the utility and the actual energy and demand savings achieved in the preceding calendar year. The PUC uses this report as the basis for reporting the results of this measure.

Method of Calculation: The statewide energy savings goal is calculated by adding the individual utilities' energy savings goals reported in the preceding year's Annual Energy Efficiency Report. The statewide energy savings achieved is calculated by adding the individual utilities' energy savings as reported in the preceding year's report. The percentage of the energy savings goal achieved is calculated by dividing the reported savings achieved by the savings goal, multiplied by 100.

Purpose/Importance: The Public Utility Regulatory Act requires that electric utilities administer energy savings incentive programs in a market-based, non-discriminatory manner. This measure reflects the success of those programs.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 04 Demand Reductions Due to Energy Efficiency Programs

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.04

Short Definition: This measure represents the reduction in electric demand that is met through standard offer and market transformation programs administered by Texas electric utilities.

Data Limitations: Due to the time lag in energy efficiency project implementation and reporting/verification of savings, it may be difficult to achieve timeliness and consistency. Many factors which affect this measure are outside the Public Utility Commission's (PUC) control because the energy efficiency programs are administered by the utility companies.

Data Source: PUC rules require electric utilities to file Annual Energy Efficiency Reports. Included in the report is the utility's annual growth in demand with the corresponding energy and demand savings goal for the utility and the actual energy and demand savings achieved in the preceding calendar year. The PUC uses this report as the basis for reporting the results of this measure.

Method of Calculation: The statewide demand savings goal is calculated by adding the individual utilities' demand savings goals reported in the preceding year's Annual Energy Efficiency Report. The statewide demand savings achieved is calculated by adding the individual utilities' demand savings as reported in the preceding year's report. The percentage of the demand savings goal achieved is calculated by dividing the reported savings achieved by the savings goal, multiplied by 100.

Purpose/Importance: The Public Utility Regulatory Act requires that electric utilities administer energy and demand savings incentive programs in a market-based, non-discriminatory manner. This measure reflects the success of those programs.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 05 Number of Power Generation Companies in Texas

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.05

Short Definition: This measure counts the number of power generation companies (PGC) in Texas. A PGC is an entity that generates electricity that is intended to be sold at wholesale.

Data Limitations: The number of power generation companies is affected by factors outside the Public Utility Commission's (PUC) control.

Data Source: The PUC requires the registration of PGCs, and it maintains a list of the registered generators. The registration lists provide the data for this measure.

Method of Calculation: This measure is calculated by counting the number of PGCs who are registered with the Commission.

Purpose/Importance: The purpose of this measure is to track the number of generators in the wholesale market. In general, a greater number of power generators in the wholesale market will result in a more competitive market.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 06 Number of Aggregators in Texas

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.06

Short Definition: This measure counts the number of aggregators in Texas. An aggregator is an entity that joins two or more customers into a purchasing unit to negotiate the purchase of electricity service in Texas from retail electric providers.

Data Limitations: The number of aggregators is affected by factors outside the Public Utility Commission's (PUC) control.

Data Source: The PUC requires the registration of aggregators, and it maintains a list of the registered aggregators. The registration lists provide the data for this measure.

Method of Calculation: This measure is calculated by counting the number of aggregators who are registered with the PUC.

Purpose/Importance: The purpose of this measure is to track the number of aggregators in the restructured market acting as buyer's agents for customer groups.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 07 Number of Applications and Amendments for Cable Franchise Certificates

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.08

Short Definition: This measure is a fiscal year-end count of the number of State-Issued Certificates of Franchise Authority or Amendments to a State-Issued Certificate of Franchise Authority.

Data Limitations: None

Data Source: The Public Utility Commission (PUC) maintains a directory of State-Issued Certificates of Franchise Authority.

Method of Calculation: The PUC directory includes both new and amended applications and is frequently updated. This measure is calculated by counting the total number of applications for new and amended certificates approved by the PUC.

Purpose/Importance: This measure provides the number of applications for State Issued Certificates of Franchise Authority for cable and video service. The measure provides some perspective for evaluating the level of cable and video competition in Texas.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 01 Number of Retail Electric Providers Registered

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.01

Short Definition: This measure is the number of electric service providers in the retail electric market in Texas. Retail Electric Providers (REPs) are entities that sell electric energy to retail customers in the state of Texas.

Data Limitations: The number of service providers is affected by factors outside the PUC's control.

Data Source: The Public Utility Commission (PUC) requires the registration of REPs, and it maintains a list of the registered providers. The registration lists provide the data for this measure.

Method of Calculation: This measure is calculated by counting the number of REPs who are registered with the PUC.

Purpose/Importance: The purpose of this measure is to track the number of participants in the retail market. In general, a greater number of participants in the retail market will result in a more competitive market.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 02 Number of Cases Completed Related to Competition Among Providers

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.05

Short Definition: This measure reports the total number of cases completed during the reporting period that are related to competition among service providers in the electric and telecommunications industries.

Data Limitations: The accuracy of this measure can be affected by accuracy of classification of cases in the Agency Information System (AIS). It can be difficult to determine the proper classification of a case when numerous issues are addressed in the same docket, so judgment must be used in determining whether a case is one that relates to competition among providers.

Data Source: AIS tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: AIS is queried at the end of each reporting period. The query solicits the number of cases completed during the reporting period related to competition among service providers based on the AIS category and class codes contained in the query. For purposes of this definition, a case is considered completed when a final order is filed in the PUC's Central Records section (as denoted by the "date closed" field in AIS).

Purpose/Importance: The number of cases completed relating to competition provides an indication of the PUC's workload related to overseeing competitive markets.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

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| GOAL: | 01 | Ensure Competition, Choice, Just Rates, and Reliable Quality Service |
| OBJECTIVE: | 02 | Regulate Providers Ensuring Companies Meet Service Quality Standards |
| STRATEGY: | 01 | Conduct Rate Cases for Regulated Telephone and Electric Utilities |
| TYPE: | EF | |
| DESC: | 01 | Average Number of Days to Process a Major Rate Case for TDU |

Cross Reference to Prior Biennium Measure Code: EF 01-02-01.01

Short Definition: This measure counts the average number of days to process a major rate case for a transmission and distribution utility. For purposes of this performance measure, a major transmission and distribution utility rate case is a proceeding that may result in a "major change" in rates, as defined by PURA Sec. 36.101, for a transmission and distribution utility (TDU), as defined by PURA Sec. 31.002(19).

Data Limitations: The number of days to process a case is affected by factors outside the Public Utility Commission's (PUC) control, such as number of intervenors, and number and complexity of issues. Hearings in these cases are usually conducted by the State Office of Administrative Hearings (SOAH). The PUC has no control over SOAH operations.

In this definition, a case is considered complete on the date the final order is filed in the PUC's Central Records, as denoted by the "date closed" field in the Agency Information System (AIS). By establishing the date of the final order as the date a case is completed, the motion for rehearing portion of the proceeding is not counted and therefore, the actual number of days may be greater than reported.

Data reported under this measure include only major rate cases for a TDU, which are a subset of the rate cases tracked under OP 1-2-1.01. Therefore, the data for these measures may not necessarily correlate.

Data Source: The PUC's AIS tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: The calculation is the sum of calendar days that transpired to complete each case divided by the number of cases completed. The number of calendar days transpired to complete each case is calculated by subtracting the filing date from the final order date (date filed minus date closed in AIS). AIS is queried to determine the number of cases completed during the reporting period. A case is considered complete on the date the final order is filed in the PUC's Central Records, as denoted by the "date closed" field in AIS.

Purpose/Importance: This measure indicates the PUC's efficiency in processing major transmission and distribution rate cases.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: EX
DESC: 01 Number of Electric Utilities Regulated

Cross Reference to Prior Biennium Measure Code: EX 01-02-01.01

Short Definition: This measure reflects the number of electric utilities under the jurisdiction of the Public Utility Commission (PUC) at the end of the fiscal year pursuant to Chapter 32, Sect. 32.001 of the Public Utility Regulatory Act (PURA). As used herein, the term “electric utilities” refers to investor owned utilities.

Data Limitations: A degree of judgment is required when determining the effects of mergers and acquisitions (for example, whether the merger of two utilities results in a single, surviving utility).

Data Source: Performance results are determined annually in the first quarter from a master list of utilities holding Certificate of Convenience and Necessity (CCNs).

Method of Calculation: Results for this measure are determined by analyzing the master list of utilities holding a CCN and evaluating what changes (if any) have taken place during the fiscal year being reported. Changes to this measure are based on the number of mergers, new CCNs, and the number of utilities deregulated by the legislature.

Purpose/Importance: This measure identifies the total number of electric utilities over which the PUC has regulatory jurisdiction.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: EX
DESC: 02 Number of Telecommunications Service Providers Regulated

Cross Reference to Prior Biennium Measure Code: EX 01-02-01.02

Short Definition: This measure reflects the number of telecommunications service providers under the jurisdiction of the Public Utility Commission (PUC) at the end of the fiscal year pursuant to Chapter 52, Sect. 52.002 of the Public Utility Regulatory Act (PURA). As used herein, the term “telecommunications service providers” refers to investor owned telephone utility companies and non-profit telephone utility companies cooperatively owned by their members that have been granted Certificates of Convenience and Necessity (CCN) by the PUC.

Data Limitations: A degree of judgment is required when determining the effects of mergers and acquisitions (for example, whether the merger of two utilities results in a single, surviving utility).

Data Source: Performance results are determined annually from a master list of utilities holding CCNs.

Method of Calculation: Results for this measure are determined by analyzing the master list of utilities holding a CCN and evaluating what changes (if any) have taken place during the fiscal year being reported. Changes to this measure are based on the number of mergers, new CCNs, and whether any of the companies has been deregulated by the legislature.

Purpose/Importance: This measure identifies the total number of telecommunications service providers with CCNs over which the PUC has regulatory jurisdiction.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

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| GOAL: | 01 | Ensure Competition, Choice, Just Rates, and Reliable Quality Service |
| OBJECTIVE: | 02 | Regulate Providers Ensuring Companies Meet Service Quality Standards |
| STRATEGY: | 01 | Conduct Rate Cases for Regulated Telephone and Electric Utilities |
| TYPE: | EX | |
| DESC: | 03 | Number of Water and Sewer Utilities Regulated |

Short Definition: This measure reflects the number of active water and sewer investor-owned utilities under the jurisdiction of the Public Utility Commission (PUC) at the end of the fiscal year pursuant to Chapter 13 of the Texas Water Code. As used herein, water and sewer utilities refers to investor owned utilities and municipally owned water and sewer utilities that have a CCN and have elected to have the PUC exercise exclusive jurisdiction of utility rates.

Data Limitations: A degree of judgment is required when determining the effects of mergers and acquisitions (for example, whether the merger of two water and sewer utilities results in a single, surviving entity).

Data Source: Performance results are calculated annually in the fourth quarter by searching for water and sewer utilities with an active Certificate of Convenience and Necessity (CCN) in the PUC’s Water Utility Database.

Method of Calculation: Results for this measure are calculated by querying the PUC’s Water Utility Database for water and sewer utilities that hold an active CCN to provide service in a specified territory.

Purpose/Importance: The purpose of this measure is to identify the total number of water and sewer utilities under the PUC’s jurisdiction, which provides context for the other water and sewer utility measures reported by the PUC.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: OP
DESC: 01 Number of Rate Cases Completed for Regulated Electric Utilities

Cross Reference to Prior Biennium Measure Code: OP 01-02-01.01

Short Definition: This measure counts the total number of rate cases completed for regulated electric utilities during the reporting period. For purpose of this measure, rate cases are proceedings that result in adjustments to rates charged customers by electric utilities regulated by the Public Utility Commission (PUC). The Public Utility Regulatory Act (PURA) excludes an electric cooperative and municipally owned utility (MOU) from the definition of “electric utility.” For purposes of this measure, however, a transmission rate proceeding filed by an electric cooperative or MOU is counted as an application by an electric utility.

Data Limitations: This measure counts the number of applications for rate changes filed by electric utilities, a factor beyond the control of the agency. Data reported under this measure include a broader set of electric rates cases, including both minor and major rate cases, than those tracked for EF 1-2-1-01 and EF 1-2-1-02. Therefore, the data for these measures may not necessarily correlate.

Data Source: The PUC’s Agency Information System (AIS) tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: AIS is queried at the end of each reporting period. The query solicits the number of cases completed during the reporting period based on the AIS category and class codes contained in the query. For purposes of this definition, a case is considered complete when the final order is filed in the PUC’s Central Records section (as denoted by the "date closed" field in AIS).

Purpose/Importance: This measure reflects the number of proceedings initiated by electric utilities (including electric cooperatives and MOUs for purposes of this measure), by the PUC, or by other parties that result in adjustments to rates charged to customers.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: OP
DESC: 02 Number of Rate Cases Completed for Telecommunications Providers

Cross Reference to Prior Biennium Measure Code: OP 01-02-01.02

Short Definition: This measure counts the total number of rate cases completed for regulated telecommunications providers during the period. For purpose of this measure, rate cases are proceedings that result in adjustments to rates charged customers by telecommunications providers regulated by the Public Utility Commission (PUC).

Data Limitations: The number of applications for rate changes filed by telecommunications utilities is a factor beyond the control of the agency.

Data Source: The PUC's Agency Information System (AIS) tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: AIS is queried at the end of each reporting period. The query solicits the number of cases completed during the reporting period based on the AIS category and class codes contained in the query. For purposes of this definition, a case is considered complete when a final order is filed in the PUC's Central Records section (as denoted by the "date closed" field in AIS).

Purpose/Importance: This measure reflects the number of rate proceedings initiated by regulated telecommunications providers, by the PUC, or by other parties, that result in adjustments to rates charged to customers.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 03 Ensure Compliance with Statutes, Rules and Order
STRATEGY: 01 Conduct Investigations and Initiate Enforcement Actions
TYPE: EX
DESC: 01 Dollar Amount Administrative Penalties Assessed for Violations

Cross Reference to Prior Biennium Measure Code: OC 01-03.02

Short Definition: This measure reports the total dollar amount of administrative penalties assessed in final orders of the Public Utility Commission (PUC) during the reporting period against persons or companies that have violated statutes, rules or orders enforced by the PUC.

