

**Legislative Appropriations Request**

**for Fiscal Years 2006 and 2007**

**Submitted to the Governor's Office of Budget and Planning  
and the Legislative Budget Board**

**by**



**Public Utility Commission of Texas**

*August 13, 2004*

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## ADMINISTRATOR'S STATEMENT

79th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 473

Agency name: Public Utility Commission of Texas

Over the past nine years, the Public Utility Commission of Texas (PUC or Commission) has been called upon to significantly change its mission and priorities to reflect the Legislative mandates associated with the restructuring of the electric and telecommunications industries. Although the agency will continue to adjust its focus as existing telecommunications and electric markets mature, and as retail electric competition is implemented throughout the State, the PUC is not proposing changes in funding levels from its current appropriation. The PUC has limited its request to 95% of its fiscal years 2004 and 2005 amounts in accordance with the directives in the June 16, 2004, memorandum from the Legislative Budget Board and Governor's Office of Budget, Planning, and Policy.

The PUC is undergoing Sunset review this biennium, which, when completed, could result in changes to the PUC's funding needs. The Sunset staff report, which was issued in April 2004, recommended continuation of the PUC, and included other recommendations that could have a fiscal impact on the PUC. The Sunset Commission will make its decisions about the provisions to be included in the PUC's Sunset legislation in September 2004. As the 2005 legislative session progresses, adjustments to the PUC's appropriations request may need to be made to reflect any fiscal impacts of the PUC's Sunset legislation.

Although the PUC's appropriation request for fiscal years 2006 and 2007 is essentially the same as its appropriation for the current biennium, there are two areas that may benefit from additional explanation. As discussed below, the Executive Director's compensation level and the electric low income rate discount program funded by the System Benefit Fund may require consideration.

### Executive Director's Compensation

The Executive Director's compensation level continues to be a concern for the PUC. Although the PUC is not a large agency, its current annual budget exceeds \$100 million and all persons who use telecommunications and electric services are affected by the PUC's activities. The Commission has had the responsibility of implementing legislative initiatives of restructuring both the telecommunications and electric industries over the past nine years. Over that time, the PUC has adapted the agency's functions and priorities to its new role, which includes oversight of competitive wholesale and retail markets, continuing to regulate the rates of companies that are still subject to traditional cost of service regulation, and enforcement of statutes and regulations. The PUC also plays a key role in providing important information to customers who now purchase telecommunications and electric services in competitive markets rather than being served by monopoly providers. The Executive Director leads a staff of highly specialized professionals who perform sophisticated analyses of complex issues.

The Commissioners believe that the Executive Director's salary should be increased to reflect the contribution of the person holding that position to the State of Texas. Therefore, the Commissioners request that the Legislature grant the PUC flexibility in compensating the Executive Director within the constraints of the agency's appropriation. Currently, the Executive Director is an exempt employee whose salary group and specific salary are established in the Appropriations Act. The Legislature could provide for flexibility either by changing the status of the Executive Director from an exempt employee to a classified employee whose salary is set by the Commission, or by allowing the Commissioners to determine a specific salary within the salary group established by the Legislature. The Commissioners believe that having this flexibility will improve the agency's ability to attract and retain the caliber of employee who is needed to manage the PUC's day to day activities, and will allow adjustment of the salaries of other key staff members whose retention is important to accomplishing the goals of the agency.

### System Benefit Fund Programs

The System Benefit Fund (SBF) was created in 1999 as part of the comprehensive restructuring of the electric utility industry. Public Utility Regulatory Act (PURA) §39.905 provides that the SBF, which is funded by a non-bypassable fee assessed to retail electric providers based on electricity usage of customers, shall provide funding for the following programs:

- (1) programs to assist low income electric customers by providing a rate discount of 10 to 20 percent;
- (2) customer education programs;
- (3) administrative expenses incurred by the PUC and the Office of Public Utility Counsel in administering Chapter 39 of PURA;
- (4) programs to assist low-income electric customers by providing targeted energy efficiency programs; and

**ADMINISTRATOR'S STATEMENT**

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Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: **473**

Agency name: **Public Utility Commission of Texas**

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(5) losses to the Foundation School Program caused by electric restructuring.

The PUC requests an appropriation sufficient to fund the low-income discount program, customer education, and funding for the PUC's implementation of Chapter 39, at the same levels authorized for fiscal years 2004 and 2005. Although PURA provides for a low-income discount from a minimum of ten percent to a maximum of twenty percent, the Legislature's appropriation for fiscal years 2004 and 2005 was specifically intended to provide funding for a ten percent rate discount. The PUC's request for fiscal years 2006 and 2007 is based on providing a ten percent rate discount to eligible electric customers. If the Legislature wishes to provide for a greater discount level, or to provide the PUC with the flexibility to establish a rate discount greater than ten percent if funds are available, the appropriation to the agency would need to be increased to reflect that intent.

The Commission is also proposing a contingency rider in connection with the low income rate discount program. The purpose of the rider would be to provide additional funding for the program in the event electric cooperatives or municipally owned utilities opt into competition and participate in the program, and to provide funding that may be needed to provide the minimum ten percent rate discount if program enrollment exceeds projections.

W. Lane Lanford  
Executive Director

Chairman Paul Hudson	8-26-2003 to 8-31-2009	Austin
Commissioner Julie Parsley	11-15-2002 to 8-31-2005	Austin
Commissioner Barry Smitherman	4-24-2004 to 8-31-2007	Houston

**2.A. SUMMARY OF BASE REQUEST BY STRATEGY**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/18/2004**  
 TIME: **9:30:33AM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

<b>Goal / Objective / STRATEGY</b>	<b>Exp 2003</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>Req 2006</b>	<b>Req 2007</b>
<b>1</b> <u>Ensure Competition, Choice, Just Rates, and Reliable Quality Service</u>					
<b>1</b> <u>Maintain Policies to Foster Competition in Telecom &amp; Elec Mkts</u>					
<b>1</b> MARKET COMPETITION	3,884,501	4,604,667	6,771,156	5,627,770	5,627,770
<b>2</b> <u>Regulate Providers Ensuring Rates do not Exceed National Average</u>					
<b>1</b> UTILITY REGULATION	3,309,015	3,057,397	3,346,263	2,703,690	2,703,690
<b>TOTAL, GOAL 1</b>	<b>\$7,193,516</b>	<b>\$7,662,064</b>	<b>\$10,117,419</b>	<b>\$8,331,460</b>	<b>\$8,331,460</b>
<b>2</b> <u>Educate Customers, Ensure Compliance with Laws, and Assist Customers</u>					
<b>1</b> <u>Inform Customers of Choices &amp; Rights &amp; Facilitate Information Access</u>					
<b>1</b> PROVIDE FACTS ABOUT CHANGES	1,329,714	1,228,601	1,344,680	1,468,706	1,468,706
<b>2</b> <u>Resolve Complaints and Ensure Compliance w/Laws &amp; PUC Rules &amp; Orders</u>					
<b>1</b> INVESTIGATIONS AND ENFORCEMENT	1,497,024	1,383,190	1,513,875	1,673,421	1,673,421
<b>TOTAL, GOAL 2</b>	<b>\$2,826,738</b>	<b>\$2,611,791</b>	<b>\$2,858,555</b>	<b>\$3,142,127</b>	<b>\$3,142,127</b>
<b>3</b> <u>Electric Utility Restructuring</u>					
<b>1</b> <u>Provide Financial Assistance</u>					
<b>1</b> ENERGY ASSISTANCE	149,718,558	97,129,705	60,303,771	68,357,715	78,015,210
<b>2</b> CONSUMER EDUCATION	8,226,461	725,761	750,000	750,000	750,000
<b>3</b> PROPERTY VALUE DECLINE PMT/TRANSFER	7,259,546	0	0	0	0
<b>TOTAL, GOAL 3</b>	<b>\$165,204,565</b>	<b>\$97,855,466</b>	<b>\$61,053,771</b>	<b>\$69,107,715</b>	<b>\$78,765,210</b>
<b>4</b> <u>Energy Efficiency Grants</u>					

2.A. SUMMARY OF BASE REQUEST BY STRATEGY  
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Agency code: 473 Agency name: Public Utility Commission of Texas

Goal / Objective / STRATEGY	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
<u>1</u> Energy Efficiency Grants					
1 ENERGY EFFICIENCY GRANTS	2,857,446	0	0	0	0
<b>TOTAL, GOAL 4</b>	<b>\$2,857,446</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>5</u> Indirect Administration					
<u>1</u> Indirect Administration					
1 CENTRAL ADMINISTRATION	1,217,916	797,814	802,953	798,225	798,225
2 INFORMATION RESOURCES	673,401	598,361	602,214	504,901	504,901
3 OTHER SUPPORT SERVICES	228,085	418,852	421,550	240,429	240,429
<b>TOTAL, GOAL 5</b>	<b>\$2,119,402</b>	<b>\$1,815,027</b>	<b>\$1,826,717</b>	<b>\$1,543,555</b>	<b>\$1,543,555</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$180,201,667</b>	<b>\$109,944,348</b>	<b>\$75,856,462</b>	<b>\$82,124,857</b>	<b>\$91,782,352</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$180,201,667</b>	<b>\$109,944,348</b>	<b>\$75,856,462</b>	<b>\$82,124,857</b>	<b>\$91,782,352</b>

2.A. SUMMARY OF BASE REQUEST BY STRATEGY  
 79th Regular Session, Agency Submission, Version 1  
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Agency code: 473 Agency name: Public Utility Commission of Texas

Goal / Objective / STRATEGY	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
METHOD OF FINANCING:					
1 General Revenue Fund					
	\$10,804,733	\$10,141,185	\$10,208,915	\$9,666,300	\$9,666,300
666 Appropriated Receipts					
	\$459,079	\$375,000	\$375,000	\$475,000	\$475,000
5071 GR Dedicated - Texas Emissions Reduction Plan Account No. 5071					
	\$2,857,446	\$0	\$0	\$0	\$0
5100 GR Dedicated - System Benefit Trust Fund					
	\$166,080,409	\$99,428,163	\$65,272,547	\$71,983,557	\$81,641,052
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$180,201,667</b>	<b>\$109,944,348</b>	<b>\$75,856,462</b>	<b>\$82,124,857</b>	<b>\$91,782,352</b>

\*Rider appropriations for the historical years are included in the strategy amounts.

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004

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Agency code: 473

Agency name: Public Utility Commission of Texas

METHOD OF FINANCING	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
<b><u>GENERAL REVENUE</u></b>					
<b><u>1</u> General Revenue Fund</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriation	\$11,756,732	\$10,242,441	\$10,242,442	\$9,666,300	\$9,666,300
<i>RIDER APPROPRIATION</i>					
Art.IX §10.36,SB 311 Cost Savings for Reverse Auctions	\$(1,475)	\$0	\$0	\$0	\$0
Art. IX §10.44,HB 472 TX Do Not Call List	\$134,676	\$0	\$0	\$0	\$0
<i>TRANSFERS</i>					
Art. IX, Sec. 12.03, Retirement Incentives	\$0	\$(26,256)	\$(108,527)	\$0	\$0
Rider 10 Contingent Appropriation HB 1618 SOAH	\$(711,938)	\$0	\$0	\$0	\$0
Art. IX, §10-12(1)(1) Longevity Increase	\$65,000	\$0	\$0	\$0	\$0
Art. IX §10-12(b) Salary Increase	\$490,197	\$0	\$0	\$0	\$0
Art. IX, §10.23 SORM Re-Appropriation (SB 1, 2002-2003 GAA)	\$36,635	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Art. IX §10.44, HB 472, Texas Do Not Call List	\$(134,676)	\$0	\$0	\$0	\$0
Regular Appropriation	\$(43,542)	\$0	\$0	\$0	\$0
HB 7, 78th Leg, Regular Session, 2003	\$(826,000)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTH</i>					
Rider 6, Reappropriations of FY 2002 Appropriations	\$39,124	\$0	\$0	\$0	\$0
Rider 5, Appropriation of Unexpended Balances: 2004 App. (2004-2005)	\$0	\$(75,000)	\$75,000	\$0	\$0
<b>TOTAL, General Revenue Fund</b>	<b>\$10,804,733</b>	<b>\$10,141,185</b>	<b>\$10,208,915</b>	<b>\$9,666,300</b>	<b>\$9,666,300</b>

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
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DATE: 8/18/2004  
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Agency code: 473 Agency name: Public Utility Commission of Texas

METHOD OF FINANCING	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
<b>TOTAL, ALL GENERAL REVENUE</b>	<b>\$10,804,733</b>	<b>\$10,141,185</b>	<b>\$10,208,915</b>	<b>\$9,666,300</b>	<b>\$9,666,300</b>

**GENERAL REVENUE FUND - DEDICATED**

**5071** GR Dedicated - Texas Emissions Reduction Plan Account No. 5071

*RIDER APPROPRIATION*

Art. IX, Sec. 10.81 Contingent Appropriation for S.B. 5 \$12,500,268	\$0	\$0	\$0	\$0
Comptroller Reduction for Revised Revenue Estimate \$(10,064,950)	\$0	\$0	\$0	\$0

*TRANSFERS*

Re-Appropriations per SB 1, Art. IX, §10-23 -- SORM \$734	\$0	\$0	\$0	\$0
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*LAPSED APPROPRIATIONS*

Art. IX §10.81 Contingency Appropriations for SB 5 \$(1,640,175)	\$0	\$0	\$0	\$0
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*UNEXPENDED BALANCES AUTH*

Art. IX §10.81 Contingent Appropriation SB 5 \$2,061,569	\$0	\$0	\$0	\$0
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<b>TOTAL, GR Dedicated - Texas Emissions Reduction Plan Account No. 5071</b>	<b>\$2,857,446</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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**5100** GR Dedicated - System Benefit Trust Fund

*REGULAR APPROPRIATIONS*

GR Dedicated -System Benefit Trust Fund \$0	\$100,755,549	\$121,129,928	\$71,983,557	\$81,641,052
Rider 9, Allocation of SB Trust Fund (OPUC & TDHCA); 2002-2003 GAA \$10,767,000	\$0	\$0	\$0	\$0
Rider 7, Allocation of SB Trust Fund (OPUC) 2004-2005 GAA \$0	\$288,138	\$288,138	\$288,138	\$288,138

*TRANSFERS*

HB 3318, §4 (SBF re-created as an account in GR) \$219,442,892	\$0	\$0	\$0	\$0
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**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/18/2004**  
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Agency code: <b>473</b>		Agency name: <b>Public Utility Commission of Texas</b>			
<b>METHOD OF FINANCING</b>	<b>Exp 2003</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>Req 2006</b>	<b>Req 2007</b>
Rider 9, Allocation of SB Trust Fund (OPUC & TDHCA) 2002-2003 GAA \$(10,767,000)		\$0	\$0	\$0	\$0
Rider 7, Allocation of SB Trust Fund (OPUC) 2004-2005 GAA \$0		\$(288,138)	\$(288,138)	\$(288,138)	\$(288,138)
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations (2003)	\$(53,362,483)	\$0	\$0	\$0	\$0
Regular Appropriations (2005)	\$0	\$0	\$(57,184,767)	\$0	\$0
<i>UNEXPENDED BALANCES AUTH</i>					
Rider 5, Appropriation of Unexpended Balances 2004 App 2004-05 GAA \$0		\$(1,327,386)	\$1,327,386	\$0	\$0
<b>TOTAL, GR Dedicated - System Benefit Trust Fund</b>	<b>\$166,080,409</b>	<b>\$99,428,163</b>	<b>\$65,272,547</b>	<b>\$71,983,557</b>	<b>\$81,641,052</b>
<b>TOTAL, ALL GENERAL REVENUE FUND - DEDICATED</b>	<b>\$168,937,855</b>	<b>\$99,428,163</b>	<b>\$65,272,547</b>	<b>\$71,983,557</b>	<b>\$81,641,052</b>
<b><u>OTHER FUNDS</u></b>					
<b>666</b> Appropriated Receipts					
<i>REGULAR APPROPRIATIONS</i>					
Receipts, All Sources	\$475,000	\$375,000	\$375,000	\$475,000	\$475,000
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations	\$(15,921)	\$0	\$0	\$0	\$0
<b>TOTAL, Appropriated Receipts</b>	<b>\$459,079</b>	<b>\$375,000</b>	<b>\$375,000</b>	<b>\$475,000</b>	<b>\$475,000</b>
<b>852</b> System Benefit Trust Fund					
<i>REGULAR APPROPRIATIONS</i>					
System Benefit Fund	\$150,093,216	\$0	\$0	\$0	\$0
<i>TRANSFERS</i>					

