

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

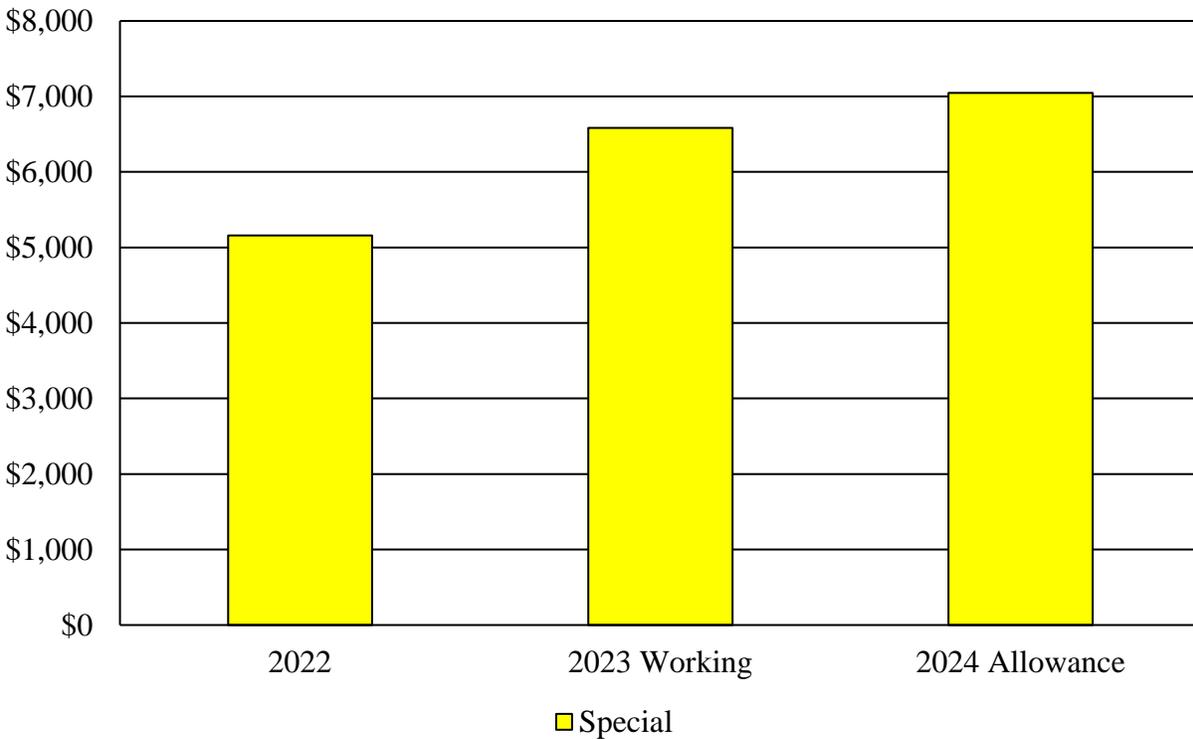
**Program Description**

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 2024 Budget Increases \$463,249, or 7.0%, to \$7.0 Million**  
**(\$ in Thousands)**



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted within the Statewide Account within DBM.