Data Limitations: The amount of penalties assessed is affected by whether entities subject to the PUC's jurisdiction engage in conduct that constitutes violations of a statute or PUC rule or order, and the severity of the violation.

Data Source: The data for this measure are collected in the enforcement database with data from the PUC's final orders imposing administrative penalties.

Method of Calculation: Administrative penalties assessed by the Commission are recorded in the enforcement database. The database is queried at the end of the reporting period to identify and sum the amount of administrative penalties that were assessed during the reporting period.

Purpose/Importance: This measure is important because it tracks progress in meeting the PUC's objective to ensure compliance with applicable laws, rules, and orders.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 03 Ensure Compliance with Statutes, Rules and Order
STRATEGY: 01 Conduct Investigations and Initiate Enforcement Actions
TYPE: OP
DESC: 01 Number of Enforcement Investigations Conducted

Cross Reference to Prior Biennium Measure Code: OP 01-03-01.01

Short Definition: The measure reports the number of enforcement investigations, not including investigations associated with the informal complaint resolution process, undertaken to determine whether the activities of a person or company comply with the statutes, rules, and orders enforced by the Public Utility Commission (PUC). This measure captures all enforcement activity undertaken by the PUC for the electric, telecommunications, and water/wastewater industries, including investigations conducted by the Independent Market Monitor (IMM) concerning market power, market design, efficiency of market operations, or anti-competitive conduct in the electric market.

Data Limitations: The need for investigations is affected by whether entities subject to the PUC's jurisdiction engage in conduct that may constitute violations of a statute or PUC rule or order.

Data Source: Staff uses a database to track investigations. IMM-related data for this measure is obtained from a quarterly report submitted to the PUC. The report contains the following information: the investigation open and close date; a description of the issue(s) being investigated; and an overview of the work being done during the investigation. Data concerning service quality investigations is obtained from staff memoranda prepared upon completion of an investigation.

Method of Calculation: Query the number of investigations from the enforcement database at the end of the reporting period to determine the number of enforcement investigations that were completed during the reporting period. The number of investigations completed by the IMM is obtained quarterly from the IMM's quarterly report. The number of service quality investigations completed is determined by tabulating the staff report memoranda documenting the conclusion of each investigation. The sum of these numbers will be reported for this measure.

Purpose/Importance: This measure tracks progress in meeting the PUC's objective to ensure compliance with the statutes, rules, and orders enforced by the PUC.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: EF
DESC: 01 Percent Customer Information Product Distributed Electronically

Cross Reference to Prior Biennium Measure Code: EF 02-01-01.01

Short Definition:

The Public Utility Commission (PUC) produces numerous customer education and utility information publications for external distribution to utility customers, legislative offices, other state agencies, and the media. These publications include consumer newsletters, utility advisories, PUC meeting notices, news releases, fact sheets, brochures, and other customer outreach materials. These are distributed by mail, email, online, fax, walk-ins, and at various events attended by PUC staff. The measure reports the percent of the total number of products distributed which are distributed electronically.

Data Limitations: None.

Data Source: Most publications and news releases are distributed to subscriber and/or media lists. For print publications, printing is strictly controlled and a count is kept of the number that is printed. Single-page fact sheets, brochures and other customer outreach materials are produced internally on an as-needed basis. These publications are maintained in a database file, as are records of the number of copies disseminated. In addition to the printed fact sheets mailed to customers, a large portion of the information products are produced in electronic format for email distribution and website content. Information Technology (IT) keeps count of information products disseminated via email distribution and a report of the number of information product downloads from the PUC website within the dates required of the measure.

Method of Calculation: The total number of customer information products distributed is obtained from OP 2-1-1.03. The number of copies disseminated electronically is tracked by counting the number of information products distributed through email and website downloads. IT provides the number of information products downloaded from the website within the time frame of the measure. The number of information products distributed via email to subscribers within the time frame of the measure is counted. The total number of products distributed electronically is divided by the total number of products distributed via all methods, and multiplied by 100 to obtain the result for the measure.

Purpose/Importance:

The purpose of this measure is to reflect the PUC's efficiency in educating and informing the public of their rights as utility customers in Texas, as reflected by the use of electronic media. This measure is important because it reflects the PUC's progress in meeting the objective to inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: EX
DESC: 01 Number of Website Hits to Customer Protection Home Page

Cross Reference to Prior Biennium Measure Code: OP 02-01-01.01

Short Definition: This measure reflects the number of hits to the Customer Protection Home Page on the Public Utility Commission's (PUC's) website. A "hit" to the Customer Protection Home page identifies each time that page was accessed. External hits only are counted.

Data Limitations: Results of this measure indicate only the number of times the Customer Protection Home Page is hit; however, users may access customer protection information on the PUC's website without going through the Customer Protection Home Page. Therefore, results for this measure do not provide a completely accurate picture of how much customer information is being accessed.

Data Source: Using the access log file that is created by the web server, the PUC's webmaster reports the number of times the Customer Protection customer information home page is accessed during the reporting period.

Method of Calculation: Software reports the number of times each page in the PUC Web Site is accessed by persons using the World Wide Web.

Purpose/Importance: This measure is important because it tracks the PUC's progress in meeting the objective to inform customers about their choices, opportunities and rights pertaining to electric and telecommunications services.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: OP
DESC: 01 Number of Information Requests to Which Responses Were Provided

Cross Reference to Prior Biennium Measure Code: OP 02-01-01.02

Short Definition: This measure reports the total number of information requests received from external customers. Information requests are inquiries for assistance by the public that are processed by various departments at the Public Utility Commission (PUC).

Data Limitations: None

Data Source: Requests from the public are received via telephone, email, fax, written correspondence, and in person, and are directed to specific locations in the agency. Requests are recorded in electronic databases, spreadsheets, or in manually maintained written logs.

Method of Calculation: Each location in the agency that is responsible for responding to requests from the public tallies the number of responses through the use of excel spreadsheets, database queries, or by manual count of written records. The numbers are added together to produce the total for the agency.

Purpose: This measure reflects the number of customers seeking information and assistance from the PUC and indicates the level of public interest in PUC activities and the need for assistance from the agency.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: OP
DESC: 02 Number of Customer Information Products Distributed

Cross Reference to Prior Biennium Measure Code: OP 02-01-01.03

Short Definition: The Public Utility Commission (PUC) produces numerous customer education and utility information publications for external distribution to utility customers, legislative offices, other state agencies, and the media. These publications include consumer newsletters, utility advisories, PUC meeting notices, news releases, fact sheets, brochures, and other customer outreach materials. These are distributed by mail, email, online, fax, walk-ins, and at various events attended by PUC staff.

Data Limitations: None.

Data Source: Most publications and news releases are distributed to subscriber and/or media lists. For print publications, printing is strictly controlled and a count is kept of the number that is printed. Single-page fact sheets, brochures and other customer outreach materials are produced internally on an as-needed basis. These publications are maintained in a database file, as are records of the number of copies disseminated. In addition to the printed fact sheets mailed to customers, a large portion of the information products are produced in electronic format for email distribution and website content. Information Technology (IT) keeps count of information products disseminated via email distribution and a report of the number of information product downloads from the PUC website within the dates required of the measure.

Method of Calculation: The number of copies disseminated is tracked by counting the number of copies of printed materials created, and the number of information products distributed through email and website downloads. Copies of fact sheets and other publications are printed on an as-needed basis. A count of the number of publications printed is made. A separate count of the number of publications remaining in the publication slots is made and subtracted from the total number printed. IT provides the number of information products downloaded from the website within the time frame of the measure. The number of information products distributed via email to subscribers within the time frame of the measure is counted. These results are totaled and reported in the measure.

Purpose/Importance: The purpose of this measure is to reflect the PUC's efforts to educate and inform the public of their rights as utility customers in Texas, as well as to inform them of PUC activities related to telephone and electric services. This measure is important because it reflects the PUC's progress in meeting the objective to inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
STRATEGY: 01 Assist Customers in Resolving Disputes
TYPE: EF
DESC: 01 Average Number of Days to Conclude Customer Complaints

Cross Reference to Prior Biennium Measure Code: EF 02-02-01.01

Short Definition: This measure reflects the average number of days it takes to close complaints that have been investigated using the informal complaint resolution process. A complaint is an oral or written communication received by the Public Utility Commission (PUC) expressing a customer's dissatisfaction with a telephone or electric service provider.

Data Limitations: None.

Data Source: Files on informal complaints are maintained in an automated database and include, among other things, the date of receipt by the PUC, nature of the complaint, the name of the complainant, the date the complaint is activated, and the date the complaint is concluded.

Method of Calculation: The average time to process an informal complaint is determined by dividing the total number of days to process all complaints completed during the reporting period by the number of complaints. The automated database is queried at the end of each reporting quarter to determine the number of complaints concluded during the reporting quarter and the number of calendar days that elapsed between the date received and the date closed, summed for all complaints closed.

Purpose/Importance: This measure reflects the efficiency, measured by days, with which the PUC completes investigations of customer complaints. Expedient complaint resolution promotes customer confidence in the utility marketplace and the PUC.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Lower than the target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
STRATEGY: 01 Assist Customers in Resolving Disputes
TYPE: EX
DESC: 01 Number of Complaints Received for Unauthorized Changes in Service

Cross Reference to Prior Biennium Measure Code: EX 02-02-01.01

Short Definition: This measure reflects the number of informal complaints received for unauthorized changes in electric or telephone services for practices known as “slamming” or “cramming.” Unauthorized changes in services can include a change in long distance or local telephone service providers, change in electric service providers, charges for voice mail, calling card programs, or internet services.

Data Limitations: None.

Data Source: Informal complaint files are maintained in an automated database and include, among other things, the date of receipt by the Public Utility Commission (PUC), nature of the complaint, the name of the complainant, the date the complaint is activated, and the date the complaint is concluded.

Method of Calculation: The automated database is queried after the end of each fiscal year. The query solicits only the number of complaints categorized as slamming and cramming received.

Purpose/Importance: This measure reflects the magnitude of problems customers have with unauthorized changes to customer accounts. In addition, this measure tracks the PUC’s progress in attaining the goal of assisting customers in resolving disputes concerning electric and telecommunications services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Lower than the target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
STRATEGY: 01 Assist Customers in Resolving Disputes
TYPE: OP
DESC: 01 Number of Customer Complaints Concluded

Cross Reference to Prior Biennium Measure Code: OP 02-02-01.01

Short Definition: This measure reflects the number of investigated complaints that have been concluded using the informal complaint resolution process. A complaint is an oral or written communication received by the Public Utility Commission (PUC) expressing a customer's dissatisfaction with a telephone or electric service provider. An informal complaint is documented with the PUC by letter, electronically, or fax.

Data Limitations: The PUC has no control over the number of complaints filed by persons outside the agency against electric and telecommunications service providers.

Data Source: Informal complaint files are maintained in an automated database and include, among other things, the date of receipt by the PUC, nature of the complaint, the name of the complainant, the date the complaint is activated, and the date the complaint is concluded.

Method of Calculation: A complaint is activated when PUC Staff sends the service provider the information supplied by the customer. A complaint is concluded on the date the investigatory findings are communicated to the complainant as indicated by the date on the letter from the PUC, or the date entered in the database if a response was provided via the telephone. The automated database is queried after the end of each reporting quarter to determine the number of activated complaints concluded during the reporting quarter.

Purpose/Importance: This measure reflects the magnitude of problems customers have with their utility service...

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Below the target.

HISTORICALLY UNDERUTILIZED BUSINESS PLAN

The PUC has an extensive process to maximize historically underutilized business (HUB) utilization. The PUC’s purchaser reviews each individual requisition to determine whether a HUB opportunity exists. If a HUB opportunity exists and the procurement method through a HUB vendor will result in the best value for the agency and the State, Purchasing will make arrangements to process the purchase through such means. The PUC HUB Coordinator actively participates in Good Faith Efforts by attending HUB events and networking with other agencies and HUB business owners to share strategies on promoting the usage of HUBs. The PUC will host internal forums to allow HUB vendors to market their services and products to the PUC, allowing them to gain insight on the PUC’s needs, get positive criticism on promoting their business, and to establish a connection with the PUC. The PUC also encourages HUBs to register as vendors with the Texas Comptroller of Public Accounts (CPA). The PUC’s website provides links to the CPA website to make it easier for HUBs to register and become certified. The PUC’s website also provides information on the PUC’s Mentor program and other purchasing related information.

The PUC’s HUB plan is included with Goal D, Indirect Administration, in the State budget. The PUC actively encourages procurement and contracting opportunities with HUBs. Although the PUC is committed to recruitment and promotion of HUBs, the nature of the PUC’s activities limits procurement and contracting to State categories of Professional Services, Other Services, and Commodities. As the following table illustrates, the PUC far exceeded the statewide goal for HUB utilization in the commodities category in fiscal year 2017.

| FISCAL YEAR 2017 | | | | |
|------------------------------|-----------------------|---------------------------|----------------|-----------------------|
| Category | Total \$ Spent | Total HUB \$ Spent | Percent | Statewide Goal |
| Heavy Construction | - | - | - | 11.2% |
| Building Construction | - | - | - | 21.1% |
| Special Trade | - | - | - | 32.9% |
| Professional Services | \$7,500 | \$0.00 | 0.00% | 23.70% |
| Other Services | \$1,331,526 | \$41,800 | 3.14% | 26.0% |
| Commodities | \$394,696 | \$344,821 | 87.36% | 21.1% |
| TOTAL | \$1,733,722 | \$386,621 | 22.30% | |

Introduction

The PUC's Human Resources (HR) Mission is to provide exceptional HR services by ensuring that employees have a safe and productive work environment, developing subject-matter expertise, developing leadership and management skills, and leveraging innovative HR technology to achieve organizational excellence.