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004

TIME: 9:31:36AM

Agency code: 473		Agency name: Public Utility Commission of Texas			
METHOD OF FINANCING	Exp 2003	Est 2004	Bud 2005	Req 2006	Req 2007
Re-Appropriation per SB1, Art. IX, Art. §10.23	\$2,990	\$0	\$0	\$0	\$0
HB 3318, §4 (SBF re-created as an account in GR)	\$(219,442,891)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTH</i>					
Rider 6, Re-appropriation of FY 2002 Appropriations	\$69,346,685	\$0	\$0	\$0	\$0
<b>TOTAL, System Benefit Trust Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, ALL OTHER FUNDS</b>	<b>\$459,079</b>	<b>\$375,000</b>	<b>\$375,000</b>	<b>\$475,000</b>	<b>\$475,000</b>
<b>GRAND TOTAL</b>	<b>\$180,201,667</b>	<b>\$109,944,348</b>	<b>\$75,856,462</b>	<b>\$82,124,857</b>	<b>\$91,782,352</b>
 <b><u>FULL-TIME-EQUIVALENT POSITIONS</u></b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations	195.5	210.9	210.9	210.9	210.9
<b>TOTAL, ADJUSTED FTES</b>	<b>195.5</b>	<b>210.9</b>	<b>210.9</b>	<b>210.9</b>	<b>210.9</b>

**2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE**

79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/18/2004**

TIME: **9:31:59AM**

Agency code: **473**

Agency name: **Public Utility Commission of Texas**

<b>OBJECT OF EXPENSE</b>	<b>Exp 2003</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>BL 2006</b>	<b>BL 2007</b>
1001 SALARIES AND WAGES	\$10,598,755	\$9,436,360	\$10,129,160	\$9,810,141	\$9,900,142
1002 OTHER PERSONNEL COSTS	\$375,281	\$432,558	\$585,000	\$425,001	\$425,001
2001 PROFESSIONAL FEES AND SERVICES	\$9,389,481	\$3,704,526	\$5,148,533	\$3,200,001	\$3,200,001
2003 CONSUMABLE SUPPLIES	\$67,382	\$61,889	\$55,000	\$49,999	\$49,999
2005 TRAVEL	\$37,817	\$41,450	\$70,000	\$49,999	\$49,999
2006 RENT - BUILDING	\$32,226	\$16,954	\$15,000	\$15,001	\$15,001
2009 OTHER OPERATING EXPENSE	\$8,771,628	\$844,944	\$624,998	\$901,998	\$901,998
3001 CLIENT SERVICES	\$147,855,788	\$94,996,564	\$58,803,771	\$67,132,715	\$76,790,210
4000 GRANTS	\$2,642,446	\$0	\$0	\$0	\$0
5000 CAPITAL EXPENDITURES	\$430,863	\$409,103	\$425,000	\$540,002	\$450,001
<b>OOE Total (Excluding Riders)</b>	<b>\$180,201,667</b>	<b>\$109,944,348</b>	<b>\$75,856,462</b>	<b>\$82,124,857</b>	<b>\$91,782,352</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$180,201,667</b>	<b>\$109,944,348</b>	<b>\$75,856,462</b>	<b>\$82,124,857</b>	<b>\$91,782,352</b>

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/18/2004

Time: 9:30:42AM

Agency code: 473

Agency name: Public Utility Commission of Texas

Goal/ Objective / Outcome	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service					
1 <i>Maintain Policies to Foster Competition in Telecom &amp; Elec Mkts</i>					
<b>KEY 1 Avg Price Elec/kWh in TX for Residential Customers As % of Nat'l Avg</b>	112.30%	104.30%	102.90%	104.10%	109.60%
<b>2 Avg Price Electricity/kWh for TX Commercial Customers As % Nat'l Avg</b>	93.40%	98.10%	99.50%	101.00%	102.40%
<b>3 Avg Price Electricity/kWh for TX Industrial Customers As % Nat'l Avg</b>	102.90%	110.30%	118.00%	111.50%	116.40%
<b>4 Percentage of Households in Texas with Telephone Service in Place</b>	94.50%	95.50%	95.70%	96.10%	96.30%
<b>KEY 5 Avg Ann Resid Elec Bill from Competitive Suppliers as a % of Nat'l Avg</b>	0.00%	149.90%	149.90%	140.70%	148.00%
<b>KEY 6 % Tx Cities Srvd by 3 or More Certificated Telecommunication Providers</b>	85.85%	83.00%	83.50%	84.00%	84.50%
<b>7 Percent of Goal Achieved for Renewable Energy</b>	247.00%	260.00%	123.00%	100.00%	100.00%
2 <i>Regulate Providers Ensuring Rates do not Exceed National Average</i>					
<b>KEY 1 Average Annual Residential Telephone Bill as a % of National Average</b>	65.53%	76.40%	76.60%	76.80%	77.00%
<b>2 Average Annual Business Telephone Bill as a % of the National Average</b>	71.99%	76.40%	76.60%	76.80%	77.00%
<b>3 Avg Price Electricity Per kWh for Residential Cust as % of Nat'l Avg</b>	84.49	106.70	99.00	97.30	102.30
<b>4 Avg Price Electricity Per kWh for Commercial Cust as % of Nat'l Avg</b>	78.85	94.40	87.00	86.40	87.70
<b>5 Average Annual Residential Electric Bill from Regulated Suppliers</b>	0.00	70.40	71.00	86.50	91.00
<b>6 % of Subscriber Lines in Texas Are Served by Digital Switches</b>	95.58	93.00	95.00	95.50	96.00

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

79th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/18/2004

Time: 9:30:46AM

Agency code: 473

Agency name: Public Utility Commission of Texas

Goal/ Objective / Outcome	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
2 Educate Customers, Ensure Compliance with Laws, and Assist Customers					
2 <i>Resolve Complaints and Ensure Compliance w/Laws &amp; PUC Rules &amp; Orders</i>					
<b>KEY 1 % Customer Complaints Resolved through Informal Resolution Process</b>	99.00%	97.00%	97.00%	97.50%	97.50%
<b>2 Dollar Amount Administrative Penalties Assessed for Violations</b>	6,519,250.00	1,450,000.00	1,450,000.00	1,450,000.00	1,450,000.00
<b>3 Credits &amp; Refunds Obtained for Customers through Complaint Resolution</b>	2,745,880.00	2,700,000.00	1,900,000.00	1,900,000.00	1,900,000.00
<b>4 % of Subscribers Served by Exchanges Meeting Service Quality Standards</b>	87.37%	94.00%	96.00%	96.00%	96.00%
<b>5 % Electric Customers Served</b>	96.20%	96.40%	96.60%	96.70%	96.80%
3 Electric Utility Restructuring					
1 <i>Provide Financial Assistance</i>					
<b>KEY 1 % of Elig Low-income Customers Provided a Discount for Elec Service</b>	97.90%	99.00%	99.00%	99.00%	99.00%
4 Energy Efficiency Grants					
1 <i>Energy Efficiency Grants</i>					
<b>1 % Available Funds Awarded</b>	100.00%	0.00%	0.00%	0.00%	0.00%

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/18/2004  
 TIME : 9:30:53AM

Agency code: 473                      Agency name: Public Utility Commission of Texas

<b>Goal/Objective/STRATEGY</b>	<b>Base 2006</b>	<b>Base 2007</b>	<b>Exceptional 2006</b>	<b>Exceptional 2007</b>	<b>Total Request 2006</b>	<b>Total Request 2007</b>
<b>1</b> Ensure Competition, Choice, Just Rates, and Reliable Quality Service						
<b>1</b> <i>Maintain Policies to Foster Competition in Telecom &amp; Elec Mkts</i>						
<b>1</b> MARKET COMPETITION	\$ 5,627,770	\$ 5,627,770	\$ 0	\$ 0	\$ 5,627,770	\$ 5,627,770
<b>2</b> <i>Regulate Providers Ensuring Rates do not Exceed National Average</i>						
<b>1</b> UTILITY REGULATION	2,703,690	2,703,690	0	0	2,703,690	2,703,690
<b>TOTAL, GOAL 1</b>	<b>\$ 8,331,460</b>	<b>\$ 8,331,460</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,331,460</b>	<b>\$ 8,331,460</b>
<b>2</b> Educate Customers, Ensure Compliance with Laws, and Assist Customers						
<b>1</b> <i>Inform Customers of Choices &amp; Rights &amp; Facilitate Information Access</i>						
<b>1</b> PROVIDE FACTS ABOUT CHANGES	1,468,706	1,468,706	0	0	1,468,706	1,468,706
<b>2</b> <i>Resolve Complaints and Ensure Compliance w/Laws &amp; PUC Rules &amp; Orders</i>						
<b>1</b> INVESTIGATIONS AND ENFORCEMENT	1,673,421	1,673,421	0	0	1,673,421	1,673,421
<b>TOTAL, GOAL 2</b>	<b>\$ 3,142,127</b>	<b>\$ 3,142,127</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,142,127</b>	<b>\$ 3,142,127</b>
<b>3</b> Electric Utility Restructuring						
<b>1</b> <i>Provide Financial Assistance</i>						
<b>1</b> ENERGY ASSISTANCE	68,357,715	78,015,210	0	0	68,357,715	78,015,210
<b>2</b> CONSUMER EDUCATION	750,000	750,000	0	0	750,000	750,000
<b>3</b> PROPERTY VALUE DECLINE PMT/TRANSFER	0	0	0	0	0	0
<b>TOTAL, GOAL 3</b>	<b>\$ 69,107,715</b>	<b>\$ 78,765,210</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 69,107,715</b>	<b>\$ 78,765,210</b>
<b>4</b> Energy Efficiency Grants						
<b>1</b> <i>Energy Efficiency Grants</i>						
<b>1</b> ENERGY EFFICIENCY GRANTS	0	0	0	0	0	0
<b>TOTAL, GOAL 4</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/18/2004  
 TIME : 9:30:58AM

Agency code: 473                      Agency name: Public Utility Commission of Texas

<b>Goal/Objective/STRATEGY</b>	<b>Base 2006</b>	<b>Base 2007</b>	<b>Exceptional 2006</b>	<b>Exceptional 2007</b>	<b>Total Request 2006</b>	<b>Total Request 2007</b>
<b>5</b> Indirect Administration						
<b>1</b> <i>Indirect Administration</i>						
<b>1</b> CENTRAL ADMINISTRATION	\$ 798,225	\$ 798,225	\$ 0	\$ 0	\$ 798,225	\$ 798,225
<b>2</b> INFORMATION RESOURCES	504,901	504,901	0	0	504,901	504,901
<b>3</b> OTHER SUPPORT SERVICES	240,429	240,429	0	0	240,429	240,429
<b>TOTAL, GOAL 5</b>	<b>\$ 1,543,555</b>	<b>\$ 1,543,555</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,543,555</b>	<b>\$ 1,543,555</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$ 82,124,857</b>	<b>\$ 91,782,352</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 82,124,857</b>	<b>\$ 91,782,352</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$ 82,124,857</b>	<b>\$ 91,782,352</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 82,124,857</b>	<b>\$ 91,782,352</b>

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/18/2004  
 TIME : 9:30:58AM

Agency code: 473 Agency name: Public Utility Commission of Texas

Goal/Objective/STRATEGY	Base 2006	Base 2007	Exceptional 2006	Exceptional 2007	Total Request 2006	Total Request 2007
<b>General Revenue Funds:</b>						
1 GENERAL REVENUE FUND	\$ 9,666,300	\$ 9,666,300	\$ 0	\$ 0	\$ 9,666,300	\$ 9,666,300
	<b>\$ 9,666,300</b>	<b>\$ 9,666,300</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,666,300</b>	<b>\$ 9,666,300</b>
<b>General Revenue Dedicated Funds:</b>						
5071 TEXAS EMISSIONS REDUCTION PLAN	0	0	0	0	0	0
5100 SYSTEM BENEFIT TRUST FUND	71,983,557	81,641,052	0	0	71,983,557	81,641,052
	<b>\$ 71,983,557</b>	<b>\$ 81,641,052</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 71,983,557</b>	<b>\$ 81,641,052</b>
<b>Other Funds:</b>						
666 APPROPRIATED RECEIPTS	475,000	475,000	0	0	475,000	475,000
	<b>\$ 475,000</b>	<b>\$ 475,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 475,000</b>	<b>\$ 475,000</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$ 82,124,857</b>	<b>\$ 91,782,352</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 82,124,857</b>	<b>\$ 91,782,352</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>210.9</b>	<b>210.9</b>	<b>0.0</b>	<b>0.0</b>	<b>210.9</b>	<b>210.9</b>

2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

Date : 8/18/2004

79th Regular Session, Agency Submission, Version 1

Time: 9:31:43AM

Automated Budget and Evaluation system of Texas (ABEST)

Agency code: 473		Agency name: Public Utility Commission of Texas			Total Request	Total Request	
Goal/ Objective / Outcome	BL 2006	BL 2007	Excp 2006	Excp 2007	2006	2007	
1	Ensure Competition, Choice, Just Rates, and Reliable Quality Service						
	1 Maintain Policies to Foster Competition in Telecom & Elec Mkts						
KEY	1 Avg Price Elec/kWh in TX for Residential Customers As % of Nat'l Avg						
	104.10%	109.60%			104.10%	109.60%	
	2 Avg Price Electricity/kWh for TX Commercial Customers As % Nat'l Avg						
	101.00%	102.40%			101.00%	102.40%	
	3 Avg Price Electricity/kWh for TX Industrial Customers As % Nat'l Avg						
	111.50%	116.40%			111.50%	116.40%	
	4 Percentage of Households in Texas with Telephone Service in Place						
	96.10%	96.30%			96.10%	96.30%	
KEY	5 Avg Ann Resid Elec Bill from Competitive Suppliers as a % of Nat'l Avg						
	140.70%	148.00%			140.70%	148.00%	
KEY	6 % Tx Cities Srvd by 3 or More Certificated Telecommunication Providers						
	84.00%	84.50%			84.00%	84.50%	
	7 Percent of Goal Achieved for Renewable Energy						
	100.00%	100.00%			100.00%	100.00%	
	2 Regulate Providers Ensuring Rates do not Exceed National Average						
KEY	1 Average Annual Residential Telephone Bill as a % of National Average						
	76.80%	77.00%			76.80%	77.00%	
	2 Average Annual Business Telephone Bill as a % of the National Average						
	76.80%	77.00%			76.80%	77.00%	
	3 Avg Price Electricity Per kWh for Residential Cust as % of Nat'l Avg						
	97.30	102.30			97.30	102.30	
	4 Avg Price Electricity Per kWh for Commercial Cust as % of Nat'l Avg						
	86.40	87.70			86.40	87.70	
	5 Average Annual Residential Electric Bill from Regulated Suppliers						
	86.50	91.00			86.50	91.00	
	6 % of Subscriber Lines in Texas Are Served by Digital Switches						
	95.50	96.00			95.50	96.00	
2	Educate Customers, Ensure Compliance with Laws, and Assist Customers						
	2 Resolve Complaints and Ensure Compliance w/Laws & PUC Rules & Orders						

2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/18/2004  
 Time: 9:31:48AM

Agency code: 473

Agency name: Public Utility Commission of Texas

Goal/ Objective / Outcome	BL 2006	BL 2007	Excp 2006	Excp 2007	Total Request 2006	Total Request 2007
<b>KEY</b> <b>1 % Customer Complaints Resolved through Informal Resolution Process</b>	97.50%	97.50 %			97.50%	97.50%
<b>2 Dollar Amount Administrative Penalties Assessed for Violations</b>	1,450,000.00	1,450,000.00			1,450,000.00	1,450,000.00
<b>3 Credits &amp; Refunds Obtained for Customers through Complaint Resolution</b>	1,900,000.00	1,900,000.00			1,900,000.00	1,900,000.00
<b>4 % of Subscribers Served by Exchanges Meeting Service Quality Standards</b>	96.00%	96.00 %			96.00%	96.00%
<b>5 % Electric Customers Served</b>	96.70%	96.80 %			96.70%	96.80%
3      Electric Utility Restructuring						
1 <i>Provide Financial Assistance</i>						
<b>KEY</b> <b>1 % of Elig Low-income Customers Provided a Discount for Elec Service</b>	99.00%	99.00 %			99.00%	99.00%
4      Energy Efficiency Grants						
1 <i>Energy Efficiency Grants</i>						
<b>1 % Available Funds Awarded</b>	0.00%	0.00 %			0.00%	0.00%

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:31:05AM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service  
 OBJECTIVE: 1 Maintain Policies to Foster Competition in Telecom & Elec Mkts  
 STRATEGY: 1 Foster & Monitor Market Competition

