

**C91H00**  
**Office of People’s Counsel**

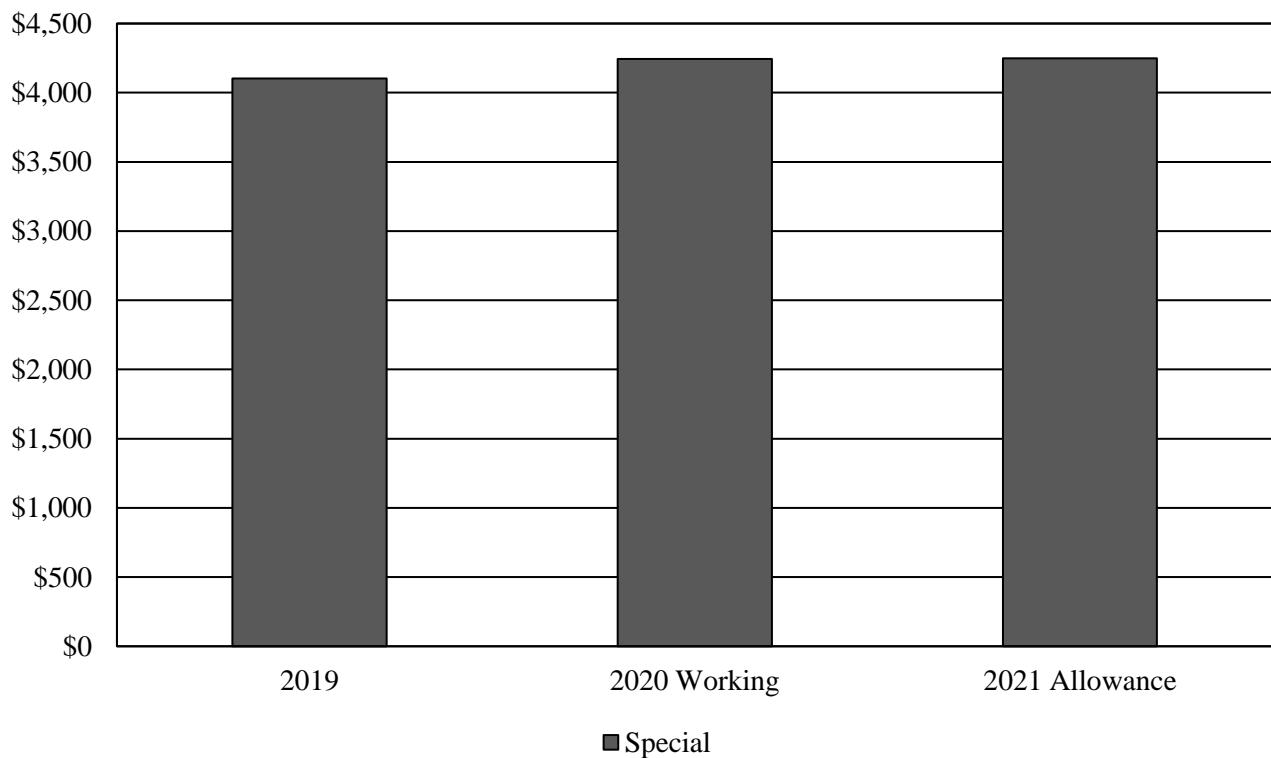
**Program Description**

The Office of People’s Counsel (OPC) represents the interests of residential users of natural gas, electricity, telephone, and private water service before the Public Service Commission (PSC), various federal regulatory commissions, and the courts. In addition, OPC acts as a resource by providing education, referrals, and training. OPC also helps residential users to resolve problems with utility service and locate financial assistance for ratepayers having difficulty paying utility bills. OPC is funded with special funds derived from an assessment on public service companies.