The PUC anticipates significant challenges during the next five years that may impact the PUC's ability to fulfill its mission. As the PUC works in its fifth decade of existence, the scope and breadth of the PUC's responsibilities continues to advance into new areas. Although the PUC's regulatory responsibilities have changed regarding the electric and telecommunications industries over the past fifteen years due to increased deregulation of those industries, the addition of water and sewer regulation greatly expands the range of the Commission's regulatory oversight.

While many of the professionals needed to properly oversee these new water functions will be similar to the current workforce at the PUC, the work-related knowledge and subject-matter expertise will be vastly different. The issues debated and staff-level work required in water cases can vary greatly from that required for electric cases. For instance, the amount of staff interaction required to ensure adequate applications are filed will be different for water rate applications than it is for electric applications. The largest water utility has approximately 45,000 connections, which is similar in size to the smallest electric utility, which has roughly 50,000 customers.. Conversely, the largest electric utility has approximately three million meters.

Additionally, the PUC is experiencing pressures on its workforce, such as the retention of qualified, experienced employees who may leave the PUC for more lucrative positions with the State and the retirement of highly-tenured employees. PUC turnover reached 16.8 percent in fiscal year 2017 and through nine months of fiscal year 2018, 28 employees have resigned or retired from the PUC. Currently, 54.2 percent of employees have tenure of five years or less. The loss of institutional knowledge continues to be major issue facing PUC executive management. However, the PUC will continue to discuss methods for attracting and retaining quality employees.

Supply Analysis: Current Workforce Profile

A. Critical Workforce Skills

The PUC employs qualified individuals in a myriad of program disciplines. Strong employee competencies are critical to meet ongoing business objectives and goals.

Current critical workforce skills include the following:

1. *Management and Leadership*

- Performance Management
- Planning
- Training and mentoring

2. *Technical Skills*

- Knowledge of applicable federal and state laws and regulations
- Litigation and settlement facilitation
- Rules development
- Investigation
- Market analysis
- Rate setting
- Licensing of providers

Accounting and financial analysis
Engineering
Policy development

3. *Customer Assistance*

Call center customer service
Informal complaint resolution

4. *Information Management*

Web development and maintenance
Database development
Electronic filing and reporting

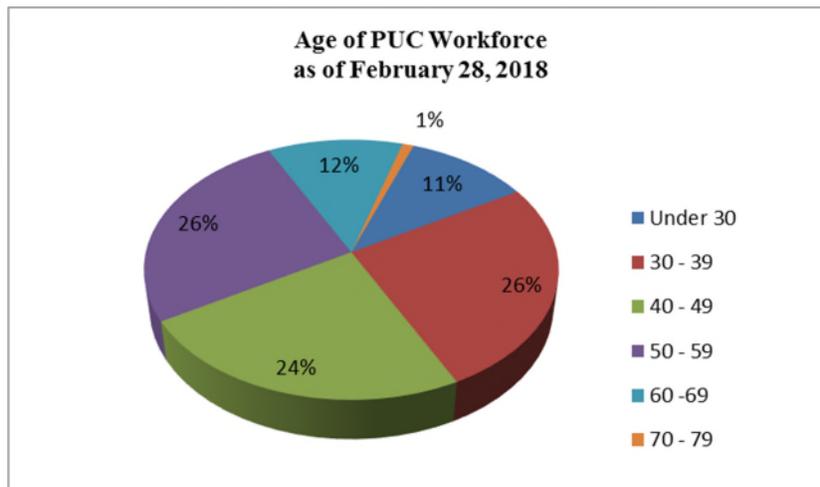
5. *Agency Administration*

Fiscal management
Human Resources management
Contract management
Purchasing
IT Support
General Law

B. Workforce Demographics

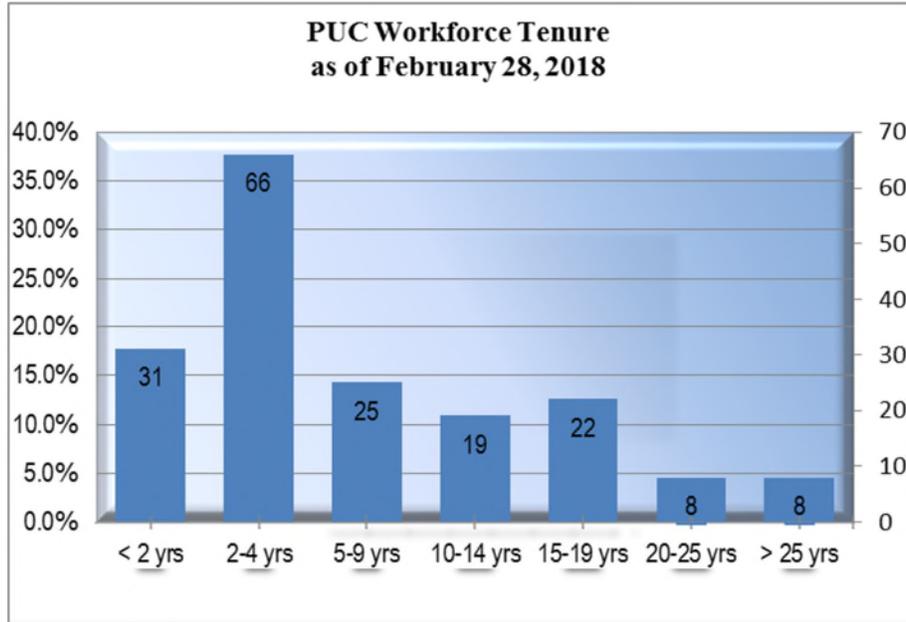
Gender and Age

As of February 28, 2018, the PUC had a total of 178 full-time employees and one part-time employee. Of the total employees, there were 95 females (53.1%) and 84 males (46.9%). The average age of PUC employees is 45 years, and 110 (61.5%) of the employees are over the age of 40.



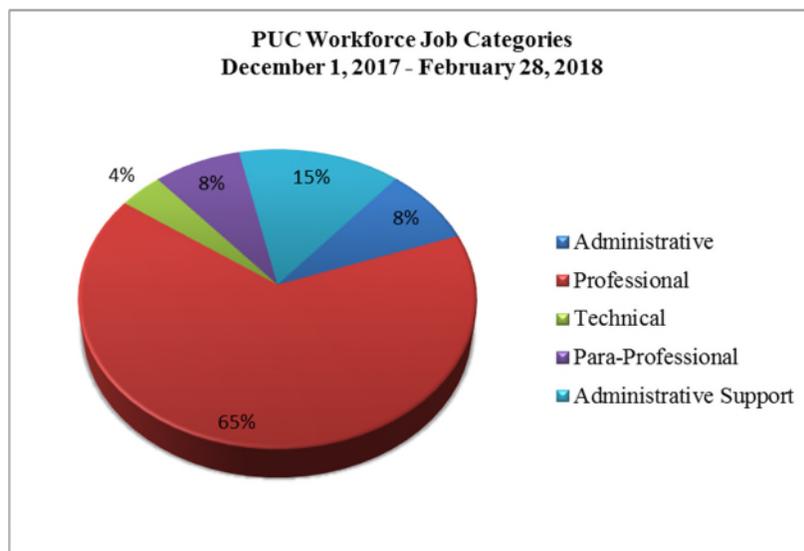
Tenure

Of the PUC staff, 97 (54.2%) employees have fewer than five years of service with the agency. There are 44 employees (24.6%) with five to fourteen years of service with the PUC and 38 employees (21.2%) who have fifteen or more years of service with the PUC. The table below reflects tenure of PUC employees. Thirty-one employees (17.3%) have fewer than two years of agency service.



Job Categories

The main job categories of PUC employees are identified in the table below. The "Professional" category has the largest number of agency employees, which reflects the qualifications required to accomplish the Commission's business goals. As a result of these requirements, the PUC has a highly educated workforce with many of the employees holding advanced degrees and credentials.



Diversity

The following three tables profile the PUC’s workforce of 179 employees for the second quarter of fiscal year 2018 (December 1, 2017 through February 28, 2018). The workforce comprises 53.1% female and 46.9% male, with an average age of 45 years. The tables compare the African American, Hispanic, and female employees in the Commission Workforce to the State Civilian Workforce, as reported by the Civil Rights Division (CRD) of the Texas Workforce Commission.

| Gender – Racial – Ethnic Diversity | | | | | | | |
|---|---------------|---------------------------|-------------------------|--------------------------|-----------------------|--------------|--------------|
| Fiscal Year 2018, Second Quarter | | | | | | | |
| Male | Female | Caucasian American | African American | Hispanic American | Asian American | Other | Total |
| 84 | 95 | 106 | 18 | 46 | 7 | 2 | 179 |
| 46.9% | 53.1% | 59.22% | 10.05% | 25.7% | 3.91% | 1.12% | 100% |

All employees on payroll as of February 28, 2018.

| Gender – Occupational Diversity | | | | | |
|---|-------------|--------|---------------|--------|--------------------|
| Fiscal Year 2018, Second Quarter | | | | | |
| Job Category | Male | | Female | | Female Goal |
| Administrative | 9 | 60% | 6 | 40% | 37.48% |
| Administrative Support | 3 | 11.54% | 23 | 88.46% | 72.80% |
| Para-Professional* | 4 | 28.57% | 10 | 71.43% | N/A |
| Professional | 62 | 52.99% | 55 | 47.01% | 54.88% |
| Protective Services* | 0 | 0% | 0 | 0% | 24.58% |
| Service Maintenance* | 0 | 0% | 0 | 0% | 51.35% |
| Skilled Craft | 0 | 0% | 0 | 0% | 51.31% |
| Technical | 6 | 85.71% | 1 | 14.29% | 41.47% |
| Total | 84 | | 95 | | |

| Racial – Ethnic – Occupational Diversity Fiscal Year 2018, Second Quarter | | | | | | | | | | | | |
|--|--------------------|--------|------------------|--------|--------|-------------------|--------|--------|----------------|-------|-------|-------|
| Job Category | Caucasian American | | African American | | Goal | Hispanic American | | Goal | Asian American | | Other | |
| Administrative | 13 | 86.67% | 0 | 0.0% | 7.12% | 2 | 13.33% | 20.90% | 0 | 0.0% | 0 | 0.0% |
| Administrative Support | 10 | 38.46% | 5 | 19.23% | 13.58% | 11 | 42.31% | 33.00% | 0 | 0.0% | 0 | 0.0% |
| Para-Professional* | 3 | 21.42% | 2 | 14.29% | N/A | 9 | 64.29% | N/A | 0 | 0.0% | 0 | 0.0% |
| Professional | 75 | 64.10 | 11 | 9.40% | 10.96% | 22 | 18.80% | 18.5% | 7 | 5.99% | 2 | 1.71% |
| Protective Services* | 0 | 0% | 0 | 0.0% | 16.96% | 0 | 0.0% | 30.01% | 0 | 0.0% | 0 | 0.0% |
| Service/Maintenance* | 0 | 0% | 0 | 0.0% | 12.22% | 0 | 0.0% | 53.71% | 0 | 0.0% | 0 | 0.0% |
| Skilled Craft* | 0 | 0% | 0 | 0.0% | 9.52% | 0 | 0.0% | 49.26% | 0 | 0.0% | 0 | 0.0% |
| Technical | 5 | 71.43% | 0 | 0.0% | 13.75% | 2 | 28.57% | 28.82% | 0 | 0.0% | 0 | 0.0% |

Percentage goals represent the State Civilian Workforce, as reported by the CRD of the Texas Workforce Commission in the EEO/Minority Hiring Practices Report in January 2015. The CRD analyzes the workforce using an 80% benchmark from the EEOC Uniform Guidelines on Employee Selection to determine utilization within each occupational category. Highlighted sections indicate areas in which the percentage of PUC employees in those categories meet or exceed the percentage in the State Civilian Workforce using the 80% benchmark. Shaded sections identify those areas where the percentage of PUC employees in those categories is below the percentage in the State Civilian Workforce using the 80% benchmark.

When using the EEOC Uniform Guidelines and applying the 80% benchmark, the PUC exceeded the percentage goal for Female employees in the Administrative, Administrative Support, and Professional occupations. In the ethnic categories, the PUC exceeded the goals for African American employees in the Administrative Support and Professional occupations and exceeded the goals for Hispanic American employees in the Administrative Support, Professional, and Technical occupations. The PUC did not attain the percentage goals and Female employees are underutilized in the Technical (18.89%) occupations. In the ethnic categories, African American employees are underutilized in the Administrative (5.7%) and Technical (11%) occupations and Hispanic American employees are underutilized in the Administrative (3.39%) occupations. The PUC does not employ staff for Protective Services, Service/Maintenance, and Skilled Craft occupations.

*The State category “Para-Professional” is not included because this category is not referenced in the U.S. Bureau of the Census crosswalk. The State category “Protective Services” was extracted from the Census “Service Workers” to become a stand-alone category. The State category “Service and Maintenance” was created by combining the Census categories “Laborers and Helpers” and “Service Workers” (less the “Protective Services” workers and less the “Para-Professional” workers). Prior to 2014, these categories were under one group as “Service/Maintenance” and these categories have been modified to coincide with Chapter 21 of the Texas Labor Code.

C. Employee Turnover and Projected Attrition

Turnover is important in any organization and the PUC is no exception. Throughout its existence, the PUC has faced the difficult challenge of retaining qualified and experienced staff. The PUC turnover averaged 11% during FY 2008-2012; however, turnover began to decline beginning in FY 2008 due to the economic recession. Turnover again increased in FY 2011 due primarily to a reduction in workforce and again increased in FY 2013 due in part to retirements and increased market opportunities. The following table compares the average PUC turnover to that of all state agencies for the last five years.

| EMPLOYEE TURNOVER | | | | | |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year | 2013 | 2014 | 2015 | 2016 | 2017 |
| PUC | 13.7% | 12.7% | 16.6% | 12.6% | 16.8% |
| All Agencies* | 18.9% | 19.1% | 19.0% | 21.4% | 32.4% |

* Information obtained from the State Auditor's Office E-Class System.