Statewide Goal/Benchmark: 8 7  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Output Measures:</b>						
1	Number of Retail Electric Providers Registered	66.00	78.00	75.00	72.00	70.00
2	Number of Competitive Telecommunications Service Providers Licensed	1,396.00	1,325.00	1,259.00	1,194.00	1,133.00
3	Number of Investigations Conducted for Market Power Electric	0.00	6.00	7.00	8.00	8.00
4	# of Investigations for Market Power in the Telephone Market	17.00	3.00	3.00	3.00	3.00
5	Number of Cases Completed Related to Competition Among Providers	788.00	850.00	700.00	700.00	700.00
6	# of Rules Adopted or Amended Relating to Competitive Electric Issues	23.00	25.00	17.00	20.00	20.00
7	# of Rules Adopted or Amended Relating to Competitive Telecom Issues	3.00	36.00	9.00	5.00	5.00
<b>Efficiency Measures:</b>						
1	Avg # of Days to Process an Application for a Telecom COA & SPCOA	68.00	60.00	60.00	60.00	60.00
<b>Explanatory/Input Measures:</b>						
1	# of Elect Coops and Municipal Utilities Reg for Wholesale Trans Rate	41.00	41.00	41.00	41.00	41.00
2	Percent of Statewide Electric Generating Capacity Above Peak Demand	30.90	22.00	24.00	23.00	22.00
3	Energy Savings Due to Energy Efficiency Programs	101.00	100.00	100.00	100.00	100.00
4	Demand Reductions Due to Energy Efficiency Programs	0.00	0.00	100.00	100.00	100.00
5	Number of Power Generation Companies in Texas	93.00	95.00	96.00	97.00	98.00
6	Number of Aggregators in Texas	164.00	174.00	158.00	151.00	151.00

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:31:09AM

Agency code: 473      Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service  
 OBJECTIVE: 1 Maintain Policies to Foster Competition in Telecom & Elec Mkts  
 STRATEGY: 1 Foster & Monitor Market Competition

Statewide Goal/Benchmark: 8 7  
 Service Categories:  
 Service: 17    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
7	Average Cost of Natural Gas in Texas as a Percent of 2001 Avg Costs	81.00	137.00	138.00	119.00	113.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$3,332,150	\$3,064,050	\$3,341,047	\$3,528,823	\$3,560,402
1002	OTHER PERSONNEL COSTS	\$118,109	\$138,746	\$187,644	\$149,124	\$149,124
2001	PROFESSIONAL FEES AND SERVICES	\$18,949	\$1,039,395	\$2,860,766	\$1,535,088	\$1,535,088
2003	CONSUMABLE SUPPLIES	\$21,207	\$19,852	\$17,641	\$17,544	\$17,544
2005	TRAVEL	\$11,902	\$13,295	\$22,452	\$17,544	\$17,544
2006	RENT - BUILDING	\$10,142	\$5,438	\$4,812	\$5,263	\$5,263
2009	OTHER OPERATING EXPENSE	\$236,440	\$192,669	\$200,473	\$184,910	\$184,910
5000	CAPITAL EXPENDITURES	\$135,602	\$131,222	\$136,321	\$189,474	\$157,895
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,884,501</b>	<b>\$4,604,667</b>	<b>\$6,771,156</b>	<b>\$5,627,770</b>	<b>\$5,627,770</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$3,400,485	\$3,252,850	\$3,274,574	\$3,391,684	\$3,391,684
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$3,400,485</b>	<b>\$3,252,850</b>	<b>\$3,274,574</b>	<b>\$3,391,684</b>	<b>\$3,391,684</b>
<b>Method of Financing:</b>						
5100	SYSTEM BENEFIT TRUST FUND	\$339,534	\$1,231,534	\$3,376,299	\$2,069,420	\$2,069,420
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$339,534</b>	<b>\$1,231,534</b>	<b>\$3,376,299</b>	<b>\$2,069,420</b>	<b>\$2,069,420</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$144,482	\$120,283	\$120,283	\$166,666	\$166,666
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$144,482</b>	<b>\$120,283</b>	<b>\$120,283</b>	<b>\$166,666</b>	<b>\$166,666</b>

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:31:09AM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service  
 OBJECTIVE: 1 Maintain Policies to Foster Competition in Telecom & Elec Mkts  
 STRATEGY: 1 Foster & Monitor Market Competition

Statewide Goal/Benchmark: 8 7  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,627,770</b>	<b>\$5,627,770</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,884,501</b>	<b>\$4,604,667</b>	<b>\$6,771,156</b>	<b>\$5,627,770</b>	<b>\$5,627,770</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>73.0</b>	<b>67.7</b>	<b>67.7</b>	<b>74.0</b>	<b>74.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Changes to the Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§11.001-63.063 (Vernon 1999) (PURA), made in 1995 and 1999, and the Telecommunications Act of 1996 changed PUC regulatory activities. The PUC's focus has shifted from rate regulation of monopoly utility service providers to overseeing transitions to competitive markets in both the telecom and electric utility industries. This strategy reflects major tasks of the agency and a significant share of its resources devoted to fostering competition in telecom and electric services. PURA §§39.157 and 52.051 require oversight of competitive electric and telecom markets; other provisions of PURA establish ongoing responsibilities in specific areas. This strategy focuses on oversight; Strategy 1-2-1 relates to the PUC's price-regulation. Key activities are evaluating the design and operation of competitive markets, identifying and implementing improvements, and detecting anti-competitive conduct by market participants. Four areas with output measures: licensing new market participants; conducting investigations concerning market power, market design, and anti-competitive conduct; resolving disputes among market participants; and adopting or revising PUC rules relating to competition. PURA §§54.001-54.155 and §§ 39.351-39.356: the PUC licenses telecom and retail electric providers, and must consider customer protection and enhancement of customer choice in competitive markets. PURA §§ 39.153-39.157: responsibilities relating to market power in the electric industry and authority to adopt rules in PURA, Chapter 39.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The PUC has some ability to control the resources committed to this strategy, but some resource factors are outside of its control. Activities like monitoring market operations and market power must be conducted on a full-time basis. The PUC has some ability to control the commitment of resources in areas where external events are important, by identifying matters that are high priority and focusing resources on these matters first. Agency activity related to market design and operation changes when it appears there are market design issues that call for resolution or when market participants appear to have engaged in anti-competitive conduct. The level of activity related to licensing is largely controlled by the number and timing of filings made by market participants, and in some cases by the complexity and duration of case processing which are matters outside PUC control. The PUC has no control over certain other events that affect its workload such as requests from market participants to resolve disputes, mergers and acquisitions, and the emergence of issues requiring new rules or revision of existing rules. Also, case remands from the courts, evolving technology and markets, actions of federal regulatory agencies, Congress, and other states, and health, safety, and privacy issues are external factors that affect the PUC's performance. Internal factors influencing agency effectiveness include limited budget and staff resources available to accomplish a demanding workload and high staff turnover related to competitive external job opportunities.

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:31:09AM

Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:            1    Ensure Competition, Choice, Just Rates, and Reliable Quality Service  
 OBJECTIVE:    2    Regulate Providers Ensuring Rates do not Exceed National Average  
 STRATEGY:    1    Conduct Rate Cases for Regulated Telephone & Electric Utilities

Statewide Goal/Benchmark:    8    8  
 Service Categories:  
 Service: 17    Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Output Measures:</b>						
1	Number of Rate Cases Completed for Regulated Electric Utilities	14.00	21.00	20.00	13.00	13.00
2	Number of Rate Cases Completed for Telecommunications Providers	6.00	7.00	6.00	6.00	6.00
3	Number of Investigations Conducted Concerning Telecom Service Quality	3.00	3.00	3.00	3.00	3.00
4	Number of Investigations Conducted Concerning Electric Service Quality	0.00	0.00	4.00	4.00	4.00
5	# Rules Adopted/Amended Relating to Elec Issues Other Than Competition	9.00	8.00	7.00	8.00	8.00
6	# Rules Adopted Relating to Telecom Issues Other Than Competition	12.00	4.00	9.00	7.00	7.00
<b>Efficiency Measures:</b>						
1	Average Number of Days to Process a Major Rate Case for TDU	346.00	240.00	240.00	220.00	220.00
2	Average Cost Per Transmission and Distribution Utility Rate Case	31,253.00	110,000.00	110,000.00	110,000.00	110,000.00
<b>Explanatory/Input Measures:</b>						
1	Number of Electric Utilities Regulated	11.00	11.00	11.00	11.00	11.00
2	Number of Telecommunications Service Providers Regulated	62.00	62.00	62.00	62.00	62.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,838,495	\$2,610,115	\$2,846,076	\$2,311,381	\$2,332,065
1002	OTHER PERSONNEL COSTS	\$100,612	\$118,191	\$159,843	\$97,675	\$97,675
2001	PROFESSIONAL FEES AND SERVICES	\$16,142	\$33,558	\$15,192	\$22,982	\$22,982
2003	CONSUMABLE SUPPLIES	\$18,065	\$16,911	\$15,028	\$11,491	\$11,491

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:31:09AM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service  
 OBJECTIVE: 2 Regulate Providers Ensuring Rates do not Exceed National Average  
 STRATEGY: 1 Conduct Rate Cases for Regulated Telephone & Electric Utilities

Statewide Goal/Benchmark: 8 8  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
2005	TRAVEL	\$10,138	\$11,326	\$19,127	\$11,491	\$11,491
2006	RENT - BUILDING	\$8,639	\$4,632	\$4,099	\$3,447	\$3,447
2009	OTHER OPERATING EXPENSE	\$201,412	\$150,882	\$170,773	\$121,118	\$121,118
5000	CAPITAL EXPENDITURES	\$115,512	\$111,782	\$116,125	\$124,105	\$103,421
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,309,015</b>	<b>\$3,057,397</b>	<b>\$3,346,263</b>	<b>\$2,703,690</b>	<b>\$2,703,690</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$2,896,706	\$2,770,944	\$2,789,451	\$2,221,553	\$2,221,553
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$2,896,706</b>	<b>\$2,770,944</b>	<b>\$2,789,451</b>	<b>\$2,221,553</b>	<b>\$2,221,553</b>
<b>Method of Financing:</b>						
5100	SYSTEM BENEFIT TRUST FUND	\$289,232	\$183,989	\$454,348	\$372,970	\$372,970
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$289,232</b>	<b>\$183,989</b>	<b>\$454,348</b>	<b>\$372,970</b>	<b>\$372,970</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$123,077	\$102,464	\$102,464	\$109,167	\$109,167
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$123,077</b>	<b>\$102,464</b>	<b>\$102,464</b>	<b>\$109,167</b>	<b>\$109,167</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,703,690</b>	<b>\$2,703,690</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,309,015</b>	<b>\$3,057,397</b>	<b>\$3,346,263</b>	<b>\$2,703,690</b>	<b>\$2,703,690</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>44.5</b>	<b>57.6</b>	<b>57.6</b>	<b>48.5</b>	<b>48.5</b>

STRATEGY DESCRIPTION AND JUSTIFICATION:

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:31:09AM

Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:	1	Ensure Competition, Choice, Just Rates, and Reliable Quality Service	Statewide Goal/Benchmark:	8	8
OBJECTIVE:	2	Regulate Providers Ensuring Rates do not Exceed National Average	Service Categories:		
STRATEGY:	1	Conduct Rate Cases for Regulated Telephone & Electric Utilities	Service:	17	Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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Major reforms in 1995, 1996 and 1999 changed the PUC's regulatory activities. The focus shifted from rate regulation of monopoly utility service providers to overseeing competitive markets. Legislation in 1995 opened local telecom markets and wholesale electric markets to competition. In 1999, legislation opened retail electric markets to competition beginning in 2002. Despite major changes, the PUC continues to have significant responsibility for regulating rates and services in both the telecommunications and electric industries. Rate regulation is more limited than in the past. For telecom providers, rate regulation for incumbent local exchange companies encompasses review of prices, terms and conditions charged for new services and changes in prices, terms and conditions for existing services to guard against anti-competitive behavior and to ensure that the service offering is in the public interest. Rate regulation for non-dominant telephone carriers is limited to ensuring that prices, terms and conditions for services are filed with the PUC. For electric service providers in the Electric Reliability Council of Texas (ERCOT), rate regulation is limited to transmission and distribution service beginning 1-1-2002 (PURA §§35.001-35.007, 39.103) and to determining stranded costs (PURA §39.262). In areas outside ERCOT, retail competition has not yet begun; the PUC continues to be responsible for setting rates under PURA Chapter 36. The PUC is also responsible for regulating electric service quality under PURA §§38.002 and 39.101, and for telecom providers under §52.106.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The PUC has some ability to control the resources committed to this strategy, but some factors that affect the commitment of resources are outside of its control. Activities like the monitoring of utility revenues and quality of service will need to be conducted essentially on a full-time basis. The PUC has some ability to control the commitment of resources in areas where external events are important, by identifying matters that are high priority and focusing resources on these matters first.

The level of activity related to rates and quality of service will change when rate or quality of service issues emerge that call for resolution. The PUC has no control over certain events, such as requests from utilities to change rates and episodes of poor service quality. In addition, remands of cases from the courts, evolving technology and markets, actions of federal regulatory agencies, Congress, and other states, and health and safety issues are external factors that affect the PUC's performance. Internal factors influencing agency effectiveness include limited budget and staff resources available to accomplish a demanding workload and high staff turnover related to competitive external job opportunities.

**3.A. STRATEGY REQUEST**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
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Agency code: 473 Agency name: Public Utility Commission of Texas

GOAL: 2 Educate Customers, Ensure Compliance with Laws, and Assist Customers  
 OBJECTIVE: 1 Inform Customers of Choices & Rights & Facilitate Information Access  
 STRATEGY: 1 Provide Information about Changes in Electric and Telecom Industries

Statewide Goal/Benchmark: 8 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Output Measures:</b>						
1	Number of Website Hits to Customer Protection Home Page	231,054.00	200,000.00	200,000.00	200,000.00	200,000.00
2	Number of Information Requests to Which Responses Were Provided	133,331.00	125,000.00	125,000.00	130,000.00	130,000.00
3	Number of Customer Information Products Distributed	88,324.00	95,000.00	95,000.00	90,000.00	90,000.00
<b>Efficiency Measures:</b>						
1	Average Cost Per Customer Information Product Distributed	0.78	1.35	1.35	0.90	0.90
<b>Explanatory/Input Measures:</b>						
1	Number of Calls Completed through Relay Texas	4,883,921.00	4,940,000.00	4,990,000.00	5,040,000.00	5,090,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,140,638	\$1,048,863	\$1,143,683	\$1,255,593	\$1,266,830
1002	OTHER PERSONNEL COSTS	\$40,430	\$47,494	\$64,232	\$53,060	\$53,060
2001	PROFESSIONAL FEES AND SERVICES	\$6,487	\$13,485	\$6,105	\$12,485	\$12,485
2003	CONSUMABLE SUPPLIES	\$7,259	\$6,795	\$6,039	\$6,242	\$6,242
2005	TRAVEL	\$4,074	\$4,551	\$7,686	\$6,242	\$6,242
2006	RENT - BUILDING	\$3,472	\$1,862	\$1,647	\$1,873	\$1,873
2009	OTHER OPERATING EXPENSE	\$80,936	\$60,633	\$68,623	\$65,795	\$65,794
5000	CAPITAL EXPENDITURES	\$46,418	\$44,918	\$46,665	\$67,416	\$56,180
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,329,714</b>	<b>\$1,228,601</b>	<b>\$1,344,680</b>	<b>\$1,468,706</b>	<b>\$1,468,706</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$1,164,029	\$1,113,491	\$1,120,927	\$1,206,798	\$1,206,798
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,164,029</b>	<b>\$1,113,491</b>	<b>\$1,120,927</b>	<b>\$1,206,798</b>	<b>\$1,206,798</b>

**3.A. STRATEGY REQUEST**  
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DATE: 8/18/2004  
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Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:            2    Educate Customers, Ensure Compliance with Laws, and Assist Customers  
 OBJECTIVE:    1    Inform Customers of Choices & Rights & Facilitate Information Access  
 STRATEGY:     1    Provide Information about Changes in Electric and Telecom Industries

Statewide Goal/Benchmark:    8    0  
 Service Categories:  
 Service: 17    Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Method of Financing:</b>						
	5100 SYSTEM BENEFIT TRUST FUND	\$116,227	\$73,935	\$182,578	\$202,606	\$202,606
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$116,227</b>	<b>\$73,935</b>	<b>\$182,578</b>	<b>\$202,606</b>	<b>\$202,606</b>
<b>Method of Financing:</b>						
	666 APPROPRIATED RECEIPTS	\$49,458	\$41,175	\$41,175	\$59,302	\$59,302
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$49,458</b>	<b>\$41,175</b>	<b>\$41,175</b>	<b>\$59,302</b>	<b>\$59,302</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,468,706</b>	<b>\$1,468,706</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,329,714</b>	<b>\$1,228,601</b>	<b>\$1,344,680</b>	<b>\$1,468,706</b>	<b>\$1,468,706</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>21.9</b>	<b>23.2</b>	<b>23.2</b>	<b>26.3</b>	<b>26.3</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

With the advent of customer choice in telecom and electric services, the need for accurate, unbiased information increases. Providing information assists utility customers in determining that they are billed correctly, and it helps promote awareness of alternative energy sources. PUC customer education activities are a regulatory tool that supports the transition to competitive markets. The PUC provides information to regulated entities, competitors, and customers as follows: a toll-free customer hot line; postings on the PUC's Web page; a newsletter and other materials; Internet electronic access and download capability for all documents filed in the PUC's Central Records; walk-in access, including on-site electronic access, to all documents filed in Central Records; and responses to written inquiries, including requests under the Public Information Act. PURA requires the PUC to prepare information describing agency functions and the procedures by which complaints are filed and resolved. PURA §39.902 requires an educational program to inform customers about changes in the provision of electric service resulting from the opening of the retail electric market. PURA §56.102 requires the PUC to provide a statewide telecom relay access service for persons with hearing or speech impairments, and a financial assistance program for eligible persons to purchase specialized equipment functionally equivalent to equipment used by individuals without such impairments. The Relay Texas Advisory Committee assists the PUC in administering both programs.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**3.A. STRATEGY REQUEST**  
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DATE: 8/18/2004  
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Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:            2   Educate Customers, Ensure Compliance with Laws, and Assist Customers  
 OBJECTIVE:    1   Inform Customers of Choices & Rights & Facilitate Information Access  
 STRATEGY:    1   Provide Information about Changes in Electric and Telecom Industries

Statewide Goal/Benchmark:    8    0  
 Service Categories:  
 Service: 17    Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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Dramatic changes in the telecommunications and electric industries have created public demand for detailed information regarding customer and utility rights, market opportunities, and protective remedies. Increases in the amount of information needed, changes in the types of information needed, and the desire for electronic availability of that information affect the PUC's activities under this strategy. Customer satisfaction with rates and terms for electric and telecommunications services affects their demand for information from the PUC and is a significant factor affecting the PUC's activities under this strategy. Additionally, competition in both industries have increased the use of the Public Information Act to gain access to competitor information, which creates additional workload for the agency. Internal factors influencing agency effectiveness include limited budget and staff resources to accomplish a demanding workload and high staff turnover related to competitive external job opportunities and burnout.