***Operating Budget Summary***

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**Fiscal 2021 Budget Increases by \$3,945 or 0.1% to \$4.2 Million**  
**(\$ in Thousands)**

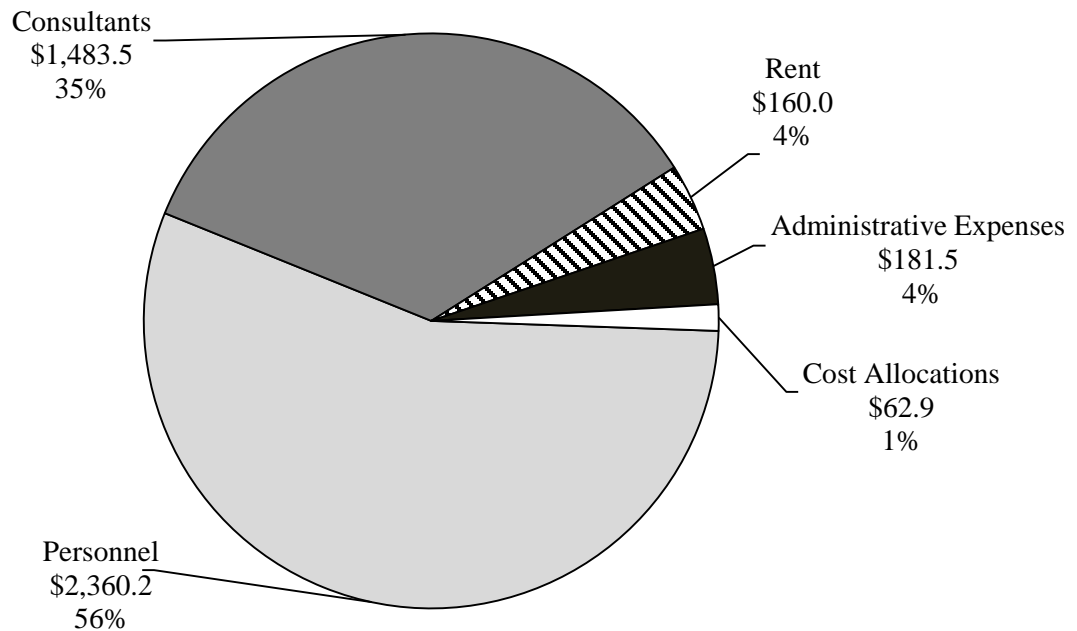


Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

## Fiscal 2021 Overview of Agency Spending

The fiscal 2021 allowance of OPC totals \$4.2 million. As shown in **Exhibit 1**, more than half (56%) of OPC’s budget is dedicated to personnel costs to support the 19 positions of the agency. Outside of personnel expenses, the largest share of OPC’s budget is annually directed to legal services support, which is 35% of the agency’s budget. These services are used to assist OPC with matters for which it does not have technical expertise in cases before various regulatory bodies and the courts. The need for these services may vary from year to year depending on case activity and is often unknown in advance. From fiscal 2017 through 2019, OPC spent an average of \$1.5 million on these costs. The fiscal 2021 allowance for these expenses reflects the three-year average of expenditures.

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2021 Allowance**  
**(\$ in Thousands)**



Source: Governor’s Fiscal 2021 Budget Books; Department of Legislative Services

## Proposed Budget Change

As shown in **Exhibit 2**, OPC’s fiscal 2021 allowance is essentially level funded compared to the fiscal 2020 working appropriation, after accounting for statewide personnel adjustments. The largest area of change occurs among statewide cost allocations, which cumulatively increase the budget of OPC by \$22,068.

**Exhibit 2**  
**Proposed Budget**  
**Office of People’s Counsel**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<u><b>Special Fund</b></u>	<u><b>Total</b></u>
Fiscal 2019 Actual	\$4,104	\$4,104
Fiscal 2020 Working Appropriation	4,244	4,244
Fiscal 2021 Allowance	<u>4,248</u>	<u>4,248</u>
Fiscal 2020-2021 Amount Change	\$4	\$4
Fiscal 2020-2021 Percent Change	0.1%	0.1%