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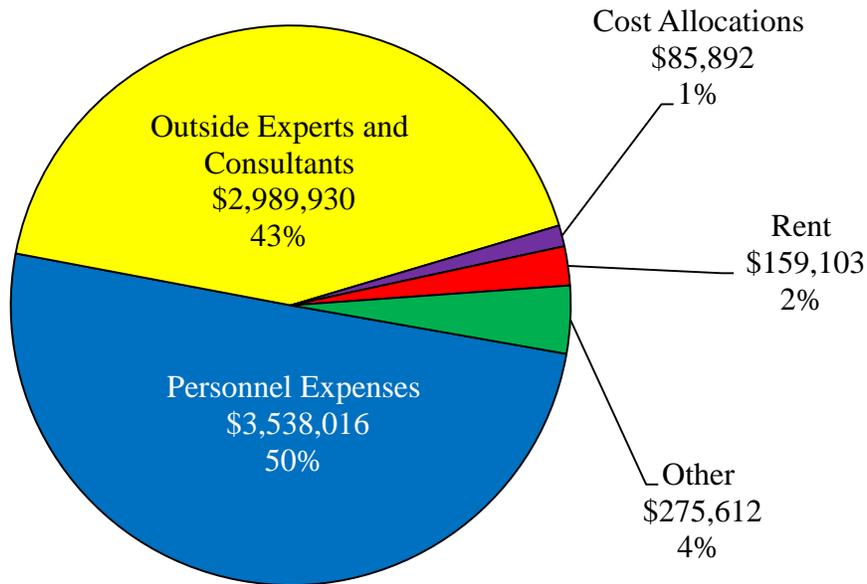
## **Fiscal 2023**

A budget amendment increased OPC’s special fund appropriation by \$989,000 to support increases in consultant fees and the reclassification of staff attorney positions to improve hiring and retention. Fiscal 2023 was the second consecutive year in which a budget amendment was processed to increase the appropriation for OPC’s operating expenses, reflecting overall increases to its workload resulting from the enactment of Chapter 607 of 2021. Among other provisions, Chapter 607 specified that in determining whether the interests of residential and noncommercial users are affected, OPC must consider the public safety, economic welfare, and environmental interests of the State and its residents, including the State’s progress toward meeting its greenhouse gas emissions reduction goals. In addition to these new statutory responsibilities, in recent years OPC has required additional resources due to growth in its caseload size and the complexity of cases in which it is involved before PSC and the Federal Energy Regulatory Commission (FERC).

## **Fiscal 2024 Overview of Agency Spending**

The fiscal 2024 allowance for OPC totals \$7.0 million. As shown in **Exhibit 1**, personnel expenses total \$3.5 million, or 50% of the budget. These funds support the office’s 22 regular positions. Outside of personnel, the majority of OPC’s budget is directed to legal services support, which totals \$3.0 million, or 43% of the fiscal 2024 allowance. This funding is used for outside experts and consulting services to assist OPC with matters for which it does not have technical expertise in proceedings before various regulatory bodies and the courts. The need for these services may vary from year to year, depending on case activity but has generally increased since fiscal 2022 reflective of the increased size of OPC’s workload as a result of Chapter 607.

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2024 Allowance**



Note: The fiscal 2024 allowance does not reflect funding for statewide personnel actions budgeted in the Statewide Account within the Department of Budget and Management.

Source: Governor’s Fiscal 2024 Budget Books

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**Proposed Budget Change**

As shown in **Exhibit 2**, OPC’s fiscal 2024 allowance increases by approximately \$463,000, or 7.0%, compared to the fiscal 2023 working appropriation after accounting for OPC’s share of a statewide deficiency related to the November 2022 4.5% cost-of-living adjustment. The largest area of change is in personnel expenses. Regular personnel expenses increase by \$787,000 primarily due to the conversion of 3 contractual full-time equivalent (FTE) staff attorney positions to regular positions and the reclassification of existing attorney and other staff positions. The 3 contractual FTEs being converted to regular positions were new contractual FTEs created in fiscal 2022 in response to the requirements of Chapter 607. Contractual personnel expenses in the fiscal 2024 allowance decrease by \$356,000 reflective of the reduction in contractual positions as a result of these conversions.