**3.A. STRATEGY REQUEST**  
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DATE: 8/18/2004  
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Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 2 Educate Customers, Ensure Compliance with Laws, and Assist Customers Statewide Goal/Benchmark: 8 0  
 OBJECTIVE: 2 Resolve Complaints and Ensure Compliance w/Laws & PUC Rules & Orders Service Categories:  
 STRATEGY: 1 Conduct Investigations and Initiate Enforcement Actions Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Output Measures:</b>						
1	Number of Utilities for Which Detailed Review of Earnings is Conducted	103.00	5.00	5.00	5.00	5.00
2	Number of Enforcement Investigations Conducted	130.00	175.00	120.00	120.00	120.00
3	Number of Customer Complaints Concluded	31,133.00	20,000.00	20,000.00	20,000.00	20,000.00
<b>Efficiency Measures:</b>						
1	Average Cost Per Enforcement Investigation Conducted	422.47	450.00	550.00	550.00	550.00
2	Average Number of Days to Conclude Customer Complaints	35.43	24.50	30.00	30.00	30.00
<b>Explanatory/Input Measures:</b>						
1	Number Complaints Received for Unauthorized Changes in Service	8,988.00	6,000.00	5,000.00	5,000.00	5,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,284,156	\$1,180,836	\$1,287,587	\$1,430,604	\$1,443,407
1002	OTHER PERSONNEL COSTS	\$45,517	\$53,470	\$72,314	\$60,455	\$60,455
2001	PROFESSIONAL FEES AND SERVICES	\$7,303	\$15,182	\$6,873	\$14,225	\$14,225
2003	CONSUMABLE SUPPLIES	\$8,173	\$7,650	\$6,799	\$7,112	\$7,112
2005	TRAVEL	\$4,587	\$5,124	\$8,653	\$7,112	\$7,112
2006	RENT - BUILDING	\$3,909	\$2,096	\$1,854	\$2,134	\$2,134
2009	OTHER OPERATING EXPENSE	\$91,120	\$68,261	\$77,259	\$74,964	\$74,964
5000	CAPITAL EXPENDITURES	\$52,259	\$50,571	\$52,536	\$76,815	\$64,012
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,497,024</b>	<b>\$1,383,190</b>	<b>\$1,513,875</b>	<b>\$1,673,421</b>	<b>\$1,673,421</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$1,310,492	\$1,253,596	\$1,261,969	\$1,375,007	\$1,375,007

**3.A. STRATEGY REQUEST**  
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Agency code: 473 Agency name: Public Utility Commission of Texas

GOAL: 2 Educate Customers, Ensure Compliance with Laws, and Assist Customers  
 OBJECTIVE: 2 Resolve Complaints and Ensure Compliance w/Laws & PUC Rules & Orders  
 STRATEGY: 1 Conduct Investigations and Initiate Enforcement Actions

Statewide Goal/Benchmark: 8 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,310,492</b>	<b>\$1,253,596</b>	<b>\$1,261,969</b>	<b>\$1,375,007</b>	<b>\$1,375,007</b>
<b>Method of Financing:</b>						
	5100 SYSTEM BENEFIT TRUST FUND	\$130,851	\$83,239	\$205,551	\$230,846	\$230,846
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$130,851</b>	<b>\$83,239</b>	<b>\$205,551</b>	<b>\$230,846</b>	<b>\$230,846</b>
<b>Method of Financing:</b>						
	666 APPROPRIATED RECEIPTS	\$55,681	\$46,355	\$46,355	\$67,568	\$67,568
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$55,681</b>	<b>\$46,355</b>	<b>\$46,355</b>	<b>\$67,568</b>	<b>\$67,568</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,673,421</b>	<b>\$1,673,421</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,497,024</b>	<b>\$1,383,190</b>	<b>\$1,513,875</b>	<b>\$1,673,421</b>	<b>\$1,673,421</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>27.8</b>	<b>26.0</b>	<b>26.0</b>	<b>30.0</b>	<b>30.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The PUC is responsible for assuring compliance with the provisions of the Public Utility Regulatory Act (PURA). This responsibility includes areas such as service quality and reliability, market power, customer choice, affiliate relationships, accurate billing, charging appropriate rates, and record-keeping and reporting requirements. The PUC also monitors the level of revenues for regulated service providers to ensure that the level of rates is not excessive. The PUC is authorized to enforce the provisions of PURA by assessing administrative penalties under PURA §§15.023-15.027 and by referral to the attorney general for seeking injunctive relief or civil penalties through the courts under PURA §§15.028-15.033.

PURA §17.157 empowers the PUC to resolve disputes between customers and service providers. PURA §§17.102 and 39.101 require the PUC to adopt and enforce rules providing specific customer protections. PURA §15.051 provides that any affected person may complain about a public utility, and requires that the Commission review or investigate the matter and keep specific records.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**3.A. STRATEGY REQUEST**  
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DATE: 8/18/2004  
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Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:	2	Educate Customers, Ensure Compliance with Laws, and Assist Customers	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	2	Resolve Complaints and Ensure Compliance w/Laws & PUC Rules & Orders	Service Categories:		
STRATEGY:	1	Conduct Investigations and Initiate Enforcement Actions	Service:	17	Income: A.2      Age: B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2003</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>BL 2006</b>	<b>BL 2007</b>
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The need for enforcement is largely determined by the conduct of service providers in the market, and by customers' perceptions of that conduct as compared to legal requirements. To the extent that the PUC is successful in informing customers and service providers of changes in the telecommunications and electric markets and the customer protections that apply, an activity that is funded under Strategy 2-2-1, the need for enforcement may decrease. For the electric industry, the adoption of the rules took place before retail competition began in January 2002. In both cases, the PUC and customers have had little experience under these new rules. Changes in the rules or level of enforcement activity may be needed as new services emerge in the industries and as customer expectations become clearer. Internal factors influencing agency effectiveness include limited budget and staff resources to accomplish a demanding workload and high staff turnover related to competitive external job opportunities and burnout.

**3.A. STRATEGY REQUEST**  
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DATE: 8/18/2004  
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Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 3 Electric Utility Restructuring

Statewide Goal/Benchmark: 8 0

OBJECTIVE: 1 Provide Financial Assistance

Service Categories:

STRATEGY: 1 Energy Assistance (Nontransferable)

Service: 17 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Efficiency Measures:</b>						
1	Average Number of Days for Retail Electric Provider Reimbursement	2.58	5.00	5.00	5.00	5.00
<b>Objects of Expense:</b>						
2001	PROFESSIONAL FEES AND SERVICES	\$1,862,145	\$1,856,241	\$1,500,000	\$850,000	\$850,000
2009	OTHER OPERATING EXPENSE	\$625	\$276,900	\$0	\$375,000	\$375,000
3001	CLIENT SERVICES	\$147,855,788	\$94,996,564	\$58,803,771	\$67,132,715	\$76,790,210
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$149,718,558</b>	<b>\$97,129,705</b>	<b>\$60,303,771</b>	<b>\$68,357,715</b>	<b>\$78,015,210</b>
<b>Method of Financing:</b>						
5100	SYSTEM BENEFIT TRUST FUND	\$149,718,558	\$97,129,705	\$60,303,771	\$68,357,715	\$78,015,210
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$149,718,558</b>	<b>\$97,129,705</b>	<b>\$60,303,771</b>	<b>\$68,357,715</b>	<b>\$78,015,210</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$68,357,715</b>	<b>\$78,015,210</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$149,718,558</b>	<b>\$97,129,705</b>	<b>\$60,303,771</b>	<b>\$68,357,715</b>	<b>\$78,015,210</b>

**FULL TIME EQUIVALENT POSITIONS:**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Amendments to the Public Utilities Regulatory Act (PURA) enacted in 1999 established the low-income discount program to be supported by the System Benefit Trust Fund. The low-income discount is provided by retail electric providers in the competitive electricity market to customers who meet the income criteria prescribed by law, PURA §39.903. The PUC administers the fund by establishing and collecting a System Benefit Trust Fund fee from electric utilities and refunding discount amounts granted by retail electric providers to low-income customers. An important element of the PUC's implementation of this program is the automatic enrollment feature, which is required by §39.903 and is administered under a contract with an information service provider.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**3.A. STRATEGY REQUEST**  
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Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:            3    Electric Utility Restructuring

Statewide Goal/Benchmark:    8    0

OBJECTIVE:    1    Provide Financial Assistance

Service Categories:

STRATEGY:    1    Energy Assistance (Nontransferable)

Service: 17    Income: A.1      Age: B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2003</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>BL 2006</b>	<b>BL 2007</b>
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The PUC has some ability to control the resources committed to this strategy, but some factors that affect the commitment of resources are outside of its control. Activities like the collection of SBF charges, reimbursement of retail electric providers, and administration of the automatic enrollment are conducted routinely. Activity related to outreach to eligible populations will fluctuate based on the success of the program in reaching eligible customers. This factor is, to some degree, outside of the PUC's control when eligible customers are not identified by the automatic enrollment process or, once enrolled, change their residences, names, or their retail electric providers. External factors will also impact the required level of audit and collection activities.

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DATE: 8/18/2004  
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Agency code: 473 Agency name: Public Utility Commission of Texas

GOAL: 3 Electric Utility Restructuring  
 OBJECTIVE: 1 Provide Financial Assistance  
 STRATEGY: 2 Customer Education (Nontransferable)

Statewide Goal/Benchmark: 8 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Efficiency Measures:</b>						
	1 Average Cost of Education Campaign Per Ratepayer	1.38	0.13	0.13	0.13	0.13
<b>Objects of Expense:</b>						
	2001 PROFESSIONAL FEES AND SERVICES	\$7,467,126	\$725,467	\$750,000	\$750,000	\$750,000
	2009 OTHER OPERATING EXPENSE	\$759,335	\$294	\$0	\$0	\$0
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$8,226,461</b>	<b>\$725,761</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$750,000</b>
<b>Method of Financing:</b>						
	5100 SYSTEM BENEFIT TRUST FUND	\$8,226,461	\$725,761	\$750,000	\$750,000	\$750,000
	<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>	<b>\$8,226,461</b>	<b>\$725,761</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$750,000</b>
	<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>				<b>\$750,000</b>	<b>\$750,000</b>
	<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>	<b>\$8,226,461</b>	<b>\$725,761</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$750,000</b>

**FULL TIME EQUIVALENT POSITIONS:**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

PURA section 39.902 requires the PUC to develop and implement an educational program to inform customers about changes in the provision of electric service resulting from the opening of the retail electric market. As envisioned by section 39.902, the PUC entered into a contract for professional services to carry out the customer education program in all areas of the state participating in the competitive electric market.

This strategy tracks expenditures related to the professional services contract. PURA section 39.903 established the System Benefit Fund, which is financed by a fee paid by electric customers, to provide funding for customer education, programs to assist low-income electric customers, and the school funding loss mechanism established by section 39.901. The professional services contract is funded by the System Benefit Fund.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**3.A. STRATEGY REQUEST**  
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DATE: 8/18/2004  
 TIME: 9:31:09AM

Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:            3    Electric Utility Restructuring

Statewide Goal/Benchmark:    8    0

OBJECTIVE:    1    Provide Financial Assistance

Service Categories:

STRATEGY:    2    Customer Education (Nontransferable)

Service: 17    Income: A.2      Age: B.3

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2003</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>BL 2006</b>	<b>BL 2007</b>
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Dramatic failures in the energy markets, delays in switching and billing, lack of confidence in corporate ethics as well as the exit of the largest competitive electric provider from the Texas market have made customers hesitant about becoming educated on the new provisioning of electric service.

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DATE: 8/18/2004  
 TIME: 9:31:09AM

Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:	3	Electric Utility Restructuring	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Provide Financial Assistance	Service Categories:		
STRATEGY:	3	Property Value Decline Payment and Transfer (Nontransferable)	Service:	17	Income: A.2      Age: B.1

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Objects of Expense:</b>						
2009	OTHER OPERATING EXPENSE	\$7,259,546	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$7,259,546</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
5100	SYSTEM BENEFIT TRUST FUND	\$7,259,546	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$7,259,546</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$7,259,546</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FULL TIME EQUIVALENT POSITIONS:**

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Amendments to PURA enacted in 1999 established the System Benefit Trust Fund to support payments to the School Foundation Fund, among other programs. Support for the School Foundation Fund is required by PURA §39.903 and the amount of the transfer is established by the General Appropriations Act. The transfer to the School Foundation Trust Fund is accomplished by a transfer from the System Benefit Trust Fund account to a Texas Education Agency fund. The PUC administers the System Benefit Trust Fund by establishing and collecting the System Benefit Trust Fund fee from certain electric utilities and directing disbursement of the funds for authorized purposes.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The PUC has limited control over the resources committed to this strategy, but some factors that affect the commitment of resources are outside of its control. Activities like the collection of SBF charges are conducted routinely. The provides specific criteria for the Comptroller of Public Accounts and the Texas Education Agency to calculate amounts needed to reimburse the School Foundation Fund, and the Legislature determines the appropriations.

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DATE: 8/18/2004  
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Agency code: 473      Agency name: **Public Utility Commission of Texas**

GOAL:            4    Energy Efficiency Grants  
 OBJECTIVE:    1    Energy Efficiency Grants  
 STRATEGY:     1    Energy Efficiency Grants

Statewide Goal/Benchmark:    5    1  
 Service Categories:  
 Service: 17    Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Output Measures:</b>						
1	Number of Grants Awarded to Utilities for Energy Efficiency Programs	15.00	0.00	0.00	0.00	0.00
<b>Efficiency Measures:</b>						
1	Avg # of Days To Award Utilities Energy Efficiency Grants	67.00	0.00	0.00	0.00	0.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$214,145	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$855	\$0	\$0	\$0	\$0
4000	GRANTS	\$2,642,446	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,857,446</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
5071	TEXAS EMISSIONS REDUCTION PLAN	\$2,857,446	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$2,857,446</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$2,857,446</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

**3.A. STRATEGY REQUEST**  
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Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:	4	Energy Efficiency Grants	Statewide Goal/Benchmark:	5	1
OBJECTIVE:	1	Energy Efficiency Grants	Service Categories:		
STRATEGY:	1	Energy Efficiency Grants	Service:	17	Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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Amendments to the Health and Safety Code enacted in 2001 directed the PUC to conduct the Energy Efficiency Grant Program to reduce the consumption of electricity in areas of Texas that are not in compliance with the air quality standards adopted under the Clean Air Act and in specified affected counties. The reduction in electric consumption is intended to reduce production of electricity by generating plants in these areas and thereby reduce air emissions. The PUC awards grants from funds appropriated for this purpose to electric utilities, which, in turn, conduct standard-offer and market-transformation programs to improve the efficiency of the consumption of electricity in a non-attainment area or affected county. This program is authorized by Health and Safety Code §386.201-386.205. This strategy supports the statewide goals related to regulation, economic development, and natural resources.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The PUC has ability to control the resources committed to this strategy, but some factors that affect the commitment of resources are outside of its control. The collection of revenue to support the program, for example, and the willingness of utilities and prospective sub-grantees to participate in the program are largely outside of the PUC's control. Internal factors influencing agency effectiveness include the absence of specific expertise on staff to accomplish the reporting requirements required by the program, for which the agency must contract with outside professional consultants.