Despite significant statutory post-employment restrictions that apply only to the PUC, the PUC generally experiences turnover due to more lucrative positions in industry-related firms. In FY 2017, the collective turnover in the Attorney, Administrative Law Judge, General Counsel classification series is 46%. The turnover in the same classifications averaged 33.3% during FY 2015-2017.

In addition, there are organizational areas in the PUC that generate turnover due to the stressful nature of the work and limited career ladder movement. In prior fiscal years, the Customer Protection Division had difficulty retaining qualified employees due to the stressful nature of the jobs in the PUC call center. Customer Care Representatives in the call center assist customers who are often angry about their telephone or electric service. "Burnout" is associated with call center jobs, and the PUC is continually challenged to minimize the negative effects associated with complaints-related jobs (including employee stress and turnover). In an effort to decrease the stress and turnover, the Customer Protection Division utilizes continuous improvement processes to make changes to work procedures. As a result, there has been a significant improvement in employee morale and drop in turnover in this area in recent years.

Length of Service

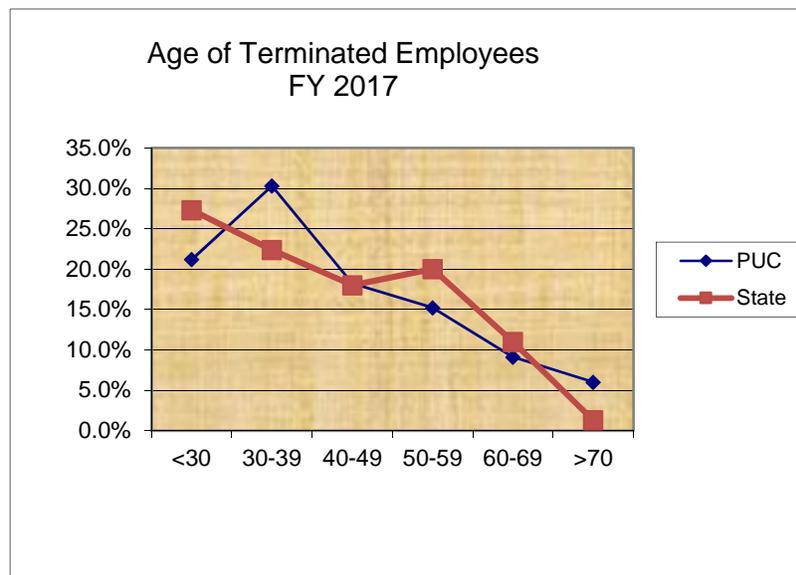
Among terminating employees in fiscal year 2017, those with two to four years of service had the highest turnover (30.3%), followed by 21.2% among employees with less than two years of service, and 18.1% among employees with five to nine years of service. Five employees retired from the agency in fiscal year 2017 and all had fifteen to twenty-five or more years of service with the PUC.

Efforts to decrease turnover and retain staff beyond the first five years should provide greater continuity for PUC operations and allow employees to develop critical agency knowledge for training entry-level personnel.

| Tenure of Terminating Employees Compared To Tenure of All Employees FY 2017 | | | | |
|---|--------------------------|----------------------------|------------------|--------------------|
| Tenure in Years | Terminating Employees | % Terminating Employees | All Employees | % All Employees |
| Less than 2 | 7 | 21.2% | 34 | 19% |
| 2 – 4 | 10 | 30.3% | 62 | 34.6% |
| 5 – 9 | 6 | 18.1% | 26 | 14.5% |
| 10 – 14 | 2 | 6.1% | 18 | 10.1% |
| 15 – 19 | 2 | 6.1% | 23 | 12.8% |
| 20 – 24 | 2 | 6.1% | 7 | 4.0% |
| 25 + | 4 | 12.1% | 9 | 5.0% |
| Total | 33 | 100% | 179 | 100% |

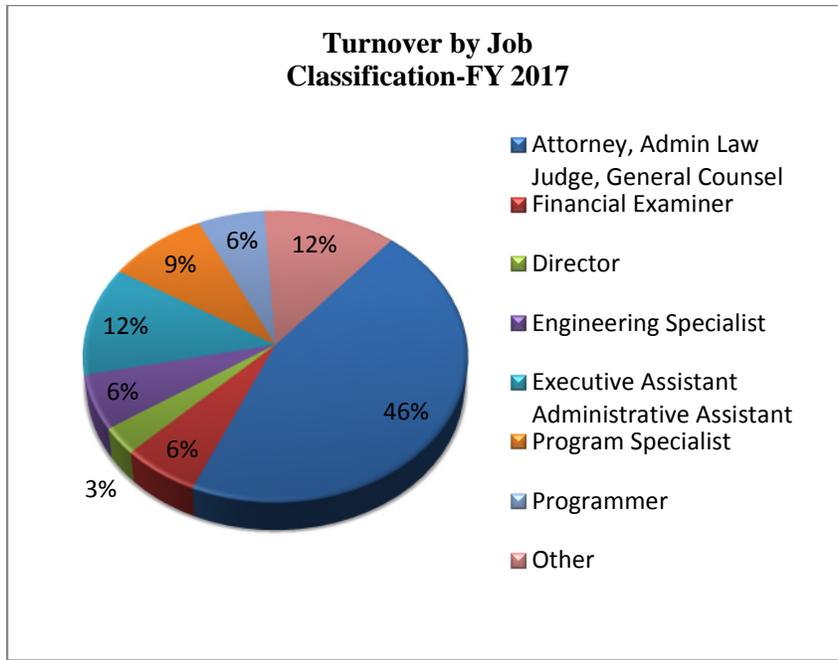
Age

The highest percentage of turnover occurred among employees in the 30-39 years of age group. About 51.5% of the PUC’s turnover in FY 2017 were under the age of 40 and 48.5% were over age 40.



Occupations

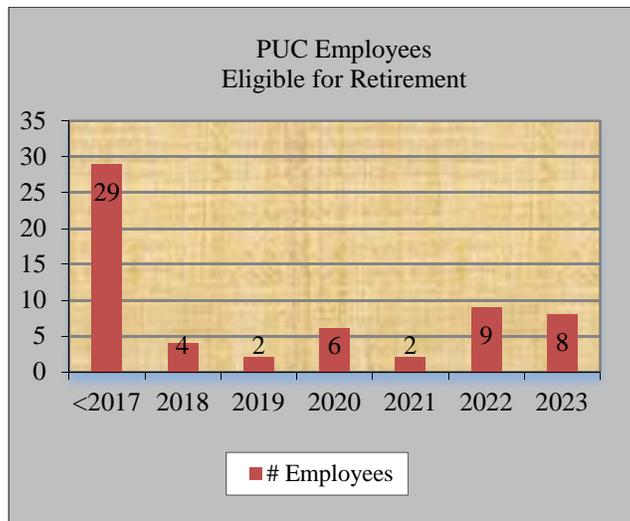
During fiscal year 2017, a total of 33 employees separated from employment with the PUC. The table below provides detail for this turnover activity by classification. Of the 33 terminations, the Attorney classification reflected the single greatest turnover rate (46%), followed by the Executive Assistant and Administrative Assistant (12%) classifications. The Program Specialist classification reflected a 9% turnover rate and the Engineering Specialist reflected 6%. Collectively, the total turnover rate for fiscal year 2017 was 16.8%.



D. Retirement Eligibility

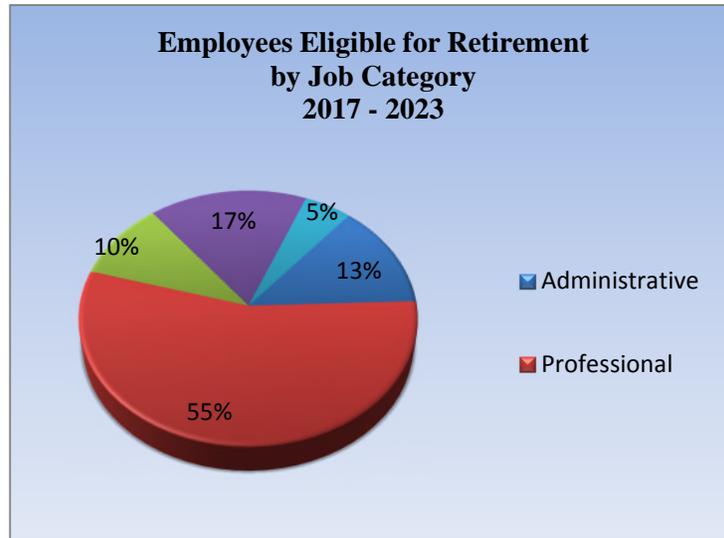
Five employees retired in fiscal year 2017. Of the employees potentially eligible to retire prior to FY 2018, 29 remain with the PUC. Based on PUC information, during FY 2018 – 2023, an additional 31 employees (17%) may become eligible to retire from state service. Between now and 2023, a total of 60 employees (34%) could potentially leave the PUC based on retirement eligibility.

Turnover due to retirement is important to PUC operations because of the loss of institutional knowledge and expertise. It also affects the level of succession planning the organization should implement to attract new employees and train existing staff in key competencies to assume important functions and leadership roles.



Retirees by Category

The largest percentages of employees who may become eligible to retire over the next five years are in the *professional* (55%) category. The second largest percentage of employees potentially eligible to retire is in the *clerical* (17%) and *para-professional* (10%) categories. Turnover as a result of retirement eligibility could have a significant impact on high-level key positions. Seven employees (12%) in key management positions could be eligible to retire over the next five years. All of the key management employees are in the *administrative* category and 8% will be eligible due to the Rule of 80 between 2016 and 2018.



Projected Attrition

In fiscal year 2017, the PUC had a 16.8% turnover rate that is a .2% increase from fiscal year 2016. As of May 31, 2018, 28 (24.4%) employees have terminated their employment with the PUC.

As market conditions begin to improve in central Texas over the next five years and as the economy strengthens, the PUC anticipates that retaining high quality staff will continue to be a challenge. Additionally, energy and communications industries are also experiencing a well-publicized aging of their workforces, potential leading to an increased demand in the private sector for the unique knowledge and skills that PUC employees possess. The decrease in state benefits provided to state employees also impacts the ability of state agencies to attract and keep qualified employees.

Demand Analysis: Future Workforce Profile

A. Critical Functions

- Economists and Market Analysts
- Regulatory Accountants and Financial Analysts
- Utility Infrastructure Analysts and Engineers
- Enforcement (Investigators and Attorneys)

B. Expected Workforce Changes

The changing demands in the PUC's oversight role in a market competition environment within the electric, telecommunication, and water and sewer utility industries will create more emphasis on recruiting and retaining employees as economists, market analysts, enforcement investigators, attorneys, and engineers.

Following the implementation of local telephone competition in September 1995 and electric utility restructuring in January 2002, the PUC has made changes to its workforce to ensure it has the necessary expertise to perform new functions. Many of the new functions are performed by employees with the requisite expertise whose job duties were modified to include the new functions. In some cases, the PUC used opportunities associated with attrition to eliminate positions that were no longer needed and create new jobs more aligned with the PUC's current mission.

During the 78th Legislative Session, the PUC's overall Full Time Employee (FTE) cap was decreased from 242 to 210.9. During the session, the legislature also passed HB 3442 that imposed new requirements related to state agency management-to-staff ratios. As a result of the legislation, the agency reviewed positions and made organizational changes to comply with the mandate.

During the 80th Legislative Session, the agency's FTE cap was decreased from 210.9 to 190 and the cap was reduced to 188.6 in the 81st Legislative Session. The FTE cap was reduced again in the 82nd Legislative Session to 178 as of August 31, 2012 and 170.6 by August 31, 2013.

The Commission's FTE cap was increased to 181.0 beginning September 2014 as a result of the legislature approving an exceptional item for the PUC's Legislative Appropriations Request (LAR) to restore the PUC's FTEs cut from the previous legislative session. As a result of HB 1600 related to the transfer of water and sewer regulation during the 83rd Legislative Session, the FTE cap was increased to 201.0 as of September 1, 2015 to reflect the transfer of 20 FTEs from the TCEQ.

The PUC's FTE cap was increased to 217.0 beginning September 1, 2015. As was identified in the fiscal note for HB 1600, 12.0 additional FTEs are needed and were appropriated to implement the enhanced ratemaking function authorized in that legislation beginning in fiscal year 2016. Additionally, the PUC identified the need for 4.0 additional FTEs through the Speaker's Strategic Fiscal Review process to address unanticipated issues with the transfer of water and sewer regulation, such as increased customer complaints and inquiries, and increased enforcement activity.

Finally, the PUC's FTE cap was reduced by 2.0 to 215.0 as part of the mandatory 4% appropriation reduction taken by the agency during the 85th Legislative Session. This FTE reduction was taken by the PUC's water and wastewater utility division.

C. Future Skills Needed

The PUC will continue to maintain a highly educated professional workforce. Knowledge, skills and abilities central to the core functions of the PUC will remain an integral part of employee qualifications. The PUC does not anticipate significant changes in the critical workforce skills required of its workforce over the next five years.

D. Anticipated Employee Increases/Decreases

The PUC has experienced an increased workload associated with water and wastewater regulation that is considerably greater than was anticipated at the time oversight authority for that industry was transferred to the PUC from TCEQ. The PUC devotes more staff to water and wastewater activities than the number of FTEs that were allocated for that regulatory function. Accordingly, the PUC is evaluating current staffing levels to determine if additional resources, including FTEs, are necessary to more effectively carry out the PUC's statutory obligations in the Water Code. The PUC anticipates discussing this matter in greater detail in its 2020-2021 Legislative Appropriations Request submission.

E. Future Critical Functions

The changing demands in the PUC's oversight role in a market competition environment within the electric and telecommunication industries will drive changes to the PUC's future critical functions relating to those two industries. Fewer resources are allocated for traditional regulatory functions, such as ratemaking activities, than in the past. More resources are being allocated for market oversight, enforcement, and customer assistance.