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

<b>How Much It Grows:</b>	<b><u>Special</u> <u>Fund</u></b>	<b><u>Total</u></b>
Fiscal 2022 Actual	\$5,161	\$5,161
Fiscal 2023 Working Appropriation	6,585	6,585
Fiscal 2024 Allowance	<u>7,049</u>	<u>7,049</u>
Fiscal 2023-2024 Amount Change	\$463	\$463
Fiscal 2023-2024 Percent Change	7.0%	7.0%
<b>Where It Goes:</b>		<b><u>Change</u></b>
<b>Personnel Expenses</b>		
3 new regular positions reflecting contractual conversions of staff attorneys.....		\$429
Reclassification.....		107
Employee and retiree health insurance .....		96
Regular earnings .....		90
Annualization of November 2022 4.5% cost-of-living adjustment.....		31
Employee retirement contributions.....		26
Other fringe benefit adjustments .....		8
<b>Other Changes</b>		
Consultants .....		13
Cost allocations.....		7
Insurance.....		7
Rent.....		5
Contractual employee payroll due to contractual conversions .....		-356
<b>Total</b>		<b>\$463</b>

Note: Numbers may not sum to total due to rounding.

***Personnel Data***

	<b><u>FY 22</u></b> <b><u>Actual</u></b>	<b><u>FY 23</u></b> <b><u>Working</u></b>	<b><u>FY 24</u></b> <b><u>Allowance</u></b>	<b><u>FY 23-24</u></b> <b><u>Change</u></b>
Regular Positions	19.00	19.00	22.00	3.00
Contractual FTEs	<u>2.19</u>	<u>3.00</u>	<u>0.00</u>	<u>-3.00</u>
<b>Total Personnel</b>	<b>21.19</b>	<b>22.00</b>	<b>22.00</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 12/31/22	2.00	10.53%
Vacancies Above Turnover	2.00	

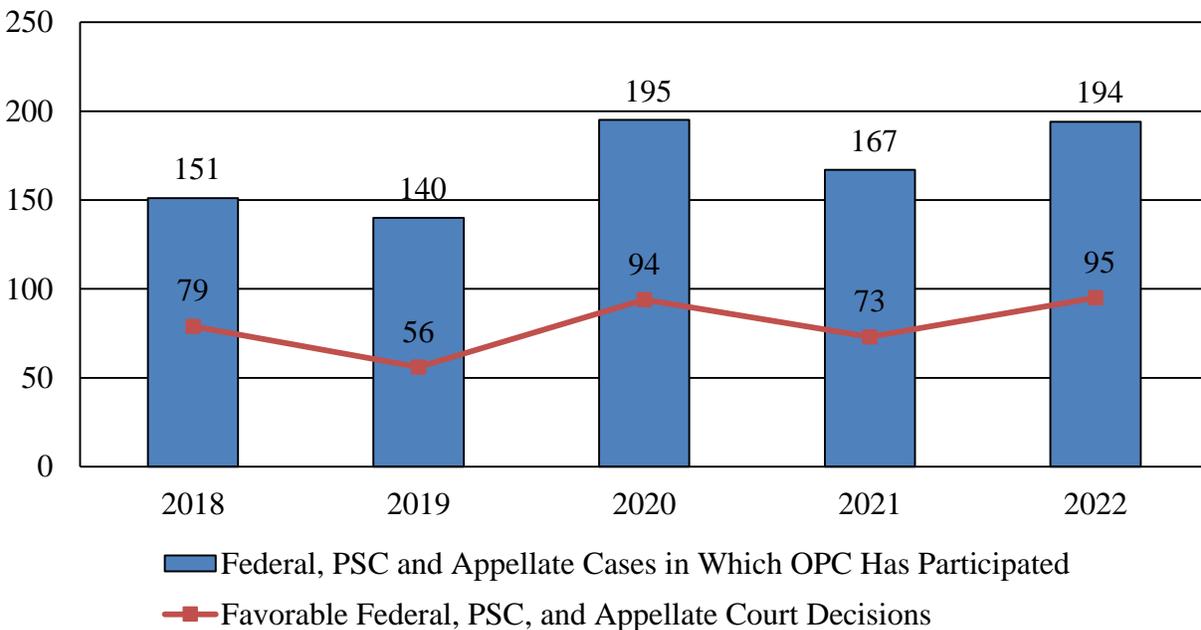
- The fiscal 2024 allowance includes funding for the conversion of 3 contractual FTE staff attorney positions to regular positions. These positions are involved in representing OPC in matters before the PSC and other regulatory bodies and were originally created to meet the requirements of Chapter 607, which increased OPC’s overall workload.