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DATE: 8/18/2004  
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Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 5 Indirect Administration  
 OBJECTIVE: 1 Indirect Administration  
 STRATEGY: 1 Central Administration

Statewide Goal/Benchmark: 8 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,028,149	\$673,624	\$664,073	\$663,865	\$670,949
1002	OTHER PERSONNEL COSTS	\$40,578	\$32,816	\$44,381	\$33,452	\$33,452
2001	PROFESSIONAL FEES AND SERVICES	\$6,510	\$9,318	\$4,218	\$7,871	\$7,871
2003	CONSUMABLE SUPPLIES	\$7,286	\$4,695	\$4,173	\$3,936	\$3,936
2005	TRAVEL	\$4,089	\$3,145	\$5,311	\$3,936	\$3,936
2006	RENT - BUILDING	\$3,484	\$1,286	\$1,138	\$1,181	\$1,181
2009	OTHER OPERATING EXPENSE	\$81,232	\$41,893	\$47,416	\$41,480	\$41,480
5000	CAPITAL EXPENDITURES	\$46,588	\$31,037	\$32,243	\$42,504	\$35,420
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,217,916</b>	<b>\$797,814</b>	<b>\$802,953</b>	<b>\$798,225</b>	<b>\$798,225</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$1,168,277	\$769,364	\$774,503	\$760,838	\$760,838
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,168,277</b>	<b>\$769,364</b>	<b>\$774,503</b>	<b>\$760,838</b>	<b>\$760,838</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$49,639	\$28,450	\$28,450	\$37,387	\$37,387
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$49,639</b>	<b>\$28,450</b>	<b>\$28,450</b>	<b>\$37,387</b>	<b>\$37,387</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$798,225</b>	<b>\$798,225</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,217,916</b>	<b>\$797,814</b>	<b>\$802,953</b>	<b>\$798,225</b>	<b>\$798,225</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>14.5</b>	<b>16.0</b>	<b>16.0</b>	<b>16.6</b>	<b>16.6</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

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Agency code: 473      Agency name: **Public Utility Commission of Texas**

GOAL:            5   Indirect Administration  
 OBJECTIVE:    1   Indirect Administration  
 STRATEGY:    1   Central Administration

Statewide Goal/Benchmark:    8    0  
 Service Categories:  
 Service: 17    Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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The strategy supports activities managed by the Executive Director and includes the Administration Services Division, General Counsel, Governmental Relations, and Communications. Administrative Services is composed of Human Resources and Fiscal Services. PURA §12.103 designates the Executive Director as responsible for the daily operations and coordinating activities of PUC employees. The strategy ensures effective and efficient procedures for strategic planning, business planning, and budgeting, accounting, and personnel management. Administration meets external reporting deadlines for the strategic plan, performance measure reports, annual financial report, and PUC budgets. It provides monthly internal financial reports, meets reporting deadlines for payroll, ensures the most cost effective method of travel and compliance with state travel regulations; provides for dissemination of employment benefits information to all agency staff; ensures agency compliance with state and federal laws affecting personnel and state procurement laws and regulations. It ensures prompt responses to Open Records requests pursuant to the TX Government Code, Ch. 552. Other strategy activities include centralized dissemination of public information regarding agency decisions, and responding to requests from other governmental offices.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The Executive Director coordinates the agency's business planning process to increase the effectiveness of the agency's strategic plan by strengthening operational performance and budgetary linkages. Lean administrative staff resources are a major challenge for effective centralized administration. High turnover among professional and technical staff increases the need for effective staff retention procedures, including effective performance reviews, and recognition of outstanding performance. Open records requests are the responsibility of the General Counsel whose other activities are also budgeted in this strategy. The budget for Open Records activities, however, is allocated to the direct strategies due to the relationship of most requests to the substance of those strategies. Also, the PUC's Central Records section activities, which are an important agency administrative function, are not budgeted in the Central Administration goal due to the direct relationship of those activities to the program goals.

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Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 5 Indirect Administration  
 OBJECTIVE: 1 Indirect Administration  
 STRATEGY: 2 Information Resources

Statewide Goal/Benchmark: 8 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$568,476	\$505,219	\$498,055	\$419,915	\$424,396
1002	OTHER PERSONNEL COSTS	\$22,436	\$24,613	\$33,286	\$21,159	\$21,159
2001	PROFESSIONAL FEES AND SERVICES	\$3,600	\$6,988	\$3,164	\$4,979	\$4,979
2003	CONSUMABLE SUPPLIES	\$4,028	\$3,521	\$3,129	\$2,489	\$2,489
2005	TRAVEL	\$2,261	\$2,358	\$3,983	\$2,489	\$2,489
2006	RENT - BUILDING	\$1,927	\$965	\$853	\$747	\$747
2009	OTHER OPERATING EXPENSE	\$44,914	\$31,419	\$35,562	\$26,238	\$26,238
5000	CAPITAL EXPENDITURES	\$25,759	\$23,278	\$24,182	\$26,885	\$22,404
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$673,401</b>	<b>\$598,361</b>	<b>\$602,214</b>	<b>\$504,901</b>	<b>\$504,901</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$645,955	\$577,024	\$580,877	\$481,252	\$481,252
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$645,955</b>	<b>\$577,024</b>	<b>\$580,877</b>	<b>\$481,252</b>	<b>\$481,252</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$27,446	\$21,337	\$21,337	\$23,649	\$23,649
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$27,446</b>	<b>\$21,337</b>	<b>\$21,337</b>	<b>\$23,649</b>	<b>\$23,649</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$504,901</b>	<b>\$504,901</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$673,401</b>	<b>\$598,361</b>	<b>\$602,214</b>	<b>\$504,901</b>	<b>\$504,901</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>9.9</b>	<b>12.0</b>	<b>12.0</b>	<b>10.5</b>	<b>10.5</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

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Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:            5   Indirect Administration  
 OBJECTIVE:    1   Indirect Administration  
 STRATEGY:    2   Information Resources

Statewide Goal/Benchmark:    8    0  
 Service Categories:  
 Service: 17    Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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The Information Resources strategy provides resources for indirect administration and technology support for the program areas of the Commission. In support of its goals and objectives the PUC Information Technology section will continue to maintain and enhance the PUC network and desktop operating environments providing internal and external users with a stable, scalable, and responsive computing environment. The strategy is responsible for Commission technology planning including but not limited to development of the Information Resource Strategic Plan and the Biennial Operating Plan.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The factors that impact the Information Resource strategy are primarily driven by the need to integrate new and rapidly changing technologies in order to provide a high level of service to the users. In attempting to accomplish this, we are faced with diverse and competing demands of budgets, personnel, the public, and the Legislature. The PUC has established a strategic direction and common standards to overcome these obstacles to managing information resources, which allows us to provide a dynamic computing environment to our stakeholders.

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DATE: 8/18/2004  
 TIME: 9:31:09AM

Agency code: 473 Agency name: Public Utility Commission of Texas

GOAL: 5 Indirect Administration  
 OBJECTIVE: 1 Indirect Administration  
 STRATEGY: 3 Other Support Services

Statewide Goal/Benchmark: 8 0  
 Service Categories:  
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$192,546	\$353,653	\$348,639	\$199,960	\$202,093
1002	OTHER PERSONNEL COSTS	\$7,599	\$17,228	\$23,300	\$10,076	\$10,076
2001	PROFESSIONAL FEES AND SERVICES	\$1,219	\$4,892	\$2,215	\$2,371	\$2,371
2003	CONSUMABLE SUPPLIES	\$1,364	\$2,465	\$2,191	\$1,185	\$1,185
2005	TRAVEL	\$766	\$1,651	\$2,788	\$1,185	\$1,185
2006	RENT - BUILDING	\$653	\$675	\$597	\$356	\$356
2009	OTHER OPERATING EXPENSE	\$15,213	\$21,993	\$24,892	\$12,493	\$12,494
5000	CAPITAL EXPENDITURES	\$8,725	\$16,295	\$16,928	\$12,803	\$10,669
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$228,085</b>	<b>\$418,852</b>	<b>\$421,550</b>	<b>\$240,429</b>	<b>\$240,429</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$218,789	\$403,916	\$406,614	\$229,168	\$229,168
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$218,789</b>	<b>\$403,916</b>	<b>\$406,614</b>	<b>\$229,168</b>	<b>\$229,168</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$9,296	\$14,936	\$14,936	\$11,261	\$11,261
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$9,296</b>	<b>\$14,936</b>	<b>\$14,936</b>	<b>\$11,261</b>	<b>\$11,261</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$240,429</b>	<b>\$240,429</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$228,085</b>	<b>\$418,852</b>	<b>\$421,550</b>	<b>\$240,429</b>	<b>\$240,429</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>3.9</b>	<b>8.4</b>	<b>8.4</b>	<b>5.0</b>	<b>5.0</b>

STRATEGY DESCRIPTION AND JUSTIFICATION:

**3.A. STRATEGY REQUEST**  
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Agency code: **473**      Agency name: **Public Utility Commission of Texas**

GOAL:            5    Indirect Administration

Statewide Goal/Benchmark:    8    0

OBJECTIVE:    1    Indirect Administration

Service Categories:

STRATEGY:    3    Other Support Services

Service: 17    Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
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The Other Support Services strategy includes library, mail room, purchasing, and facilities management activities. The PUC maintains a specialized legal and reference library, providing expert reference information to agency staff as well as to the public. Library activities include circulation of library materials and centralized coordination of records retention responsibilities for the agency. The Mail Room provides reproduction and copying services, mail delivery and pick up, and receiving and distribution of items purchased. Staff responsible for agency purchasing and facilities management activities is also budgeted from this strategy.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The PUC Library shares space with the Railroad Commission on the twelfth floor of the Travis Building, which physically removes library staff from the main operations of the agency and day to day activities. The Library provides important reference assistance to agency staff as well as to external customers.

**3.A. STRATEGY REQUEST**  
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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$180,201,667</b>	<b>\$109,944,348</b>	<b>\$75,856,462</b>	<b>\$82,124,857</b>	<b>\$91,782,352</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$82,124,857</b>	<b>\$91,782,352</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$180,201,667</b>	<b>\$109,944,348</b>	<b>\$75,856,462</b>	<b>\$82,124,857</b>	<b>\$91,782,352</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>195.5</b>	<b>210.9</b>	<b>210.9</b>	<b>210.9</b>	<b>210.9</b>

**RIDER REVISIONS AND ADDITIONS REQUEST**  
**79<sup>th</sup> REGULAR SESSION, AGENCY SUBMISSION, VERSION I**

<b>Agency Code:</b> 473	<b>Agency Name:</b> Public Utility Commission	<b>Prepared By:</b> Robert Saathoff	<b>Date:</b> 8/13/04	<b>Request Level:</b> Base
<b>Current Rider Number</b>	<b>Page Number in General Appropriations Act, 2004-05 Biennium</b>	<b>Proposed Rider Language</b>		

<b>1.</b>	<b>VIII-785</b>	<p><b>Capital Budget.</b> None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budget funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.</p> <table style="width: 100%; margin-left: 20px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">2004<del>6</del></th> <th style="width: 20%; text-align: right;">2005<del>7</del></th> </tr> </thead> <tbody> <tr> <td>Out of the General Revenue Fund:</td> <td></td> <td></td> </tr> <tr> <td>a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> </tr> <tr> <td>(4) <del>Digital Copiers Lease</del></td> <td style="text-align: right;"><del>\$ 220,000</del></td> <td style="text-align: right;"><del>\$ 220,000</del></td> </tr> <tr> <td>(1) <del>Hardware Lease (Digital Copiers &amp; Desktop Computers)</del></td> <td style="text-align: right;"><del>\$ 380,000</del></td> <td style="text-align: right;"><del>\$380,000</del></td> </tr> <tr> <td>(2) <del>Desktop Computer Lease and Software Lease (Microsoft Open License Software Lease)</del></td> <td style="text-align: right;"><del>\$ 220,000</del></td> <td style="text-align: right;"><del>\$ 204,999</del></td> </tr> <tr> <td></td> <td style="text-align: right;"><del>\$ 70,000</del></td> <td style="text-align: right;"><del>\$ 70,000</del></td> </tr> <tr> <td>(3) <del>Network Infrastructure Upgrade</del></td> <td style="text-align: right;"><del>\$ 90,000</del></td> <td></td> </tr> <tr> <td> Total, Acquisition of Information Resource Technologies</td> <td style="text-align: right;"> <del>\$ 440,000</del></td> <td style="text-align: right;"> <del>\$ 424,999</del></td> </tr> <tr> <td></td> <td style="text-align: right;"><del>\$ 540,000</del></td> <td style="text-align: right;"><del>\$ 450,000</del></td> </tr> <tr> <td> Total, Capital Budget</td> <td style="text-align: right;"> <del>\$ 440,000</del></td> <td style="text-align: right;"> <del>\$ 424,999</del></td> </tr> <tr> <td></td> <td style="text-align: right;"><del>\$ 540,000</del></td> <td style="text-align: right;"><del>\$ 450,000</del></td> </tr> </tbody> </table>		2004 <del>6</del>	2005 <del>7</del>	Out of the General Revenue Fund:			a. Acquisition of Information Resource Technologies			(4) <del>Digital Copiers Lease</del>	<del>\$ 220,000</del>	<del>\$ 220,000</del>	(1) <del>Hardware Lease (Digital Copiers &amp; Desktop Computers)</del>	<del>\$ 380,000</del>	<del>\$380,000</del>	(2) <del>Desktop Computer Lease and Software Lease (Microsoft Open License Software Lease)</del>	<del>\$ 220,000</del>	<del>\$ 204,999</del>		<del>\$ 70,000</del>	<del>\$ 70,000</del>	(3) <del>Network Infrastructure Upgrade</del>	<del>\$ 90,000</del>		 Total, Acquisition of Information Resource Technologies	 <del>\$ 440,000</del>	 <del>\$ 424,999</del>		<del>\$ 540,000</del>	<del>\$ 450,000</del>	 Total, Capital Budget	 <del>\$ 440,000</del>	 <del>\$ 424,999</del>		<del>\$ 540,000</del>	<del>\$ 450,000</del>
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<b>2.</b>	<b>VIII-785</b>	<p><b>Appropriation of Receipts, Electronic Information System.</b> Out of Appropriated Receipts appropriated above, <del>\$30,000</del> each year from fee revenue derived from implementation of an electronic information system for public access to records on file with the agency may be used only for operating lease payments; and for service agreements limited to <u>expenditures relating to the support of the PUC interchange support.</u></p>																																				

**RIDER REVISIONS AND ADDITIONS REQUEST**  
**79<sup>th</sup> REGULAR SESSION, AGENCY SUBMISSION, VERSION I**

<b>Agency Code:</b>  473	<b>Agency Name:</b>  Public Utility Commission	<b>Prepared By:</b>  Robert Saathoff	<b>Date:</b>  8/13/04	<b>Request Level:</b>  Base
<b>Current Rider Number</b>	<b>Page Number in General Appropriations Act, 2004-05 Biennium</b>	<b>Proposed Rider Language</b>		
3.	VIII-785	<p><b>Transfer Authority.</b> The Public Utility Commission has no authority to transfer an appropriation to or from any item under Goal C: Electric Utility Restructuring, and may not expend amounts above those appropriated above in each sStrategy C.1.2, of Goal C: Electric Utility Restructuring.</p> <p><i><u>This Rider has been revised to reflect the addition of Rider 701, Contingent Revenue</u></i></p>		
4	VIII-795	<p><b>System Benefit Trust Fund Reporting.</b> The Public Utility Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on revenues and expenditures made from the System Benefit Trust Fund. The report shall be submitted with documentation as specified by the Legislative Budget Board and the Governor.</p>		
5.	VIII-795	<p><b>Appropriation of Unexpended Balances:</b> <del>2004</del>2006 Appropriations. The unobligated and unexpended balances of appropriations to the Public Utility Commission for the fiscal year ending August 31, 2004<del>6</del>, are hereby appropriated to the commission for the same purposes for the fiscal year ending August 31, 2005<del>7</del>.</p>		
6.	VIII-795	<p><b>Contingent Revenue.</b> Of the amounts appropriated to the Public Utility Commission from the System Benefit Trust Fund, the estimated amounts of \$100,755,548 in fiscal year 2004 and \$121,129,928 in fiscal year 2005 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the System Benefit Trust Fund. The Public Utility Commission, upon completion of necessary actions for the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the <del>2004-05</del> 2006 2007 biennium to the Comptroller of Public Accounts. If the comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.</p>		

**RIDER REVISIONS AND ADDITIONS REQUEST**  
**79<sup>th</sup> REGULAR SESSION, AGENCY SUBMISSION, VERSION I**

<b>Agency Code:</b> 473	<b>Agency Name:</b> Public Utility Commission	<b>Prepared By:</b> Robert Saathoff	<b>Date:</b> 8/13/04	<b>Request Level:</b> Base
<b>Current Rider Number</b>	<b>Page Number in General Appropriations Act, 2004-05 Biennium</b>	<b>Proposed Rider Language</b>		