Additionally, resources historically devoted to electric and telecommunications market activities are being reallocated to providing regulatory oversight of the water and wastewater industries. Ensuring that the PUC has adequate resources to fulfill its obligations to effectively regulate the water and wastewater industries is critical to the PUC achieving its goals in effectively overseeing all of the industries under its purview.

Gap Analysis

An examination of the workforce data indicates the PUC may face the loss of its institutional knowledge and expertise through retirements and loss of employees to the private sector. The ability to offer a combination of salary and employee benefits that will attract employees with the necessary education and experience will be a key factor in the success of the PUC's workforce.

Strategy Development

The PUC has developed workforce goals to address the potential deficit between the current workforce and future demands. The strategies will need to be assessed periodically to determine their effectiveness in achieving the PUC's workforce goals.

GOAL ONE: Recruit professionals with the requisite skills to complement the PUC's existing workforce and take steps to retain these professionals.

Rationale: The demand for educated, licensed or certified staff in the electric and telecommunication industries requires special agency efforts. Competition with the private sector for the same labor supply creates a disadvantage for state agencies due to salary differences.

Action Steps:

- Continue to market the "total" state compensation and benefits program to potential employees.
- Human Resources and division directors will participate in university sponsored career fairs, locate free advertising with associated and minority organizations, appropriate technical educational institutions, and Work In Texas (Texas Workforce Commission) to aggressively recruit qualified minority males, females, and people with disabilities.
- Expand the PUC's volunteer internship program to alert and encourage qualified minority males, females, and people with disabilities to apply.
- Improve recruiting techniques by streamlining application procedures and reviewing applicant flow data to target sources that will assist with hiring employees in underutilized job categories.
- Require managers to work with new employees to attempt to align PUC employment opportunities with the employee's individual career goals.

GOAL TWO: Retain qualified and experienced staff ensuring smooth business operations and excellent customer service.

Rationale: The PUC's experience with high turnover in a competitive market for certain skills supports the need for this goal.

Action Steps:

- Increase employee career planning assistance through training programs and participation in continuous professional development initiatives that enhance the employee's current job performance and future opportunities within the PUC.
- Ensure that managers and supervisors, especially those new to these responsibilities, have adequate training in how to recruit, train, and retain quality staff.

- Manage available funds to award merit increases to provide a fair balance of rewarding employee performance and maximizing retention of key personnel.

GOAL THREE: Review FTE allocations to ensure conformance to current PUC priorities and workload.

Rationale: Varying workload demands and shifting priorities can change the appropriate allocation of PUC resources.

- Action Steps:**
- Continue to assess all vacancies created by employee departures to determine whether the position should be modified or relocated in the PUC.
 - When a need for additional staffing in a given area is identified and vacant positions are not available, offer current employees the opportunity to relocate within the agency.
 - Encourage employees to cross train in related skill areas to provide flexibility in staff assignments.

GOAL FOUR: Develop a formal PUC succession plan.

Rationale: It is critical that the PUC have a leadership development program and identify potential staff with leadership and other critical skills in the event the PUC experiences the loss of key staff members in critical positions (through retirement or otherwise).

- Action Steps:**
- Continue to concentrate on leadership development across the PUC.
 - Identify training programs that focus on development of needed critical skills and competencies.
 - Develop skills of staff level employees through training and mentoring to provide in-house candidates for management positions that become available.
 - Identify capable successor candidates interested in leadership and critical positions early and provide appropriate opportunities for growth.

Conclusion

During the next five years, the PUC must ensure that it does not experience a deficit in leadership and knowledge talent. As the labor force segment age 25 to 34 years declines, there will be fewer younger workers to fill vacant positions. Also, Texas population is projected to grow from 27.9 in 2016 to more than 54.0 million by 2050, increasing demands for state and local government services.

Available talent, as well as the state's ability to develop and retain a competent, qualified workforce will be a limiting or enabling factor for state government in general. An effective workforce plan will translate into successful strategic goal achievement, program initiatives and sustained momentum for efficient, well-run agencies. The PUC's strategies encompass a realigned workforce plan to meet future business objectives by developing an effective succession management and talent retention program.

PUBLIC UTILITY COMMISSION OF TEXAS

Report on Customer Service



June 1, 2018

CUSTOMER SERVICE ANALYSIS

In accordance with Texas Government Code, Chapter 2114, the Public Utility Commission of Texas (PUC) has completed a survey on customer service to measure customer satisfaction with the PUC during the period of 2017-2018. This analysis examines the responses received from customers who interacted with the PUC since the last Report on Customer Service was completed in June of 2016, and was conducted between September 1, 2017 and April 9, 2018.

Significant Findings

The most recent survey yielded the following results:

- The PUC received 664 responses to the survey
- 51% of respondents have interacted with the PUC for three or more years
- A majority of respondents were satisfied with the overall experience
- A majority of respondents agreed or strongly agreed that the website is well organized and provides clear and accurate information
- A majority of respondents agreed or strongly agreed that their call, email, or letter inquiry was routed to the proper person and was answered in a timely manner

External Customers

The chart below categorizes the PUC’s customer base into the following seven categories and displays the number and percentage of survey respondents by those categories.

| Customer Category | Number of Responses | Percentage of Responses |
|-------------------------------------|---------------------|-------------------------|
| Electric Service Provider | 68 | 10.24% |
| Telecommunications Service Provider | 70 | 10.54% |
| Law Firm | 10 | 1.51% |
| Consultant | 27 | 4.07% |
| Utility Consumer | 349 | 52.56% |
| Public Interest Group | 5 | 0.75% |
| Other | 135 | 20.33 % |

Consistent with previous surveys, the number of utility consumers responding greatly exceeded any other category of respondents. Although the PUC aims to provide similar, high-quality services to all customers, services and interactions are tailored to meet the specific needs of customers in each category.

PUC-Specific Performance Measures

The chart below displays PUC Intake Center statistics for the survey period of September 1, 2017 through April 9, 2018. These statistics provide insight into the PUC’s interactions with utility consumers, the category of customer that provided the most responses to the customer service survey.

| Category | Performance Output |
|---|--------------------------|
| Number of Calls Answered | 17,837 |
| Average Time in Queue | 18 seconds |
| Average Talk Time | 4 minutes and 12 seconds |
| % of Calls Answered within Service Level Goal | 93% |
| Total Number of Emails Received | 2,613 |

| | |
|------------------------------------|-----|
| Total Number of Consumer Inquiries | 285 |
|------------------------------------|-----|

Opportunities for Survey Improvements

The PUC currently maintains an electronic version of the survey and posts it on the PUC website. The PUC believes this is the most effective and efficient surveying method to reach the largest customer population. In the future, the PUC would like to use a longer surveying period, lasting at least 12 months. The PUC was unable to achieve this length of time in these results due to moving the surveying functions from an outside contract to inside the agency.