<b>Where It Goes:</b>	<u><b>Change</b></u>
<b>Personnel Expenses</b>	
2% general salary increase, effective January 1, 2021 .....	\$20
Employee retirement contributions .....	17
Annualization of 1% general salary increase, effective January 1, 2020 .....	9
Other fringe benefit adjustments .....	-1
Employee and retiree health insurance.....	-64
<b>Cost Allocations</b>	
Statewide Budget System.....	15
Shared services human resources .....	3
Department of Information Technology services allocation .....	4
<b>Other Changes</b>	
Rent .....	4
Out-of-state travel to align with recent experience .....	4
Legal publication related supplies to align with recent experience.....	4
Insurance coverage.....	1
Other adjustments.....	1
Consultant services to align with recent experience .....	-14
<b>Total</b>	<b>\$4</b>

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

***Personnel Data***

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	<b><u>FY 19</u></b> <b><u>Actual</u></b>	<b><u>FY 20</u></b> <b><u>Working</u></b>	<b><u>FY 21</u></b> <b><u>Allowance</u></b>	<b><u>FY 20-21</u></b> <b><u>Change</u></b>
Regular Positions	19.00	19.00	19.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>19.00</b>	<b>19.00</b>	<b>19.00</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

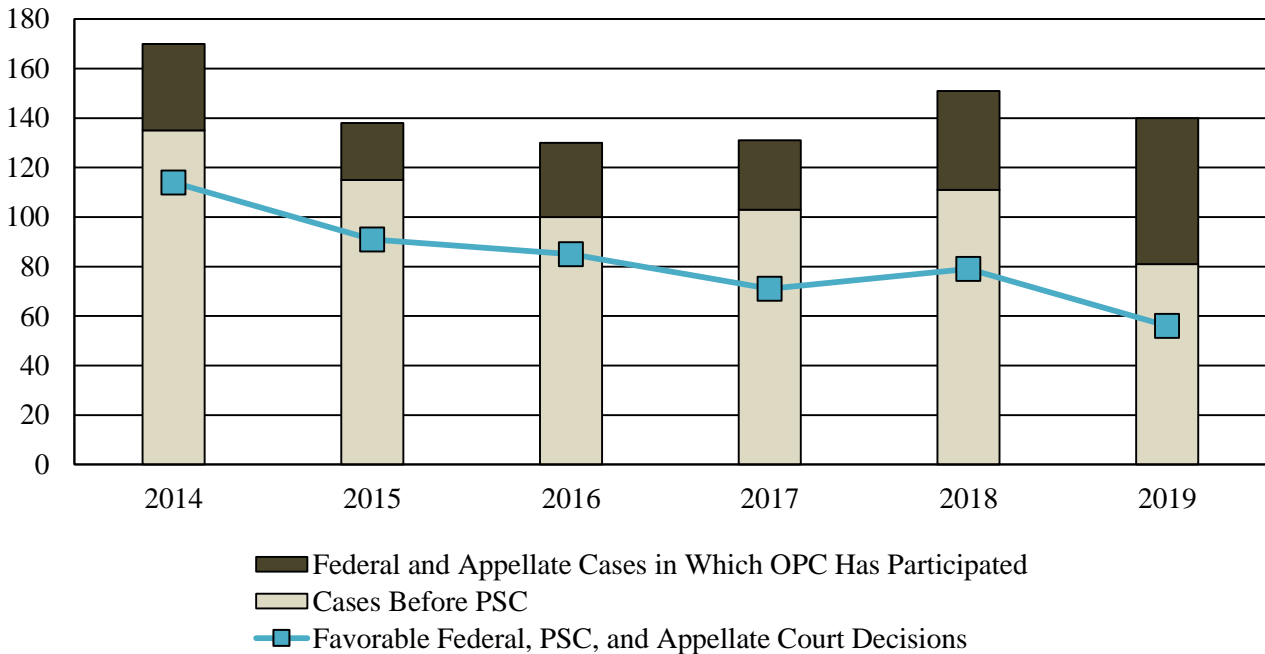
Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/19	3.00	15.79%
Vacancies Above Turnover	3.00	