<b>7.</b>	<b>VIII-796</b>	<p><b>Allocation of System Benefit Trust Fund.</b> The System Benefit Trust Fund, calculated at the maximum statutory assessment rate estimated to be \$166,130,408 in fiscal year 2004 and \$213,435,225 in fiscal year 2005, has been allocated throughout this Act as follows: The estimated balance as of August 31, 2003 is \$21,712,446, interest income is estimated to be \$6,203,958 for the biennium. The total fund balance available for appropriation for 2004-05 is estimated to be \$407,482,037.</p> <table style="width: 100%; margin-left: 40px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">2004<sub>6</sub></th> <th style="width: 20%; text-align: right;">2005<sub>7</sub></th> </tr> </thead> <tbody> <tr> <td>Public Utility Commission:</td> <td></td> <td></td> </tr> <tr> <td>Administration</td> <td style="text-align: right;">\$ 2,875,843</td> <td style="text-align: right;">\$ 2,875,843</td> </tr> <tr> <td>10 Percent Low Income Discount</td> <td style="text-align: right;">\$ 97,129,705</td> <td style="text-align: right;">\$ 117,504,085</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 68,357,715</u></td> <td style="text-align: right;"><u>\$ 78,015,210</u></td> </tr> <tr> <td>Customer Education</td> <td style="text-align: right;">\$ 750,000</td> <td style="text-align: right;">\$ 750,000</td> </tr> <tr> <td>Office of Public Utility Counsel:</td> <td></td> <td></td> </tr> <tr> <td>Administration</td> <td style="text-align: right;">\$ 288,138</td> <td style="text-align: right;">\$ 288,138</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 273,731</u></td> <td style="text-align: right;"><u>\$ 273,731</u></td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$ <u>101,043,686</u></td> <td style="text-align: right;">\$ <u>121,418,066</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 71,507,289</u></td> <td style="text-align: right;"><u>\$ 81,164,784</u></td> </tr> </tbody> </table>		2004 <sub>6</sub>	2005 <sub>7</sub>	Public Utility Commission:			Administration	\$ 2,875,843	\$ 2,875,843	10 Percent Low Income Discount	\$ 97,129,705	\$ 117,504,085		<u>\$ 68,357,715</u>	<u>\$ 78,015,210</u>	Customer Education	\$ 750,000	\$ 750,000	Office of Public Utility Counsel:			Administration	\$ 288,138	\$ 288,138		<u>\$ 273,731</u>	<u>\$ 273,731</u>	 			Total	\$ <u>101,043,686</u>	\$ <u>121,418,066</u>		<u>\$ 71,507,289</u>	<u>\$ 81,164,784</u>
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<b>8.</b>	<b>VIII-8076</b>	<p><b>Contingent Revenue:</b> Municipally Owned Utilities and Electric Cooperatives. Contingent upon the Public Utility Commission assessing a nonbypassable fee on a municipally owned utility or electric cooperative that exercise its right to offer customer choice by opting into the competitive market, the Public Utility Commission is hereby appropriated an amount sufficient to fund the low income discount program at 10 percent for the newly competitive market, from the System Benefit Trust Fund, for the biennium beginning September 1, 2003<sub>5</sub>. In each fiscal year, in no event shall the total amount appropriated by this provision exceed either \$9.8 million or the amount of additional revenue collected from municipally owned utility or electric cooperatives opting into the competitive market. The Public Utility Commission upon completion of actions necessary to implement the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2004<sub>6</sub>-05<sub>7</sub> biennium to the Comptroller of Public Accounts. If the comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.</p>																																				

**RIDER REVISIONS AND ADDITIONS REQUEST  
79<sup>th</sup> REGULAR SESSION, AGENCY SUBMISSION, VERSION I**

<b>Agency Code:</b> 473	<b>Agency Name:</b> Public Utility Commission	<b>Prepared By:</b> Robert Saathoff	<b>Date:</b> 8/13/04	<b>Request Level:</b> Base
<b>Current Rider Number</b>	<b>Page Number in General Appropriations Act, 2004-05 Biennium</b>	<b>Proposed Rider Language</b>		

<u>701</u>	<u>Article VIII</u>	<u>Contingent Appropriation For Energy Assistance. The appropriations request under strategy C.1.1, Energy Assistance, under Goal C, Electric Restructuring, is based upon a Low Income Discount Rate of 10%. The number of low income customers is a critical key factor in the cost of the program, and a factor completely outside the control of the Public Utility Commission. The Commission has anticipated increases in the number of customers, however, contingent upon an increase in the number of low income customers greater than that included in the appropriations request, the Commission is hereby appropriated an amount sufficient to fund the low income discount program at the discount rate appropriated for FY 2006 and FY 2007. In no event shall the total amount appropriated by this provision exceed \$90,500,000 for FY 2006 and \$105,000,000 for FY 2007.</u>
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Agency code: 473

Agency name: Public Utility Commission of Texas

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2004

Bud 2005

BL 2006

BL 2007

**5005 Acquisition of Information Resource Technologies**

*3/3 Microsoft Open License Software Lease*

**OBJECTS OF EXPENSE**

Capital

5000 CAPITAL EXPENDITURES		\$0	\$0	\$70,000	\$70,000
Capital Subtotal OOE, Project	3	\$0	\$0	\$70,000	\$70,000
Subtotal OOE, Project	3	\$0	\$0	\$70,000	\$70,000

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND		\$0	\$0	\$70,000	\$70,000
Capital Subtotal TOF, Project	3	\$0	\$0	\$70,000	\$70,000
Subtotal TOF, Project	3	\$0	\$0	\$70,000	\$70,000

*5/5 PUC Network Infrastructure Upgrade and Replacement*

**OBJECTS OF EXPENSE**

Capital

1001 SALARIES AND WAGES		\$0	\$0	\$0	\$0
5000 CAPITAL EXPENDITURES		\$0	\$0	\$90,000	\$0
Capital Subtotal OOE, Project	5	\$0	\$0	\$90,000	\$0

Informational

1001 SALARIES AND WAGES		\$0	\$0	\$0	\$0
Informational Subtotal OOE, Project	5	\$0	\$0	\$0	\$0
Subtotal OOE, Project	5	\$0	\$0	\$90,000	\$0

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND		\$0	\$0	\$90,000	\$0
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5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:32:35AM

Agency code: 473

Agency name: Public Utility Commission of Texas

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2004

Bud 2005

BL 2006

BL 2007

Capital Subtotal TOF, Project	5	\$0	\$0	\$90,000	\$0
Subtotal TOF, Project	5	\$0	\$0	\$90,000	\$0

*6/6 Desktop Computer & Digital Copier Leases*

**OBJECTS OF EXPENSE**

Capital

5000 CAPITAL EXPENDITURES		\$0	\$0	\$380,000	\$380,000
Capital Subtotal OOE, Project	6	\$0	\$0	\$380,000	\$380,000
Subtotal OOE, Project	6	\$0	\$0	\$380,000	\$380,000

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND		\$0	\$0	\$380,000	\$380,000
Capital Subtotal TOF, Project	6	\$0	\$0	\$380,000	\$380,000
Subtotal TOF, Project	6	\$0	\$0	\$380,000	\$380,000

*7/7 Digital Copiers Lease*

**OBJECTS OF EXPENSE**

Capital

5000 CAPITAL EXPENDITURES		\$215,625	\$220,000	\$0	\$0
Capital Subtotal OOE, Project	7	\$215,625	\$220,000	\$0	\$0
Subtotal OOE, Project	7	\$215,625	\$220,000	\$0	\$0

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND		\$215,625	\$220,000	\$0	\$0
Capital Subtotal TOF, Project	7	\$215,625	\$220,000	\$0	\$0
Subtotal TOF, Project	7	\$215,625	\$220,000	\$0	\$0

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:32:35AM

Agency code: 473

Agency name: Public Utility Commission of Texas

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2004

Bud 2005

BL 2006

BL 2007

8/8 Microsoft Open license Software lease & desktop lease

OBJECTS OF EXPENSE

Capital

5000 CAPITAL EXPENDITURES

\$193,476

\$204,999

\$0

\$0

Capital Subtotal OOE, Project 8

\$193,476

\$204,999

\$0

\$0

Subtotal OOE, Project 8

**\$193,476**

**\$204,999**

**\$0**

**\$0**

TYPE OF FINANCING

Capital

CA 1 GENERAL REVENUE FUND

\$193,476

\$204,999

\$0

\$0

Capital Subtotal TOF, Project 8

\$193,476

\$204,999

\$0

\$0

Subtotal TOF, Project 8

**\$193,476**

**\$204,999**

**\$0**

**\$0**

Capital Subtotal, Category 5005

\$409,101

\$424,999

\$540,000

\$450,000

Informational Subtotal, Category 5005

**Total, Category 5005**

**\$409,101**

**\$424,999**

**\$540,000**

**\$450,000**

AGENCY TOTAL -CAPITAL

**\$409,101**

**\$424,999**

**\$540,000**

**\$450,000**

AGENCY TOTAL -INFORMATIONAL

AGENCY TOTAL

**\$409,101**

**\$424,999**

**\$540,000**

**\$450,000**

METHOD OF FINANCING:

Capital

1 GENERAL REVENUE FUND

\$409,101

\$424,999

\$540,000

\$450,000

Total, Method of Financing-Capital

\$409,101

\$424,999

\$540,000

\$450,000

Informational

Total, Method of Financing-Informational

5.A. CAPITAL BUDGET PROJECT SCHEDULE  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:32:35AM

Agency code: 473

Agency name: Public Utility Commission of Texas

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2004

Bud 2005

BL 2006

BL 2007

TYPE OF FINANCING:

Capital

CA CURRENT APPROPRIATIONS

\$409,101

\$424,999

\$540,000

\$450,000

Total, Type of Financing-Capital

\$409,101

\$424,999

\$540,000

\$450,000

Informational

Total, Type of Financing-Informational

**Total, Type of Financing**

**\$409,101**

**\$424,999**

**\$540,000**

**\$450,000**

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:32:43AM

Agency Code:	<b>473</b>	Agency name:	<b>Public Utility Commission of Texas</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>3</b>	Project Name:	<b>Software Lease</b>

**PROJECT DESCRIPTION**

**General Information**

Microsoft Enterprise Agreement - Microsoft Licenses

**Number of Units / Average Unit Cost** 0

**Estimated Completion Date** 3/31/07

<b>Additional Capital Expenditure Amounts Required</b>	<b>2008</b>	<b>2009</b>
	0	0

**Type of Financing** CA CURRENT APPROPRIATIONS

**Projected Useful Life**

**Estimated/Actual Project Cost** \$ 0

**Length of Financing/ Lease Period** 3 years

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

2006	2007	2008	2009	Total over project life
70,000	70,000	0	0	140,000

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**  
**Project Location:** Austin - Capitol Complex  
**Beneficiaries:** Public Utility Commission Staff  
**Frequency of Use and External Factors Affecting Use:**  
 Daily

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:32:43AM

Agency Code:	473	Agency name:	Public Utility Commission of Texas
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	5	Project Name:	Network Infrastructure Upgrade

**PROJECT DESCRIPTION**

**General Information**

Number of Units / Average Unit Cost	0			
Estimated Completion Date	8/31/07			
Additional Capital Expenditure Amounts Required		2008	2009	
		0	0	
Type of Financing	CA	CURRENT APPROPRIATIONS		
Projected Useful Life				
Estimated/Actual Project Cost	\$ 0			
Length of Financing/ Lease Period				
<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>				<b>Total over project life</b>
	2006	2007	2008	2009
	90,000	0	0	0
				90,000

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**

**Project Location:**

**Beneficiaries:**

**Frequency of Use and External Factors Affecting Use:**

**5.B. CAPITAL BUDGET PROJECT INFORMATION**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:32:43AM

Agency Code:	473	Agency name:	Public Utility Commission of Texas
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	6	Project Name:	Hardware Lease

**PROJECT DESCRIPTION**

**General Information**

Number of Units / Average Unit Cost	0			
Estimated Completion Date	8/31/08			
Additional Capital Expenditure Amounts Required		2008		2009
		0		0
Type of Financing	CA	CURRENT APPROPRIATIONS		
Projected Useful Life				
Estimated/Actual Project Cost	\$ 0			
Length of Financing/ Lease Period				
<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>				<b>Total over project life</b>
	2006	2007	2008	2009
	380,000	380,000	0	0
				760,000

**REVENUE GENERATION / COST SAVINGS**

<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>
---------------------------------	------------------------	------------------------------

**Explanation:**

**Project Location:**

**Beneficiaries:**

**Frequency of Use and External Factors Affecting Use:**

**5.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES (BASELINE)**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/18/2004**  
 TIME: **9:32:57AM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

**Category Code/Name**

*Project Sequence/Project Id/Name*

Goal/Obj/Str	Strategy Name	Est 2004	Bud 2005	BL 2006	BL 2007
<b>5005 Acquisition of Information Resource Technologies</b>					
<i>3/3</i>	<i>Software Lease</i>				
Capital	1-1-1 MARKET COMPETITION	0	0	\$24,561	\$24,561
Capital	1-2-1 UTILITY REGULATION	0	0	16,088	16,088
Capital	2-2-1 INVESTIGATIONS AND ENFORCEMENT	0	0	9,957	9,957
Capital	2-1-1 PROVIDE FACTS ABOUT CHANGES	0	0	8,739	8,739
Capital	5-1-1 CENTRAL ADMINISTRATION	0	0	5,510	5,510
Capital	5-1-2 INFORMATION RESOURCES	0	0	3,485	3,485
Capital	5-1-3 OTHER SUPPORT SERVICES	0	0	1,660	1,660
TOTAL, PROJECT		\$0	\$0	\$70,000	\$70,000
<i>5/5</i>	<i>Network Infrastructure Upgrade</i>				
Capital	1-1-1 MARKET COMPETITION	0	0	31,579	0
Capital	1-2-1 UTILITY REGULATION	0	0	20,684	0
Capital	2-2-1 INVESTIGATIONS AND ENFORCEMENT	0	0	12,802	0
Capital	2-1-1 PROVIDE FACTS ABOUT CHANGES	0	0	11,236	0
Capital	5-1-1 CENTRAL ADMINISTRATION	0	0	7,084	0
Capital	5-1-2 INFORMATION RESOURCES	0	0	4,481	0
Capital	5-1-3 OTHER SUPPORT SERVICES	0	0	2,134	0
Informational	1-1-1 MARKET COMPETITION	0	0	0	0

**5.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES (BASELINE)**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/18/2004**  
 TIME: **9:33:01AM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

**Category Code/Name**

*Project Sequence/Project Id/Name*

Goal/Obj/Str	Strategy Name	Est 2004	Bud 2005	BL 2006	BL 2007
TOTAL, PROJECT		\$0	\$0	\$90,000	\$0
<i>6/6 Hardware Lease</i>					
Capital	1-1-1 MARKET COMPETITION	0	0	\$133,334	\$133,334
Capital	1-2-1 UTILITY REGULATION	0	0	87,333	87,333
Capital	2-2-1 INVESTIGATIONS AND ENFORCEMENT	0	0	54,054	54,054
Capital	2-1-1 PROVIDE FACTS ABOUT CHANGES	0	0	47,441	47,441
Capital	5-1-1 CENTRAL ADMINISTRATION	0	0	29,910	29,910
Capital	5-1-2 INFORMATION RESOURCES	0	0	18,919	18,919
Capital	5-1-3 OTHER SUPPORT SERVICES	0	0	9,009	9,009
TOTAL, PROJECT		\$0	\$0	\$380,000	\$380,000
<i>7/7 Digital Copiers Lease</i>					
Capital	1-1-1 MARKET COMPETITION	69,163	70,566	0	0
Capital	1-2-1 UTILITY REGULATION	58,917	60,112	0	0
Capital	2-2-1 INVESTIGATIONS AND ENFORCEMENT	26,654	27,195	0	0
Capital	2-1-1 PROVIDE FACTS ABOUT CHANGES	23,675	24,156	0	0
Capital	5-1-1 CENTRAL ADMINISTRATION	16,358	16,690	0	0
Capital	5-1-2 INFORMATION RESOURCES	12,269	12,518	0	0
Capital	5-1-3 OTHER SUPPORT SERVICES	8,589	8,763	0	0
TOTAL, PROJECT		\$215,625	\$220,000	\$0	\$0

**5.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES (BASELINE)**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/18/2004**  
 TIME: **9:33:01AM**

Agency code: **473**                      Agency name: **Public Utility Commission of Texas**

**Category Code/Name**

*Project Sequence/Project Id/Name*

	<b>Goal/Obj/Str</b>	<b>Strategy Name</b>	<b>Est 2004</b>	<b>Bud 2005</b>	<b>BL 2006</b>	<b>BL 2007</b>
8/8		<i>Software &amp; Computer Lease</i>				
Capital	1-1-1	MARKET COMPETITION	62,059	65,755	\$0	\$0
Capital	1-2-1	UTILITY REGULATION	52,865	56,013	0	0
Capital	2-2-1	INVESTIGATIONS AND ENFORCEMENT	23,916	25,341	0	0
Capital	2-1-1	PROVIDE FACTS ABOUT CHANGES	21,243	22,509	0	0
Capital	5-1-1	CENTRAL ADMINISTRATION	14,678	15,552	0	0
Capital	5-1-2	INFORMATION RESOURCES	11,009	11,664	0	0
Capital	5-1-3	OTHER SUPPORT SERVICES	7,706	8,165	0	0
		TOTAL, PROJECT	\$193,476	\$204,999	\$0	\$0
		<b>TOTAL CAPITAL, ALL PROJECTS</b>	<b>\$409,101</b>	<b>\$424,999</b>	<b>\$540,000</b>	<b>\$450,000</b>
		<b>TOTAL INFORMATIONAL, ALL PROJECTS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
		<b>TOTAL, ALL PROJECTS</b>	<b>\$409,101</b>	<b>\$424,999</b>	<b>\$540,000</b>	<b>\$450,000</b>

**5.D. CAPITAL BUDGET OPERATING AND MAINTENANCE EXPENSES**

79th Regular Session, Agency Submission, Version 1

**DATE: 8/18/2004**

**TIME: 9:33:10AM**

**Automated Budget and Evaluation System of Texas (ABEST)**

Agency Code: 473

Agency name: Public Utility Commission of Texas

Project Number: 3

Project name: Microsoft Open License Software Lease

**Operating Expenses Estimates (For Information Only)**

<b>CODE DESCRIPTION</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>OBJECTS OF EXPENSE:</b>				
5000 CAPITAL EXPENDITURES	\$70,000	\$70,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$70,000</b>	<b>\$70,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$70,000	\$70,000	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$70,000</b>	<b>\$70,000</b>	<b>\$0</b>	<b>\$0</b>

**OPERATING COSTS DESCRIPTION AND JUSTIFICATION:**

This capital item would be procured through an operating lease to support the Commission's daily operations; no operating costs are projected relating to this item.