Survey Results for
Public Utility Commission

for

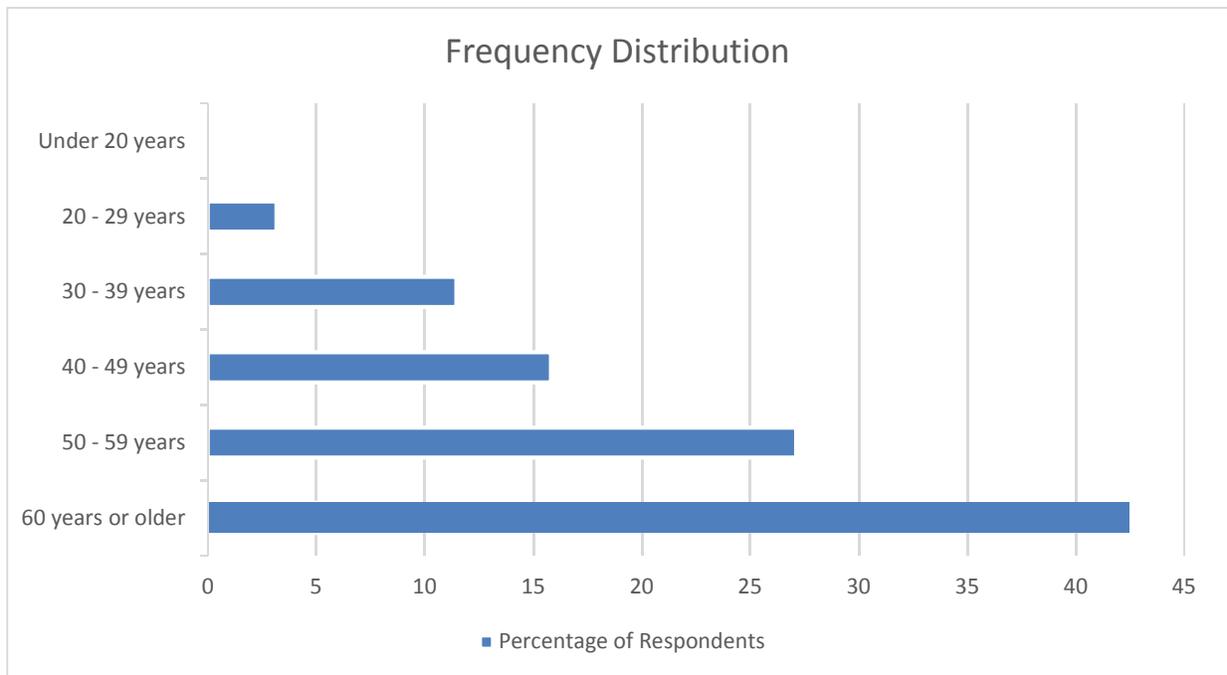
473-Public Utility Commission

September 1, 2017
Through
April 9, 2018

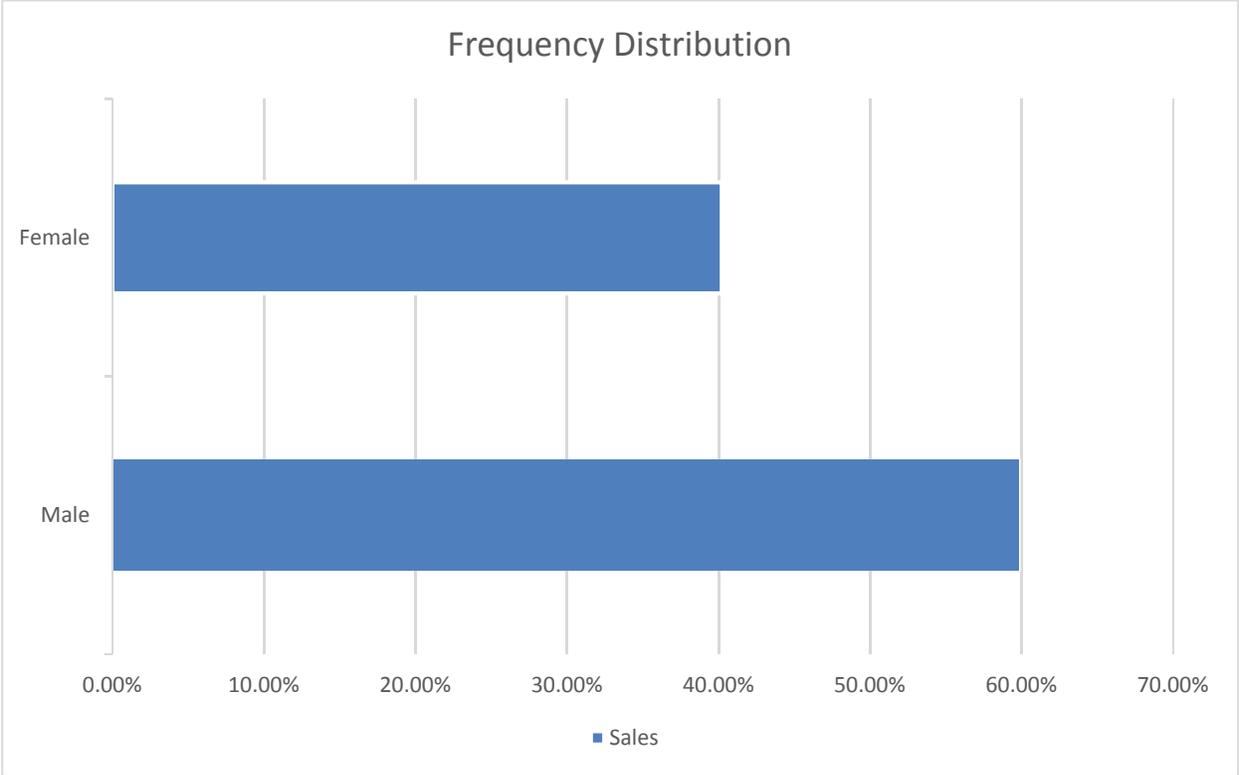
Survey Respondents

Total Number of Respondents: 664

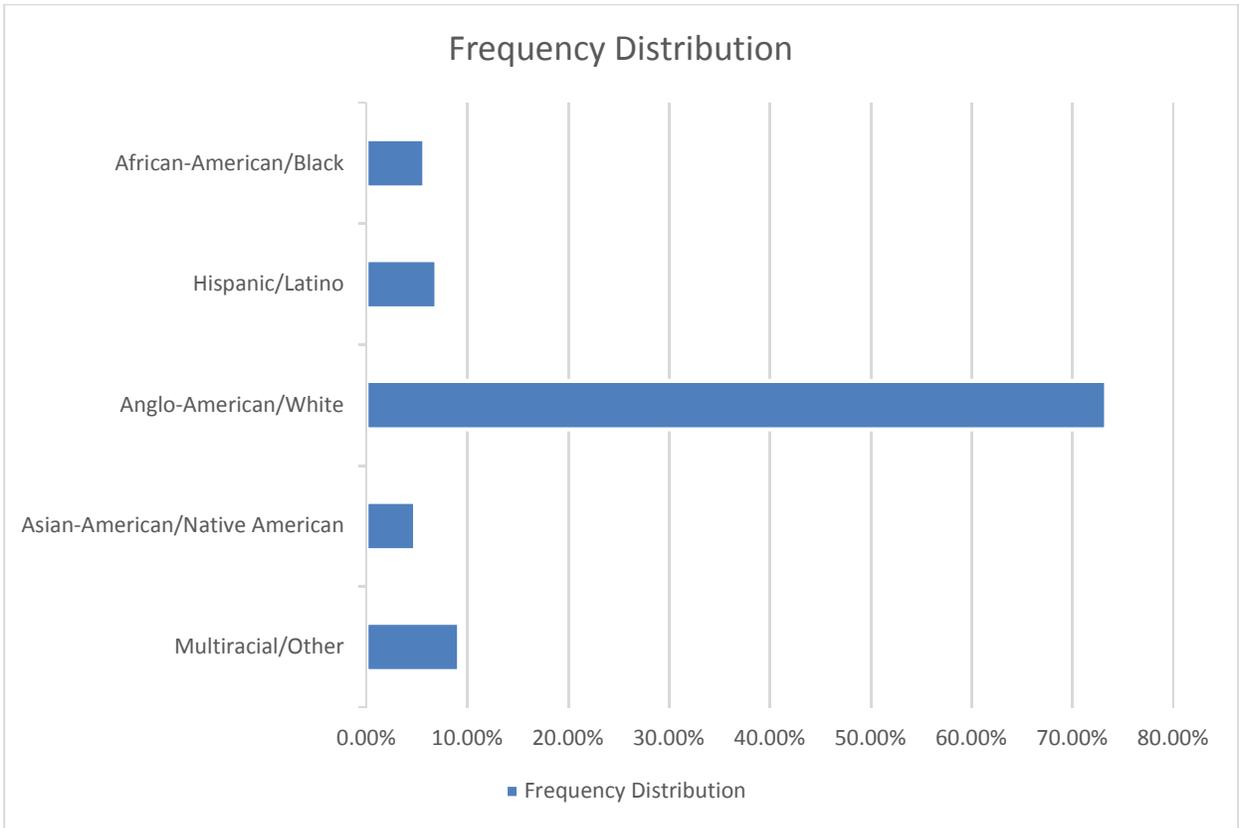
| My age: | | |
|----------------------------|-------|------------|
| Number of Respondents: 620 | | |
| Item Response | Count | Percentage |
| Under 20 years | 0 | 0.00% |
| 20 – 29 years | 21 | 3.16% |
| 30 – 39 years | 76 | 11.45% |
| 40 – 49 years | 105 | 15.81% |
| 50 – 59 years | 180 | 27.11% |
| 60 years or older | 282 | 42.47% |



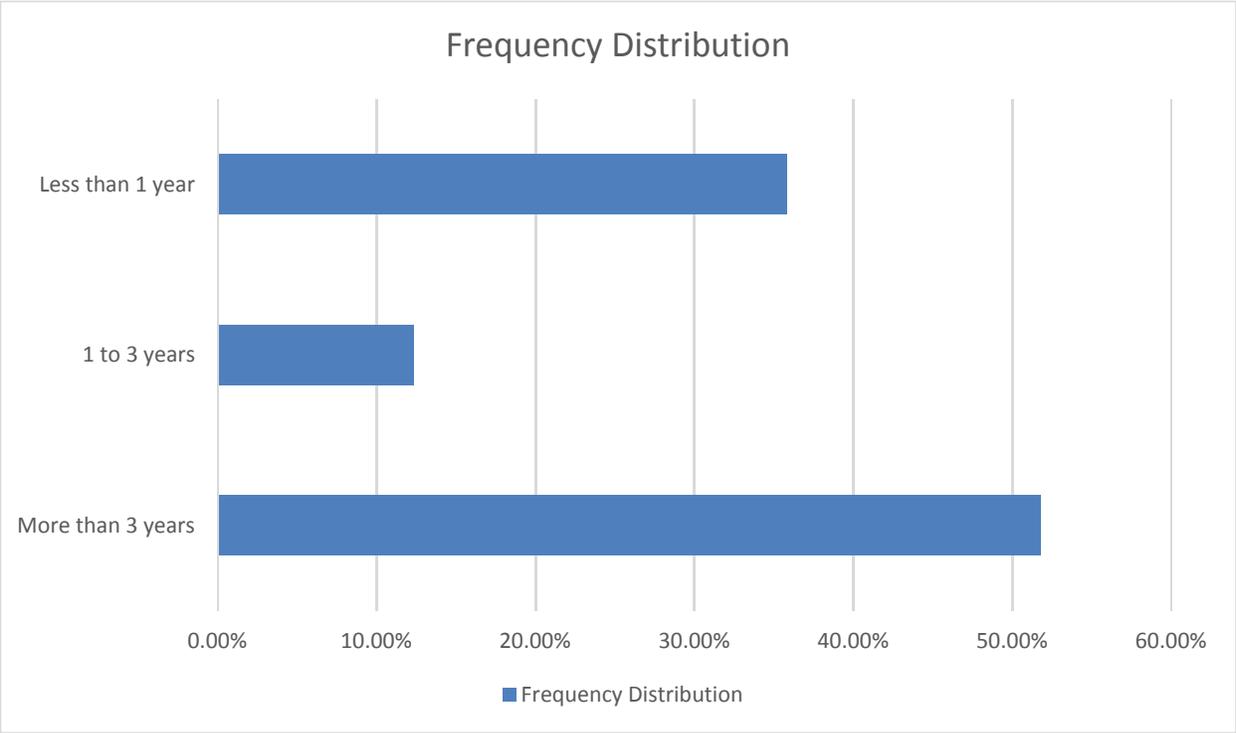
| I am a: | | |
|----------------------------|-------|------------|
| Number of Respondents: 606 | | |
| Item Response | Count | Percentage |
| Male | 397 | 59.79% |
| Female | 267 | 40.21% |



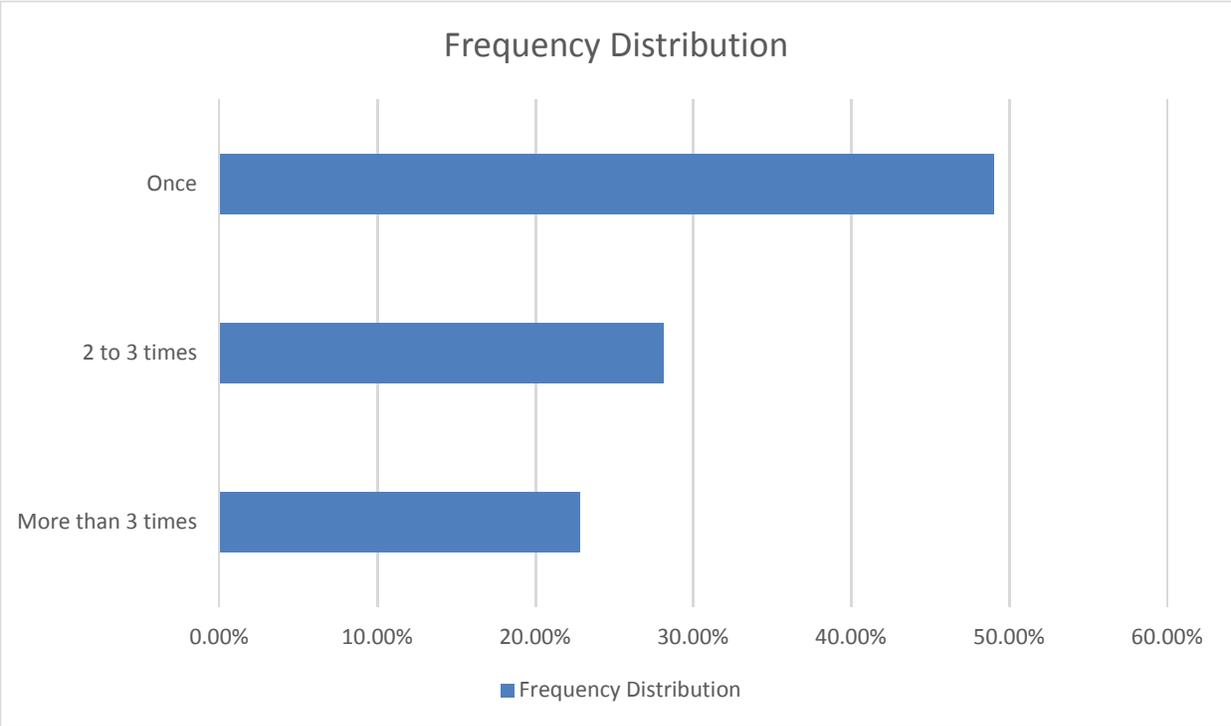
| My race/ethnicity is: | | |
|--------------------------------|--------------|-------------------|
| Number of Respondents: 664 | | |
| Item Response | Count | Percentage |
| African-American/Black | 38 | 5.72% |
| Hispanic/Latino | 46 | 6.93% |
| Anglo-American/White | 487 | 73.34% |
| Asian-American/Native American | 32 | 4.82% |
| Multiracial/Other | 61 | 9.19% |



| Number of years interacting with this agency: | | |
|--|--------------|-------------------|
| Number of Respondents: 622 | | |
| Item Response | Count | Percentage |
| Less than 1 year | 223 | 35.85% |
| 1 to 3 years | 77 | 12.38% |
| More than 3 years | 322 | 51.77% |



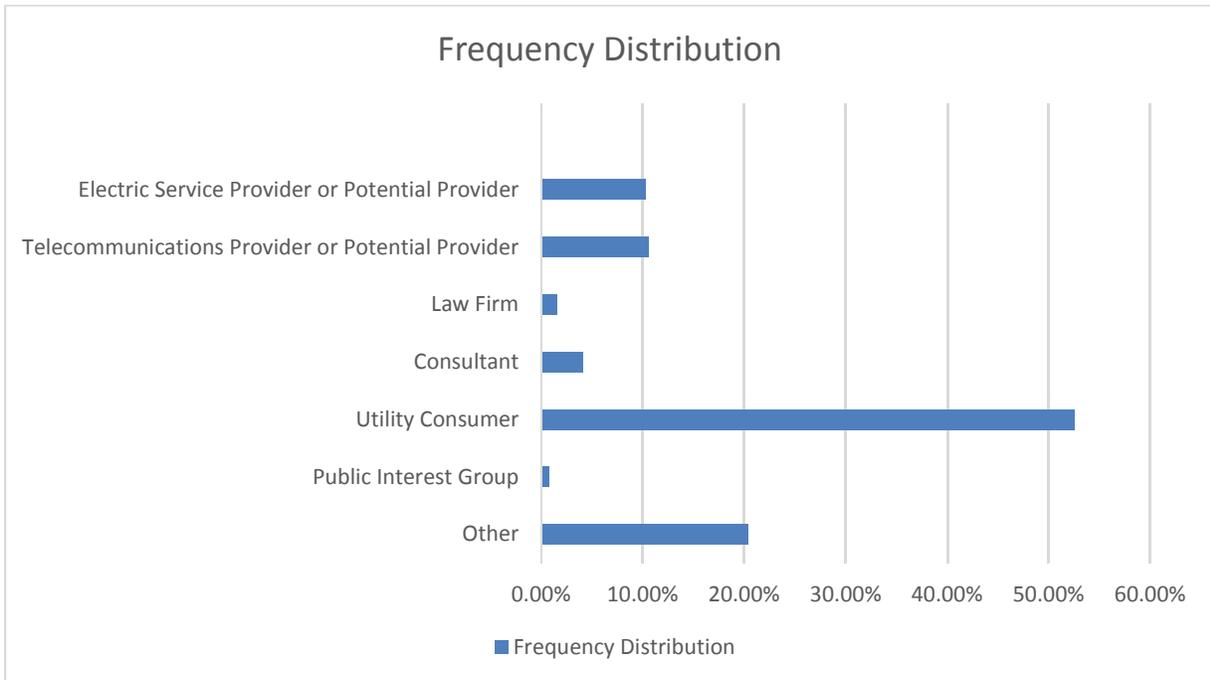
| Time in contact with this agency in the last 12 months: | | |
|---|-------|------------|
| Number of Respondents: 584 | | |
| Item Response | Count | Percentage |
| Once | 305 | 49.04% |
| 2 to 3 times | 175 | 28.14% |
| More than 3 times | 142 | 22.83% |



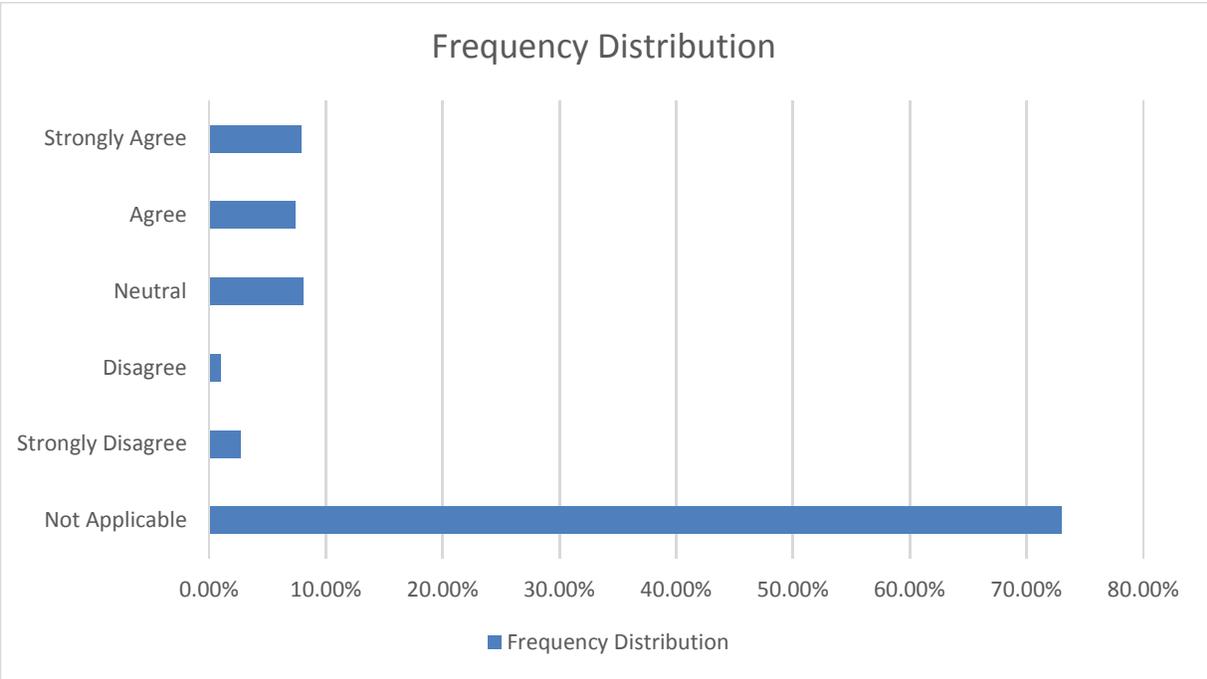
Indicate the category which best describes you:

Number of Respondents: 664

| Item Response | Count | Percentage |
|---|-------|------------|
| Electric Service Provider or Potential Provider | 68 | 10.24% |
| Telecommunications Provider or Potential Provider | 70 | 10.54% |
| Law Firm | 10 | 1.51% |
| Consultant | 27 | 4.07% |
| Utility Consumer | 349 | 52.56% |
| Public Interest Group | 5 | 0.75% |
| Other | 135 | 20.33% |



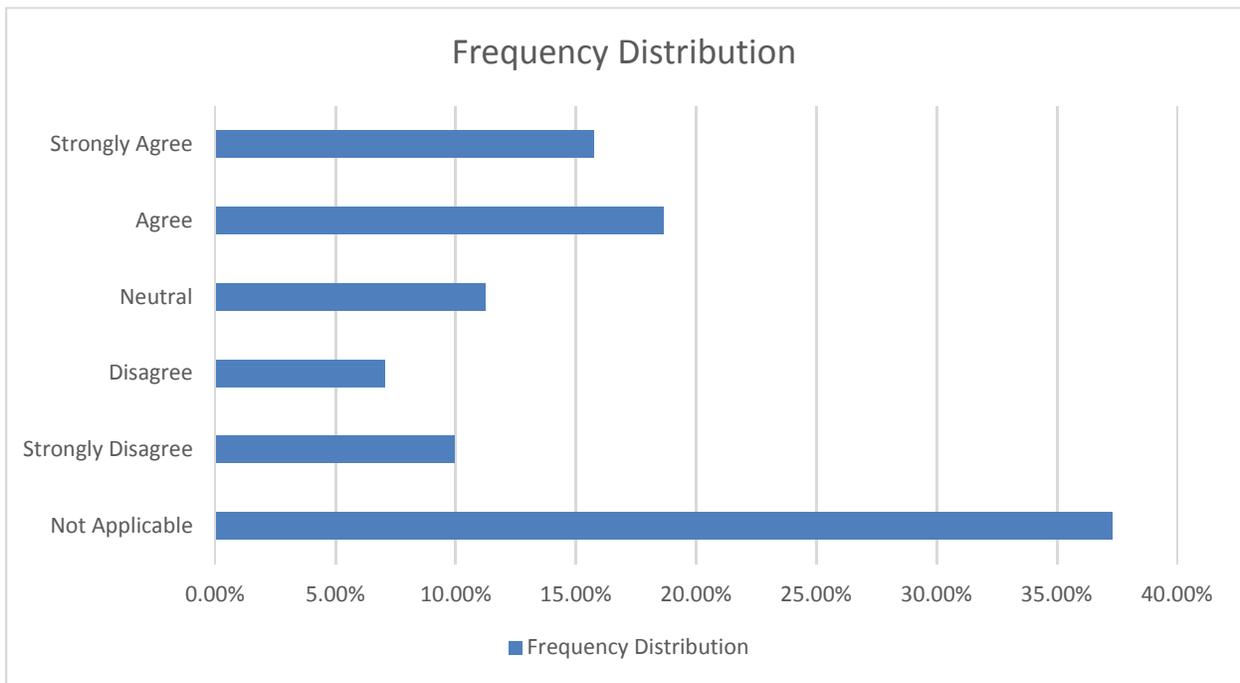
| The facility was clean, orderly, and accessible. | | |
|---|--------------|-------------------|
| Number of Respondents: 622 | | |
| Item Response | Count | Percentage |
| Strongly Agree | 49 | 7.88% |
| Agree | 46 | 7.40% |
| Neutral | 50 | 8.04% |
| Disagree | 6 | 0.96% |
| Strongly Disagree | 17 | 2.73% |
| Not Applicable | 454 | 72.99% |



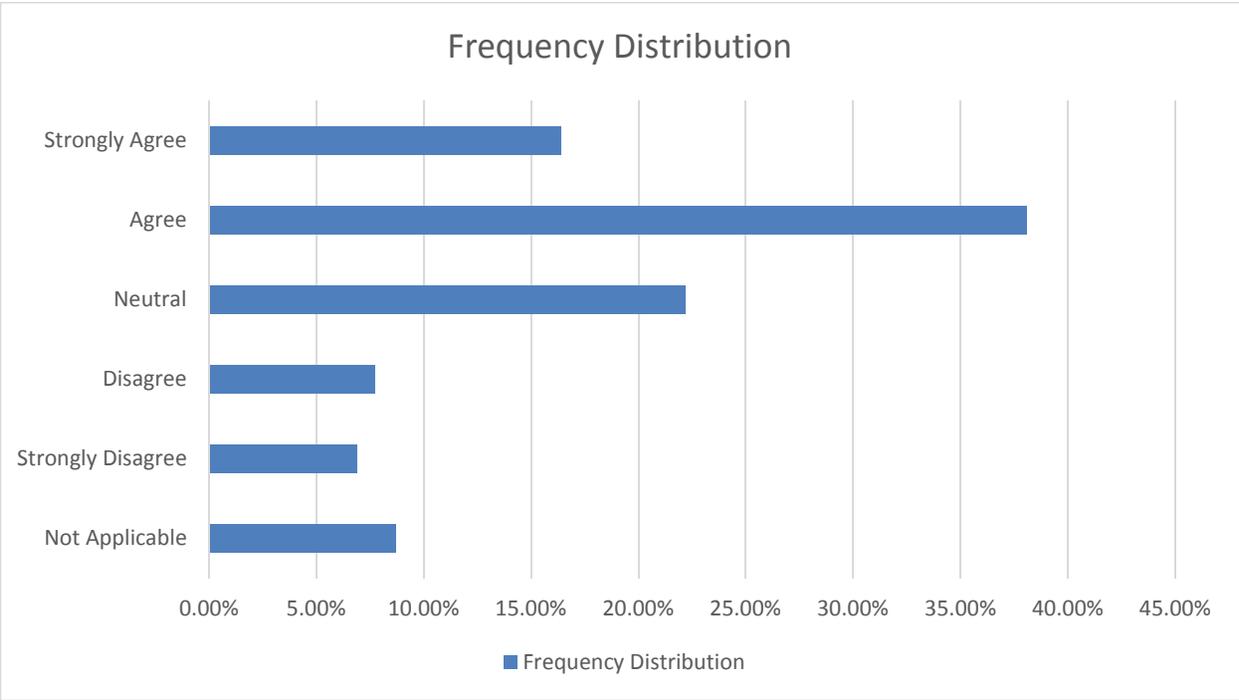
Staff members were knowledgeable, helpful, and readily identified themselves.

Number of Respondents: 622

| Item Response | Count | Percentage |
|-------------------|-------|------------|
| Strongly Agree | 98 | 15.76% |
| Agree | 116 | 18.65% |
| Neutral | 70 | 11.25% |
| Disagree | 44 | 7.07% |
| Strongly Disagree | 62 | 9.97% |
| Not Applicable | 232 | 37.30% |



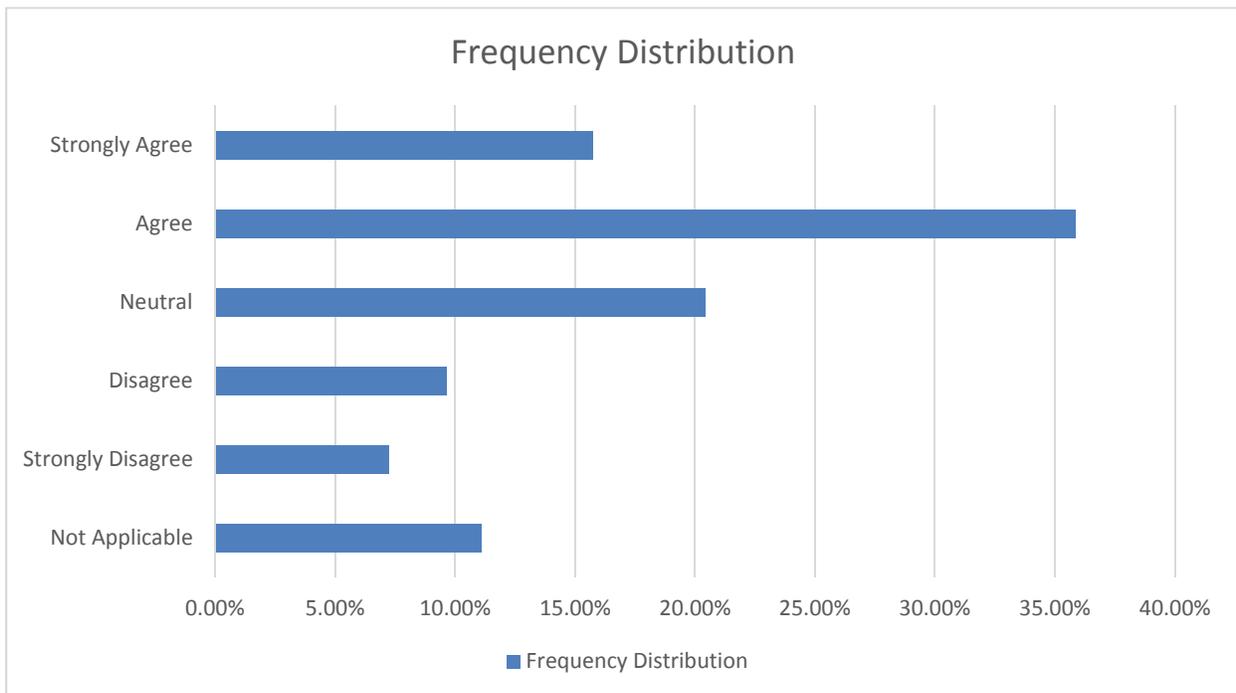
| The web site was easy to use and well organized. | | |
|---|--------------|-------------------|
| Number of Respondents: 622 | | |
| Item Response | Count | Percentage |
| Strongly Agree | 102 | 16.40% |
| Agree | 237 | 38.10% |
| Neutral | 138 | 22.19% |
| Disagree | 48 | 7.72% |
| Strongly Disagree | 43 | 6.91% |
| Not Applicable | 54 | 8.68% |



The web site contained clear and accurate information on events, services, and contact information.

Number of Respondents: 622

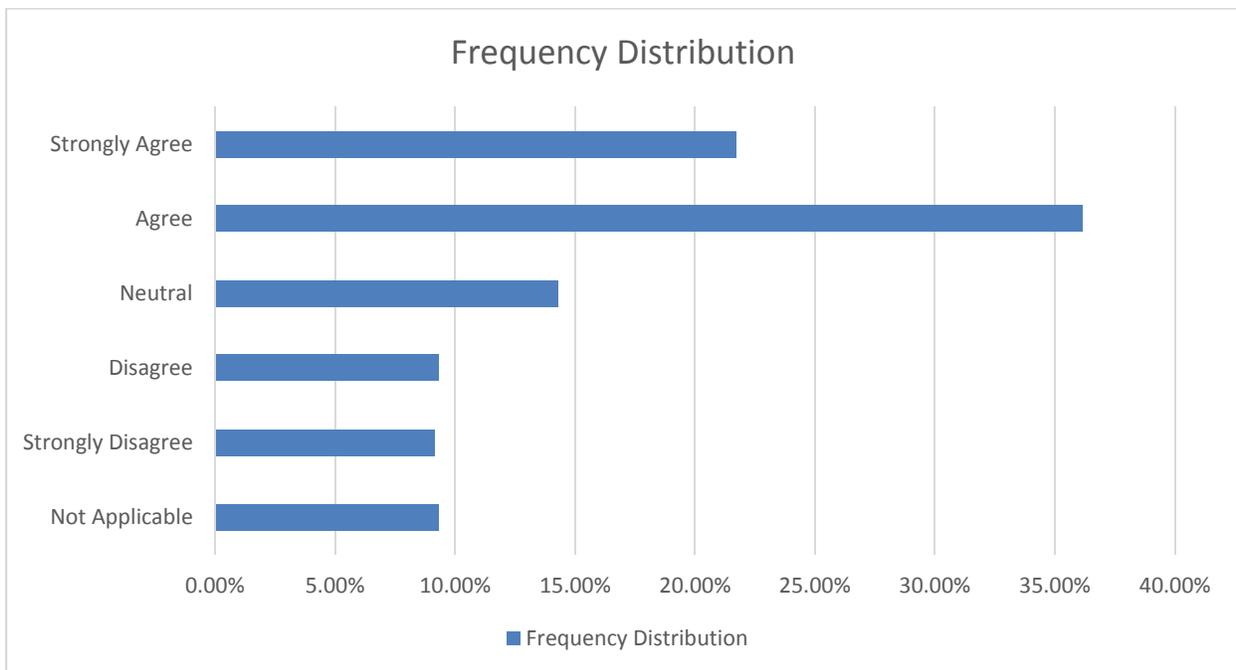
| Item Response | Count | Percentage |
|-------------------|-------|------------|
| Strongly Agree | 98 | 15.76% |
| Agree | 223 | 35.85% |
| Neutral | 127 | 20.42% |
| Disagree | 60 | 9.65% |
| Strongly Disagree | 45 | 7.23% |
| Not Applicable | 69 | 11.09% |



My telephone call, e-mail, or letter inquiry was routed to the proper person.