## Key Observations

### 1. OPC Case Participation Shifts to More Federal Cases

OPC has limited control over the activities of the agency because of its statutory obligation to represent the interests of residential ratepayers. As a result, the agency’s activities are driven by utility filings or regulatory actions by other entities. Historically, the vast majority of cases in which OPC participates have been before PSC. Between fiscal 2010 and 2017, more than 75% of OPC’s case activity occurred before PSC. In fiscal 2018, the share dipped slightly to 74%. In fiscal 2019, the share substantially decreased to 58%. As shown in **Exhibit 3**, this shift occurred as a result of both a decline in OPC case activity before PSC and an increase in case activity before federal regulatory bodies or the courts. Between fiscal 2017 and 2019, the number of cases in which OPC participated before federal regulatory bodies or the courts more than doubled, while case activity before PSC fell by more than 25%.

**Exhibit 3**  
**Case Participation and Favorable Decisions**  
**Fiscal 2014-2019**



OPC: Office of People’s Counsel  
PSC: Public Service Commission

Source: Office of People’s Counsel; Department of Budget and Management; Governor’s Fiscal 2016 and 2019-2021 Budget Books; Department of Legislative Services

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OPC explained that federal activity has increased due to two factors: (1) activity related to the federal Tax Cuts and Jobs Act of 2017 to ensure the impact of the tax cuts were reflected in utility rates; and (2) the end of a multi-year lull in activity at the Federal Energy Regulatory Commission (FERC). In particular, in fiscal 2019, OPC noted that it was involved in activity at FERC related to capacity auction market rules. Activity before PSC has decreased in part due to a slowing of cases related to solar generation facility siting.

The number of favorable decisions, as determined by OPC, declined in fiscal 2019. In part, this decrease results from lower case activity, as the number of favorable decisions generally varies by the number of cases in which OPC participates. However, as a share of cases in which OPC participates, favorable decisions have declined since fiscal 2014. In fiscal 2019, it reached its lowest level in recent years (40%). OPC notes that the types of cases in which it is participating have attracted a broader range of stakeholders than traditionally occurs. These additional stakeholders may advocate positions different than OPC in terms of residential interests.

## ***Operating Budget Recommended Actions***

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1. Concur with Governor’s allowance.

**Appendix 1  
Object/Fund Difference Report  
Office of People's Counsel**

<u>Object/Fund</u>	<u>FY 19 Actual</u>	<u>FY 20 Working Appropriation</u>	<u>FY 21 Allowance</u>	<u>FY 20 - FY 21 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	19.00	19.00	19.00	0.00	0%
<b>Total Positions</b>	<b>19.00</b>	<b>19.00</b>	<b>19.00</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 2,271,833	\$ 2,370,120	\$ 2,322,443	- \$ 47,677	- 2.0%
02 Technical and Spec. Fees	1,483,918	1,497,323	1,483,504	- 13,819	- 0.9%
03 Communication	30,282	9,801	10,801	1,000	10.2%
04 Travel	16,646	13,000	17,000	4,000	30.8%
07 Motor Vehicles	10,920	11,500	11,500	0	0%
08 Contractual Services	64,747	106,788	128,856	22,068	20.7%
09 Supplies and Materials	66,449	62,000	66,000	4,000	6.5%
13 Fixed Charges	159,174	164,810	170,196	5,386	3.3%
<b>Total Objects</b>	<b>\$ 4,103,969</b>	<b>\$ 4,235,342</b>	<b>\$ 4,210,300</b>	<b>- \$ 25,042</b>	<b>- 0.6%</b>
<b>Funds</b>					
03 Special Fund	\$ 4,103,969	\$ 4,235,342	\$ 4,210,300	- \$ 25,042	- 0.6%
<b>Total Funds</b>	<b>\$ 4,103,969</b>	<b>\$ 4,235,342</b>	<b>\$ 4,210,300</b>	<b>- \$ 25,042</b>	<b>- 0.6%</b>

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.