**5.D. CAPITAL BUDGET OPERATING AND MAINTENANCE EXPENSES**

79th Regular Session, Agency Submission, Version 1

**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 8/18/2004**

**TIME: 9:33:27AM**

Agency Code: **473**  
 Project Number: **5**

Agency name: **Public Utility Commission of Texas**  
 Project name: **PUC Network Infrastructure Upgrade and Replacement**

**Operating Expenses Estimates (For Information Only)**

<b>CODE DESCRIPTION</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>OBJECTS OF EXPENSE:</b>				
5000 CAPITAL EXPENDITURES	\$90,000	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$90,000	\$0	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**OPERATING COSTS DESCRIPTION AND JUSTIFICATION:**

**5.D. CAPITAL BUDGET OPERATING AND MAINTENANCE EXPENSES**

**DATE: 8/18/2004**

79th Regular Session, Agency Submission, Version 1

**TIME: 9:33:27 AM**

**Automated Budget and Evaluation System of Texas (ABEST)**

Agency Code: 473  
Project Number: 6

Agency name: Public Utility Commission of Texas  
Project name: Desktop Computer & Digital Copier Leases

**Operating Expenses Estimates (For Information Only)**

<b>CODE DESCRIPTION</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>OBJECTS OF EXPENSE:</b>				
5000 CAPITAL EXPENDITURES	\$380,000	\$380,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$380,000</b>	<b>\$380,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$380,000	\$380,000	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$380,000</b>	<b>\$380,000</b>	<b>\$0</b>	<b>\$0</b>

**OPERATING COSTS DESCRIPTION AND JUSTIFICATION:**

This capital item would be procured through an operating lease to support the Commission's daily operations; no operating costs are projected relating to this item.

**6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE**

79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/18/2004  
 Time: 9:34:34AM

Agency Code: 473 Agency: Public Utility Commission of Texas

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2002 - 2003 HUB Expenditure Information**

Procurement Category	Statewide Adjusted HUB Goals	Adjusted HUB Expenditures FY 2002		Total Expenditures FY 2002	Adjusted HUB Expenditures FY 2003		Total Expenditures FY 2003
		HUB %	HUB \$		HUB %	HUB \$	
Heavy Construction	6.6%	0.0%	\$0	\$0	0.0%	\$0	\$0
Building Construction	25.1%	0.0%	\$0	\$0	0.0%	\$0	\$0
Special Trade Construction	47.0%	0.0%	\$0	\$0	0.0%	\$0	\$2,648
Professional Services	18.1%	0.0%	\$0	\$36,153	0.0%	\$0	\$34,807
Other Services	33.0%	11.3%	\$1,158,750	\$10,281,927	8.2%	\$886,340	\$10,782,264
Commodities	11.5%	38.0%	\$236,594	\$622,434	39.2%	\$196,395	\$501,131
<b>Total Expenditures</b>		<b>12.8%</b>	<b>\$1,395,344</b>	<b>\$10,940,514</b>	<b>9.6%</b>	<b>\$1,082,735</b>	<b>\$11,320,850</b>

**B. Assessment of Fiscal Year 2002 - 2003 Efforts to Meet HUB Procurement Goals**

**Attainment:**

The agency attained or exceeded one of three, or 33%, of the applicable statewide HUB procurement goals in FY 2002.  
 The agency attained or exceeded one of three, or 33%, of the applicable statewide HUB procurement goals in FY 2003.

**Applicability:**

The "Heavy Construction" and "Building Construction" categories are not applicable to agency operations in either fiscal year 2002 or fiscal year 2003 since the agency did not have any strategies or programs related to construction.

**Factors Affecting Attainment:**

In both fiscal year 2002 and 2003, the goal of the "Professional Services" category was not met. The Public Utility Commission rarely enters into Professional Service contracts as you can see by the amount of money expended in this category for both years. Professional service contracts are highly specialized in nature and cannot be competitively bid, which reduces the opportunity to increase HUB usage in that area.

In both fiscal year 2002 and 2003, the goal of the "Other Services" category was not met. In FY 2003, the PUC's low percentage in this category was negatively affected by the total dollar amount spent on the Customer Education Campaign contract related to Electric Choice, which increased the overall expenditures in this category. Even though the PUC paid subcontractors as part of this contract, it wasn't enough to bring the percentage up to the statewide goal.

**"Good-Faith" Efforts:**

The agency makes the following good faith efforts to comply with statewide HUB procurement goals per 1 TAC Section 111.13(c):

- Attended TBPC-sponsored Economic Opportunity Forums, in addition to holding in-house HUB forums
- Obtains more than the required two HUB bids (one woman-owned and one minority-owned business from the CMBL) for purchases of commodities or services over \$5,000.

**6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE**

79th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/18/2004**  
Time: **9:34:39AM**

Agency Code: **473** Agency: **Public Utility Commission of Texas**

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- For spot purchases below \$5,000 which do not require bids, the agency routinely attempts to obtain several bids from HUB vendors whenever possible. When competitive bids on spot purchases are not available, the purchases routinely purchase from HUB vendors.
- The Commission also includes the HUB subcontracting plan in every request for proposal, not just those with an estimated value of \$100,000 or higher.

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/18/2004

79th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 9:33:44AM

Agency Code: 473

Agency name: Public Utility Commission of Texas

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
<b>1 GENERAL REVENUE FUND</b>					
Beginning Balance (Unencumbered):	\$39,123	\$0	\$75,000	\$0	\$0
Estimated Revenue:					
3239 Telecommunication Util Fees	664,939	664,939	664,939	664,939	664,939
Subtotal: Actual/Estimated Revenue	664,939	664,939	664,939	664,939	664,939
<b>Total Available</b>	<b>\$704,062</b>	<b>\$664,939</b>	<b>\$739,939</b>	<b>\$664,939</b>	<b>\$664,939</b>
<b>DEDUCTIONS:</b>					
Art.9§10.36 SB 311 Cost Savings	(1,475)	0	0	0	0
Rider 10 Contingent AppHB 1618 SOAH	(711,938)	0	0	0	0
Art. §9 12.03 Retirement Incentive	0	(26,256)	(108,527)	0	0
HB 7, 78th Leg. Regular , 2003	(826,000)	0	0	0	0
Expended/Budgeted/Requested	(10,804,733)	(10,189,932)	(10,100,390)	(9,666,300)	(9,666,300)
Trans Telecom Utility Fee OPUC	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Art.IX Sec. 10.12b Salary Increase	400,000	0	0	0	0
Art.IX Sec.10.12(b) Salary Increase	90,197	0	0	0	0
Art.IX Sec.10.12(b) Longevity Incre	65,000	0	0	0	0
Art. IX Sec. 10.23 SORM Re-appropri	36,635	0	0	0	0
<b>Total, Deductions</b>	<b>\$(12,002,314)</b>	<b>\$(10,466,188)</b>	<b>\$(10,458,917)</b>	<b>\$(9,916,300)</b>	<b>\$(9,916,300)</b>
<b>Ending Fund/Account Balance</b>	<b>\$(11,298,252)</b>	<b>\$(9,801,249)</b>	<b>\$(9,718,978)</b>	<b>\$(9,251,361)</b>	<b>\$(9,251,361)</b>

**REVENUE ASSUMPTIONS:**

Beginning Balance (Unencumbered): General revenue that supports the agency's operating budget is derived from 3230 Utility Gross Receipts Assessment. The Comptroller of Public Accounts collects and accounts for the entire amount of this assessment, the PUC receiving only a transfer of funds at the beginning of each fiscal year. The amounts collected by the Comptroller, from this statutory assessment, greatly exceeded the related appropriations for the PUC.

3239 Telecommunication Utility Fees: Funds from this source reimburse general revenue to recover costs to the Commission relation to local exchange carriers as authorized by the Utilities Code, Sections 52.060 and 53.308. Activities include producing Scope of Competition reports, determining level of competition, and reviewing tariffs for rate compliance as well as administrative changes that do not affect rates.

**CONTACT PERSON:**

Robert Saathoff

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

79th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
TIME: 9:33:50AM

Agency Code: 473

Agency name: Public Utility Commission of Texas

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
<b>666 APPROPRIATED RECEIPTS</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3603 Universal Srvc Fund Reimbursement	342,223	332,520	295,000	400,000	400,000
3719 Fees/Copies or Filing of Records	116,856	50,427	80,000	75,000	75,000
Subtotal: Actual/Estimated Revenue	459,079	382,947	375,000	475,000	475,000
<b>Total Available</b>	<b>\$459,079</b>	<b>\$382,947</b>	<b>\$375,000</b>	<b>\$475,000</b>	<b>\$475,000</b>
<b>DEDUCTIONS:</b>					
Art. IX §6.16 Sale--Printed Records	(84,372)	(24,150)	(50,000)	(50,000)	(50,000)
PUC Rider 2, PUC Interchange Costs	(28,766)	(26,277)	(30,000)	(25,000)	(25,000)
TX Universal Service Fund PUC Costs	(342,223)	(332,520)	(295,000)	(400,000)	(400,000)
Art. IX §6.11 Salaries Proportional	(17,453)	0	0	0	0
<b>Total, Deductions</b>	<b>\$(472,814)</b>	<b>\$(382,947)</b>	<b>\$(375,000)</b>	<b>\$(475,000)</b>	<b>\$(475,000)</b>
<b>Ending Fund/Account Balance</b>	<b>\$(13,735)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Projected revenue from the sale of printed documents and the PUC Interchange is based upon historical costs as well as anticipated demand. Revenue from document sales is reduced for FY 2004 & FY 2005 due to greater use of the PUC Website to obtain information desired.

Estimated PUC Interchange revenue is based upon electronic document sales and the reduction in revenue from this source, is, again a result of the use of the PUC website. Declining operating and maintenance costs for the system have allowed the agency to reduce the document charges. Document downloads are free to the public; bulk downloads for large users are charged the reduced fees.

Revenue from the Texas Universal Service Fund is to recover costs that have been incurred by the Commission for administering the fund. There is anticipated an increase in this reimbursement for FY 2006 and 2007, because of substantive rules that will be reviewed.

**CONTACT PERSON:**

Robert Saathoff

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME: 9:33:50AM

Agency Code: 473

Agency name: Public Utility Commission of Texas

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
<b>852 SYSTEM BENEFIT TRUST FUND</b>					
Beginning Balance (Unencumbered):	\$41,375,454	\$0	\$0	\$0	\$0
Estimated Revenue:					
3244 Non-Bypassable Utility Fee	109,818,646	0	0	0	0
3857 Int on State Deposits/Treasury Inv	827,555	0	0	0	0
Subtotal: Actual/Estimated Revenue	110,646,201	0	0	0	0
<b>Total Available</b>	<b>\$152,021,655</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DEDUCTIONS:</b>					
PUC Administration	(732,189)	0	0	0	0
Transfer to OPUC for Administration	(238,733)	0	0	0	0
Transfer to TDHCA Weatherization	(10,767,000)	0	0	0	0
Transfer to TEA Property Tax Replac	(7,259,546)	0	0	0	0
Low Income Discount Program	(109,904,225)	0	0	0	0
Customer Education Program	(5,726,256)	0	0	0	0
HB 3318 78th Reg Session Balance Transfer to 5100 Gr Dedicated SBTF	(17,393,706)	0	0	0	0
<b>Total, Deductions</b>	<b>\$(152,021,655)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUE ASSUMPTIONS:

Revenue collections are derived from a non-bypassable System Benefit Fund Fee of up to 65 cents per megawatt hour of electricity that is sold to electric customers in those areas of the state which have been deregulated. Revenue is based upon projected sales of electricity, and on the programs that the fee must fund. The largest program cost to the fund is the Low Income Discount Program which provides for a discount of 10% up to 20% on a low income customers electric bill. The System Benefit Fee of up to 65 cents per megawatt hour, and the Low Income Discount rate of 10% up to a maximum of 20% are both set by statute.

CONTACT PERSON:

Robert Saathoff

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

79th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
TIME: 9:33:50AM

Agency Code: 473

Agency name: **Public Utility Commission of Texas**

<b>FUND/ACCOUNT</b>	<b>Act 2003</b>	<b>Exp 2004</b>	<b>Exp 2005</b>	<b>Bud 2006</b>	<b>Est 2007</b>
<b>5071 TEXAS EMISSIONS REDUCTION PLAN</b>					
Beginning Balance (Unencumbered):	\$2,061,568	\$0	\$0	\$0	\$0
Estimated Revenue:					
<b>DEDUCTIONS:</b>					
SB 5 Texas Emissions Grants	(3,435,198)	0	0	0	0
SB 5 PUC Administrative Costs	(266,545)	0	0	0	0
<b>Total, Deductions</b>	<b>\$(3,701,743)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Fund/Account Balance</b>	<b>\$(1,640,175)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Beginning Balance (Unencumbered): The amount reflected for FY 2003 is carried forward from FY 2002. The amount was not expended during FY 2002 due to delays resulting from program start up, including rulemaking.

Estimated Revenue: As a result of legislation during the 78th Regular Session, the Public Utility Commission was not appropriated any revenues for FY 2004 and 2005.

**CONTACT PERSON:**

Robert Saathoff

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/18/2004

79th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 9:33:50AM

Agency Code: 473

Agency name: Public Utility Commission of Texas

FUND/ACCOUNT	Act 2003	Exp 2004	Exp 2005	Bud 2006	Est 2007
<b>5100 SYSTEM BENEFIT TRUST FUND</b>					
Beginning Balance (Unencumbered):	\$0	\$1,986,820	\$38,201,280	\$121,791,811	\$200,044,626
Estimated Revenue:					
3244 Non-Bypassable Utility Fee	25,346,513	136,322,130	142,448,627	144,512,577	146,680,266
3857 Int on State Deposits/Treasury Inv	90,672	330,168	2,815,026	5,637,529	8,282,553
3972 Other Cash Transfers Between Funds	17,393,706	0	0	0	0
Subtotal: Actual/Estimated Revenue	42,830,891	136,652,298	145,263,653	150,150,106	154,962,819
<b>Total Available</b>	<b>\$42,830,891</b>	<b>\$138,639,118</b>	<b>\$183,464,933</b>	<b>\$271,941,917</b>	<b>\$355,007,445</b>
<b>DEDUCTIONS:</b>					
PUC Administration	(141,908)	(1,548,457)	(4,203,229)	(2,875,843)	(2,875,843)
Transfer to OPUC for Administration	0	(288,138)	(288,138)	(238,733)	(238,733)
Low Income Discount Program	(38,909,385)	(97,875,483)	(56,407,515)	(68,032,715)	(77,690,210)
Customer Education Program	(1,792,778)	(725,760)	(774,240)	(750,000)	(750,000)
<b>Total, Deductions</b>	<b>\$(40,844,071)</b>	<b>\$(100,437,838)</b>	<b>\$(61,673,122)</b>	<b>\$(71,897,291)</b>	<b>\$(81,554,786)</b>
<b>Ending Fund/Account Balance</b>	<b>\$1,986,820</b>	<b>\$38,201,280</b>	<b>\$121,791,811</b>	<b>\$200,044,626</b>	<b>\$273,452,659</b>

**REVENUE ASSUMPTIONS:**

The fund was established as a Trust Fund for the FY 2002-2003 biennium, and in the later part of FY 2003, House Bill 3318, the 78th Legislature, Regular Session (2003) re-created the System Benefit Trust fund as General Revenue Dedicated. The statutory purpose, methodology, and operation of the fund did not change. A further discussion of this fund is addressed in Fund 0852 System Benefit Trust Fund.