Number of Respondents: 622

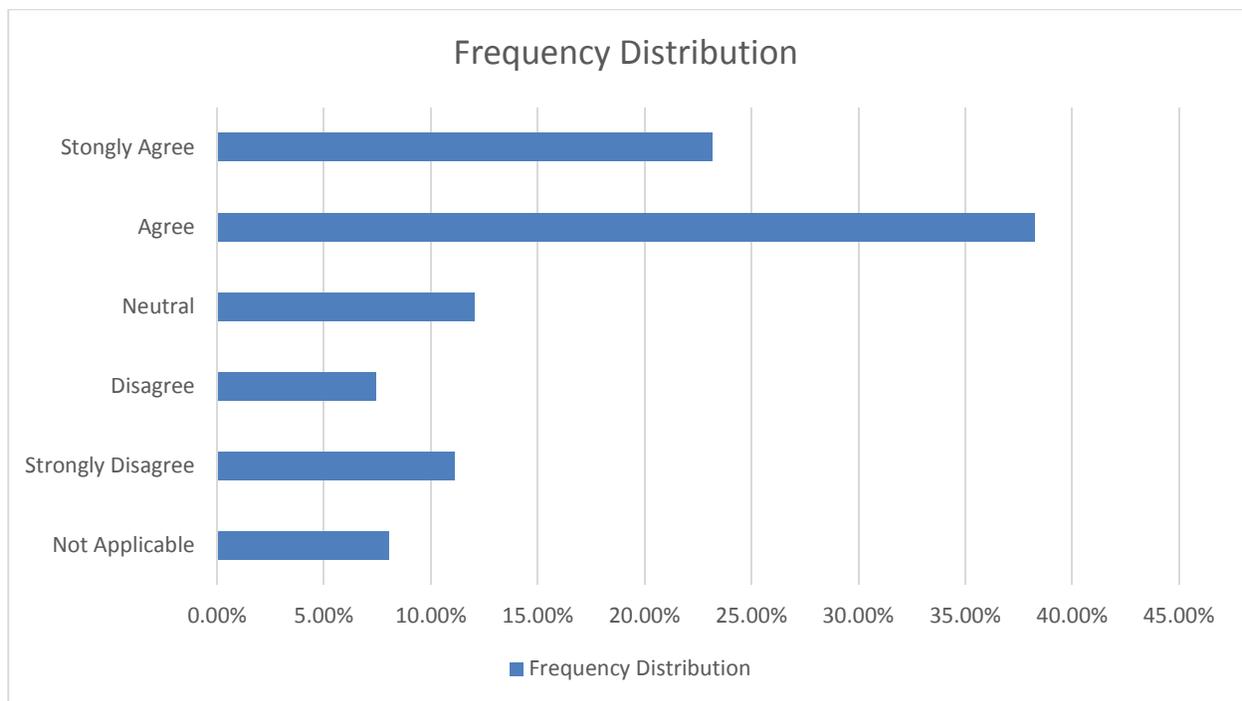
| Item Response | Count | Percentage |
|-------------------|-------|------------|
| Strongly Agree | 135 | 21.70% |
| Agree | 225 | 36.17% |
| Neutral | 89 | 14.31% |
| Disagree | 58 | 9.32% |
| Strongly Disagree | 57 | 9.16% |
| Not applicable | 58 | 9.32% |



My telephone call, letter or e-mail inquiry was answered in a reasonable amount of time.

Number of Respondents: 622

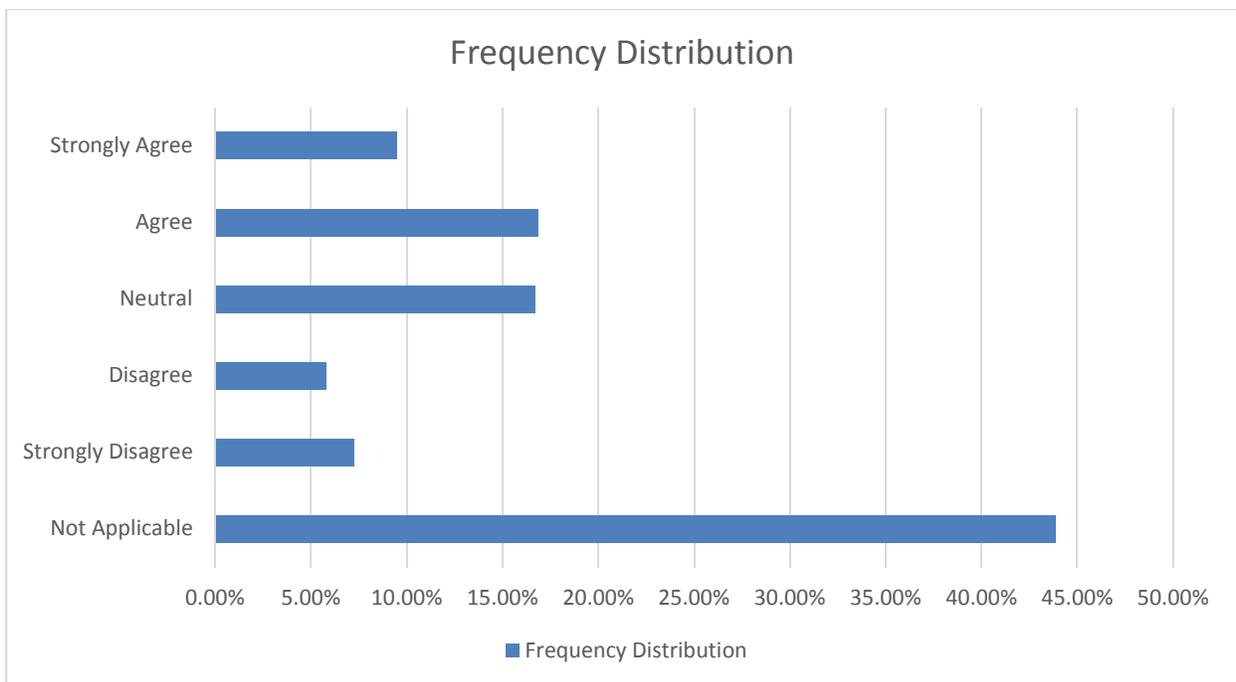
| Item Response | Count | Percentage |
|-------------------|-------|------------|
| Strongly Agree | 144 | 23.15% |
| Agree | 238 | 38.26% |
| Neutral | 75 | 12.06% |
| Disagree | 46 | 7.40% |
| Strongly Disagree | 69 | 11.09% |
| Not Applicable | 50 | 8.04% |



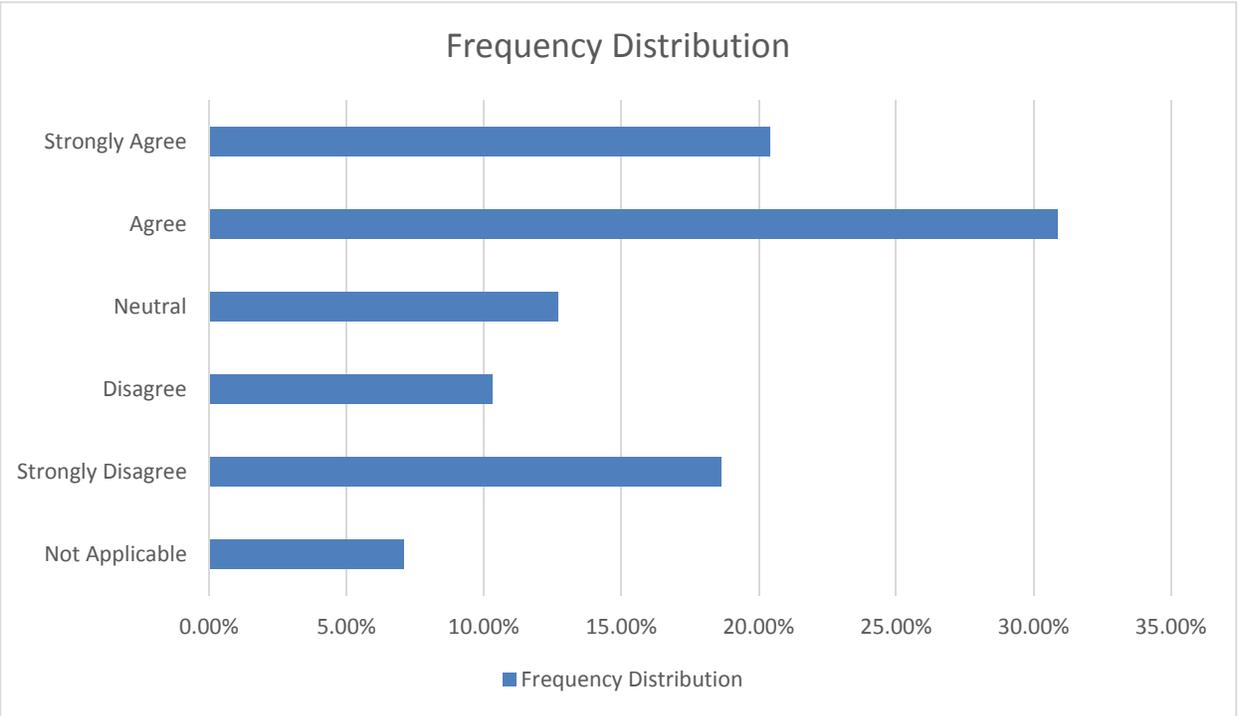
Printed brochures or written material provided thorough and accurate information.

Number of Respondents: 622

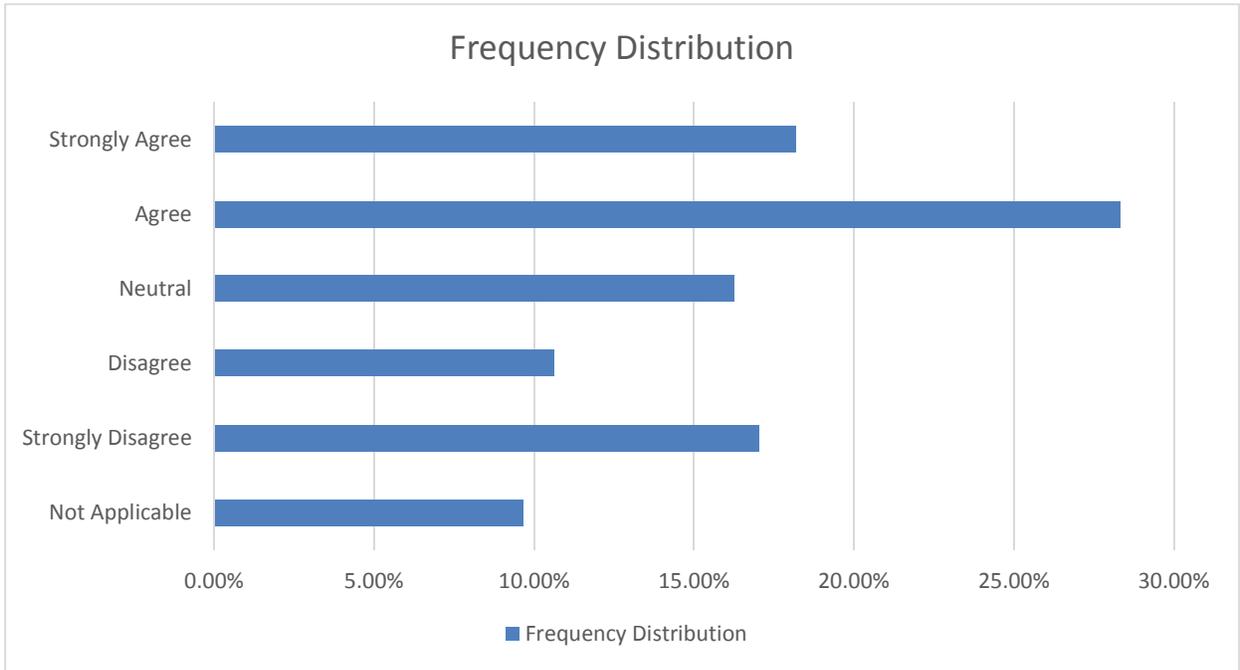
| Item Response | Count | Percentage |
|-------------------|-------|------------|
| Strongly Agree | 59 | 9.49% |
| Agree | 105 | 16.88% |
| Neutral | 104 | 16.72% |
| Disagree | 36 | 5.79% |
| Strongly Disagree | 45 | 7.23% |
| Not Applicable | 273 | 43.89% |



| My inquiry to the agency was addressed in a reasonable manner. | | |
|---|--------------|-------------------|
| Number of Respondents: 622 | | |
| Item Response | Count | Percentage |
| Strongly Agree | 127 | 20.42% |
| Agree | 192 | 30.87% |
| Neutral | 79 | 12.70% |
| Disagree | 64 | 10.29% |
| Strongly Disagree | 116 | 18.65% |
| Not Applicable | 44 | 7.07% |



| This organization makes it easy to give suggestions or make a complaint. | | |
|---|--------------|-------------------|
| Number of Respondents: 622 | | |
| Item Response | Count | Percentage |
| Strongly Agree | 113 | 18.17% |
| Agree | 176 | 28.30% |
| Neutral | 101 | 16.24% |
| Disagree | 66 | 10.61% |
| Strongly Disagree | 106 | 17.04% |
| Not Applicable | 60 | 9.65% |



| Overall, I am satisfied with my experience. | | |
|--|--------------|-------------------|
| Number of Respondents: 622 | | |
| Item Response | Count | Percentage |
| Strongly Agree | 116 | 18.65% |
| Agree | 185 | 29.74% |
| Neutral | 81 | 13.02% |
| Disagree | 87 | 13.99% |
| Strongly Disagree | 137 | 22.03% |
| Not Applicable | 16 | 2.57% |