**CONTACT PERSON:**

Robert Saathoff

**6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/18/2004  
 Time: 9:34:01AM

Agency Code: 473      Agency: Public Utility Commission of Texas

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**RELAY TEXAS ADVISORY COMMITTEE**

Statutory Authorization: Tex. Util. Code § 56.110 (Vernon's 1998)  
 Number of Members: 15  
 Committee Status: Ongoing  
 Date Created: 09/01/1990  
 Date to Be Abolished: 09/01/2005  
 Strategy (Strategies): 2-1-1      PROVIDE FACTS ABOUT CHANGES

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<b>Advisory Committee Costs</b>	<b>Expended 2003</b>	<b>Estimated 2004</b>	<b>Budgeted 2005</b>	<b>Requested 2006</b>	<b>Requested 2007</b>
Committee Members Direct Expenses					
Travel	\$908	\$0	\$0	\$0	\$0
<b>Total, Committee Expenditures</b>	<b>\$908</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Method of Financing					
GENERAL REVENUE FUND	\$908	\$0	\$0	\$0	\$0
<b>Total, Method of Financing</b>	<b>\$908</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Meetings Per Fiscal Year</b>	1	0	0	0	0

**6.F.a. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
79th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/18/2004  
Time: 9:34:07AM

Agency Code: 473      Agency: **Public Utility Commission of Texas**

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**RELAY TEXAS ADVISORY COMMITTEE**

**Description and Justification for Continuation/Consequences of Abolishing**

The Relay Texas Advisory Committee (RTAC) was authorized in 1989 to advise the PUC regarding Relay Texas. Relay Texas is a statewide service providing telephone interpreting service between people who can hear and those who are deaf, hard of hearing or speech impaired. The RTAC meets to consider program goals for Relay Texas and make policy recommendations (PURA 56.110). RTAC recommendations are reviewed by the PUC and the implemented as appropriate. The RTAC received additional responsibility in September 1997 to advise the PUC and the Texas Commission for the Deaf and Hard of Hearing regarding the Specialized Telecommunications Assistance Program. PURA specifies 15 members for RTAC with variety of disabilities represented. The committee is scheduled to be abolished on September 1, 2005 (TEX. GOV CODE §2110.008). The commission evaluates the RTAC annually. The evaluations must be conducted by a team appointed by the executive director of the commission. Commission employees who work directly or indirectly with the RTAC, TRS, or the equipment distribution program shall not be eligible to serve on the evaluation team. The evaluation team has and will continue to report to the commission in open meeting each August of its findings regarding the committee's work, usefulness as well as the costs related to the RTAC, including agency staff time. Abolishing the committee would result in inferior telephone service for Texans at a time when 10 percent of all Americans have some hearing impairment, and ultimately could increase the costs to the Universal Service Fund because the PUC would need to acquire the expertise currently provided by the Committee.

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME : 9:34:12AM

Agency code: 473

Agency name: Public Utility Commission of Texas

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>5-1-1</b>	<b>Central Administration</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 1,028,149	\$ 673,624	\$ 664,073	\$ 663,866	\$ 670,950
1002 OTHER PERSONNEL COSTS	40,578	32,816	44,381	33,452	33,452
2001 PROFESSIONAL FEES AND SERVICES	6,510	9,318	4,218	7,871	7,871
2003 CONSUMABLE SUPPLIES	7,286	4,695	4,173	3,936	3,936
2005 TRAVEL	4,089	3,145	5,311	3,936	3,936
2006 RENT - BUILDING	3,484	1,286	1,138	1,181	1,181
2009 OTHER OPERATING EXPENSE	81,232	41,893	47,416	41,480	41,480
5000 CAPITAL EXPENDITURES	46,588	31,037	32,243	42,504	35,420
<b>Total, Objects of Expense</b>	<b>\$ 1,217,916</b>	<b>\$ 797,814</b>	<b>\$ 802,953</b>	<b>\$ 798,226</b>	<b>\$ 798,226</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	1,168,277	769,364	774,503	760,838	760,838
666 APPROPRIATED RECEIPTS	49,639	28,450	28,450	37,388	37,388
<b>Total, Method of Financing</b>	<b>\$ 1,217,916</b>	<b>\$ 797,814</b>	<b>\$ 802,953</b>	<b>\$ 798,226</b>	<b>\$ 798,226</b>

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 79th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
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Agency code: 473

Agency name: Public Utility Commission of Texas

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>5-1-2 Information Resources</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 568,476	\$ 505,219	\$ 498,055	\$ 419,915	\$ 424,396
1002 OTHER PERSONNEL COSTS	22,436	24,612	33,286	21,159	21,159
2001 PROFESSIONAL FEES AND SERVICES	3,600	6,988	3,164	4,979	4,979
2003 CONSUMABLE SUPPLIES	4,028	3,521	3,129	2,489	2,489
2005 TRAVEL	2,261	2,358	3,983	2,489	2,489
2006 RENT - BUILDING	1,927	965	853	747	747
2009 OTHER OPERATING EXPENSE	44,914	31,420	35,562	26,238	26,238
5000 CAPITAL EXPENDITURES	25,759	23,277	24,182	26,885	22,404
<b>Total, Objects of Expense</b>	<b>\$ 673,401</b>	<b>\$ 598,360</b>	<b>\$ 602,214</b>	<b>\$ 504,901</b>	<b>\$ 504,901</b>

**METHOD OF FINANCING:**

1 GENERAL REVENUE FUND	645,955	577,023	580,877	481,252	481,252
666 APPROPRIATED RECEIPTS	27,446	21,337	21,337	23,649	23,649
<b>Total, Method of Financing</b>	<b>\$ 673,401</b>	<b>\$ 598,360</b>	<b>\$ 602,214</b>	<b>\$ 504,901</b>	<b>\$ 504,901</b>

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency name: **Public Utility Commission of Texas**

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>5-1-3 Other Support Services</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 192,545	\$ 353,653	\$ 348,639	\$ 199,960	\$ 202,093
1002 OTHER PERSONNEL COSTS	7,599	17,228	23,300	10,076	10,076
2001 PROFESSIONAL FEES AND SERVICES	1,219	4,892	2,215	2,371	2,371
2003 CONSUMABLE SUPPLIES	1,364	2,465	2,191	1,185	1,185
2005 TRAVEL	766	1,651	2,788	1,185	1,185
2006 RENT - BUILDING	653	675	597	356	356
2009 OTHER OPERATING EXPENSE	15,213	21,994	24,893	12,494	12,494
5000 CAPITAL EXPENDITURES	8,725	16,294	16,927	12,802	10,669
<b>Total, Objects of Expense</b>	<b>\$ 228,084</b>	<b>\$ 418,852</b>	<b>\$ 421,550</b>	<b>\$ 240,429</b>	<b>\$ 240,429</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	218,788	403,916	406,614	229,168	229,168
666 APPROPRIATED RECEIPTS	9,296	14,936	14,936	11,261	11,261
<b>Total, Method of Financing</b>	<b>\$ 228,084</b>	<b>\$ 418,852</b>	<b>\$ 421,550</b>	<b>\$ 240,429</b>	<b>\$ 240,429</b>

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency name: Public Utility Commission of Texas

	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$1,789,170	\$1,532,496	\$1,510,767	\$1,283,741	\$1,297,439
1002 OTHER PERSONNEL COSTS	\$70,613	\$74,656	\$100,967	\$64,687	\$64,687
2001 PROFESSIONAL FEES AND SERVICES	\$11,329	\$21,198	\$9,597	\$15,221	\$15,221
2003 CONSUMABLE SUPPLIES	\$12,678	\$10,681	\$9,493	\$7,610	\$7,610
2005 TRAVEL	\$7,116	\$7,154	\$12,082	\$7,610	\$7,610
2006 RENT - BUILDING	\$6,064	\$2,926	\$2,588	\$2,284	\$2,284
2009 OTHER OPERATING EXPENSE	\$141,359	\$95,307	\$107,871	\$80,212	\$80,212
5000 CAPITAL EXPENDITURES	\$81,072	\$70,608	\$73,352	\$82,191	\$68,493
<b>Total, Objects of Expense</b>	<b>\$2,119,401</b>	<b>\$1,815,026</b>	<b>\$1,826,717</b>	<b>\$1,543,556</b>	<b>\$1,543,556</b>
<b>Method of Financing</b>					
1 GENERAL REVENUE FUND	\$2,033,020	\$1,750,303	\$1,761,994	\$1,471,258	\$1,471,258
666 APPROPRIATED RECEIPTS	\$86,381	\$64,723	\$64,723	\$72,298	\$72,298
<b>Total, Method of Financing</b>	<b>\$2,119,401</b>	<b>\$1,815,026</b>	<b>\$1,826,717</b>	<b>\$1,543,556</b>	<b>\$1,543,556</b>
<b>Full-Time-Equivalent Positions (FTE)</b>					

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 79th Regular Session, Agency Submission, Version 1  
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DATE: 8/18/2004  
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Agency code: 473

Agency name: Public Utility Commission of Texas

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>1-1-1 Foster &amp; Monitor Market Competition</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 479,373	\$ 456,217	\$ 449,748	\$ 474,052	\$ 479,111
1002 OTHER PERSONNEL COSTS	18,919	22,225	30,058	23,887	23,887
2001 PROFESSIONAL FEES AND SERVICES	3,035	6,310	2,857	5,621	5,621
2003 CONSUMABLE SUPPLIES	3,397	3,180	2,826	2,810	2,810
2005 TRAVEL	1,906	2,130	3,597	2,810	2,810
2006 RENT - BUILDING	1,625	871	771	843	843
2009 OTHER OPERATING EXPENSE	37,874	30,863	32,113	29,620	29,620
5000 CAPITAL EXPENDITURES	21,721	21,020	21,837	30,351	25,292
<b>Total, Objects of Expense</b>	<b>\$ 567,850</b>	<b>\$ 542,816</b>	<b>\$ 543,807</b>	<b>\$ 569,994</b>	<b>\$ 569,994</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	544,707	523,460	524,539	543,296	543,296
666 APPROPRIATED RECEIPTS	23,143	19,356	19,268	26,698	26,698
<b>Total, Method of Financing</b>	<b>\$ 567,850</b>	<b>\$ 542,816</b>	<b>\$ 543,807</b>	<b>\$ 569,994</b>	<b>\$ 569,994</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>	<b>8.4</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 79th Regular Session, Agency Submission, Version 1  
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Agency code: 473

Agency name: Public Utility Commission of Texas

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>1-2-1</b>	<b>Conduct Rate Cases for Regulated Telephone &amp; Electric Utilities</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 408,352	\$ 388,627	\$ 383,117	\$ 310,503	\$ 313,817
1002 OTHER PERSONNEL COSTS	16,116	18,932	25,604	15,646	15,646
2001 PROFESSIONAL FEES AND SERVICES	2,586	5,376	2,434	3,681	3,681
2003 CONSUMABLE SUPPLIES	2,894	2,709	2,407	1,841	1,841
2005 TRAVEL	1,624	1,814	3,064	1,841	1,841
2006 RENT - BUILDING	1,384	742	657	552	552
2009 OTHER OPERATING EXPENSE	32,263	24,169	27,355	19,401	19,401
5000 CAPITAL EXPENDITURES	18,503	17,906	18,601	19,880	16,566
<b>Total, Objects of Expense</b>	<b>\$ 483,722</b>	<b>\$ 460,275</b>	<b>\$ 463,239</b>	<b>\$ 373,345</b>	<b>\$ 373,345</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	464,007	443,862	446,826	355,858	355,858
666 APPROPRIATED RECEIPTS	19,715	16,413	16,413	17,487	17,487
<b>Total, Method of Financing</b>	<b>\$ 483,722</b>	<b>\$ 460,275</b>	<b>\$ 463,239</b>	<b>\$ 373,345</b>	<b>\$ 373,345</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 79th Regular Session, Agency Submission, Version I  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2004  
 TIME : 9:34:49AM

Agency code: 473

Agency name: **Public Utility Commission of Texas**

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>2-1-1</b>	<b>Provide Information about Changes in Electric and Telecom Industries</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 164,095	\$ 156,169	\$ 153,954	\$ 168,672	\$ 170,472
1002 OTHER PERSONNEL COSTS	6,476	7,608	10,289	8,499	8,499
2001 PROFESSIONAL FEES AND SERVICES	1,039	2,160	978	2,000	2,000
2003 CONSUMABLE SUPPLIES	1,163	1,089	967	1,000	1,000
2005 TRAVEL	653	729	1,231	1,000	1,000
2006 RENT - BUILDING	556	298	264	300	300
2009 OTHER OPERATING EXPENSE	12,965	9,712	10,993	10,539	10,539
5000 CAPITAL EXPENDITURES	7,435	7,195	7,475	10,799	8,999
<b>Total, Objects of Expense</b>	<b>\$ 194,382</b>	<b>\$ 184,960</b>	<b>\$ 186,151</b>	<b>\$ 202,809</b>	<b>\$ 202,809</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	186,460	178,364	179,556	193,310	193,310
666 APPROPRIATED RECEIPTS	7,922	6,596	6,595	9,499	9,499
<b>Total, Method of Financing</b>	<b>\$ 194,382</b>	<b>\$ 184,960</b>	<b>\$ 186,151</b>	<b>\$ 202,809</b>	<b>\$ 202,809</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 79th Regular Session, Agency Submission, Version 1  
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Agency code: 473

Agency name: Public Utility Commission of Texas

Strategy	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>2-2-1</b>	<b>Conduct Investigations and Initiate Enforcement Actions</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 184,744	\$ 175,820	\$ 173,327	\$ 192,185	\$ 194,236
1002 OTHER PERSONNEL COSTS	7,291	8,565	11,584	9,684	9,684
2001 PROFESSIONAL FEES AND SERVICES	1,170	2,432	1,101	2,279	2,279
2003 CONSUMABLE SUPPLIES	1,309	1,226	1,089	1,139	1,139
2005 TRAVEL	735	821	1,386	1,139	1,139
2006 RENT - BUILDING	626	336	297	342	342
2009 OTHER OPERATING EXPENSE	14,596	10,934	12,376	12,008	12,008
5000 CAPITAL EXPENDITURES	8,371	8,100	8,416	12,304	10,253
<b>Total, Objects of Expense</b>	<b>\$ 218,842</b>	<b>\$ 208,234</b>	<b>\$ 209,576</b>	<b>\$ 231,080</b>	<b>\$ 231,080</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	209,923	200,809	202,151	220,257	220,257
666 APPROPRIATED RECEIPTS	8,919	7,425	7,425	10,823	10,823
<b>Total, Method of Financing</b>	<b>\$ 218,842</b>	<b>\$ 208,234</b>	<b>\$ 209,576</b>	<b>\$ 231,080</b>	<b>\$ 231,080</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency code: 473

Agency name: **Public Utility Commission of Texas**

	Exp 2003	Est 2004	Bud 2005	BL 2006	BL 2007
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$1,236,564	\$1,176,833	\$1,160,146	\$1,145,412	\$1,157,636
1002 OTHER PERSONNEL COSTS	\$48,802	\$57,330	\$77,535	\$57,716	\$57,716
2001 PROFESSIONAL FEES AND SERVICES	\$7,830	\$16,278	\$7,370	\$13,581	\$13,581
2003 CONSUMABLE SUPPLIES	\$8,763	\$8,204	\$7,289	\$6,790	\$6,790
2005 TRAVEL	\$4,918	\$5,494	\$9,278	\$6,790	\$6,790
2006 RENT - BUILDING	\$4,191	\$2,247	\$1,989	\$2,037	\$2,037
2009 OTHER OPERATING EXPENSE	\$97,698	\$75,678	\$82,837	\$71,568	\$71,568
5000 CAPITAL EXPENDITURES	\$56,030	\$54,221	\$56,329	\$73,334	\$61,110
<b>Total, Objects of Expense</b>	<b>\$1,464,796</b>	<b>\$1,396,285</b>	<b>\$1,402,773</b>	<b>\$1,377,228</b>	<b>\$1,377,228</b>
<b>Method of Financing</b>					
1 GENERAL REVENUE FUND	\$1,405,097	\$1,346,495	\$1,353,072	\$1,312,721	\$1,312,721
666 APPROPRIATED RECEIPTS	\$59,699	\$49,790	\$49,701	\$64,507	\$64,507
<b>Total, Method of Financing</b>	<b>\$1,464,796</b>	<b>\$1,396,285</b>	<b>\$1,402,773</b>	<b>\$1,377,228</b>	<b>\$1,377,228</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>29.8</b>	<b>29.8</b>	<b>29.8</b>	<b>29.8</b>	<b>29.8</b>