## Key Observations

### 1. OPC Case Participation and Favorable Decisions Increase

Due to its statutory obligations to represent the interests of residential ratepayers, OPC’s annual operating activities are largely driven by utility filings or regulatory actions by other entities, including PSC, FERC, and appellate courts. As shown in **Exhibit 3**, OPC’s participation in PSC, federal, and appellate court cases increased by 27 cases, or 16%, in fiscal 2022 to a total of 194 cases. Case participation in fiscal 2022 returned to a similar level as in fiscal 2020, following declines in fiscal 2021. Of the cases in which OPC participated in fiscal 2022, there were 95 favorable decisions issued. Decisions favorable to OPC increased by 30% in fiscal 2022 following a decrease in fiscal 2021. The number of favorable decisions issued generally varies depending on overall case participation and the type of case and is also impacted by the range of stakeholders involved in a given case. Additional stakeholders involved in a case may advocate for a range of positions different from OPC and impact the likelihood of a favorable outcome.

**Exhibit 3**  
**Case Participation and Favorable Decisions**  
**Fiscal 2018-2022**



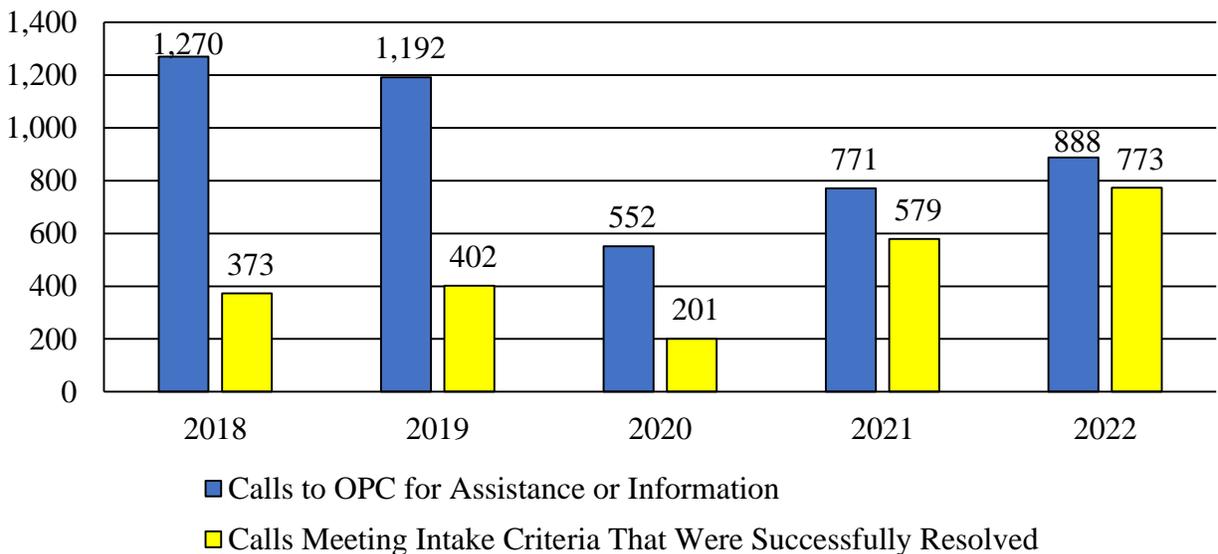
OPC: Office of People’s Counsel  
PSC: Public Service Commission

Source: Office of People’s Counsel

## 2. Calls to OPC for Assistance and Calls Successfully Resolved Increase

In addition to representing the interests of residential ratepayers in regulatory and court proceedings, OPC also conducts outreach and customer education related to utility matters, including responding to calls and other inquiries for assistance. While the number of calls to OPC for assistance fluctuates from year to year, OPC tends to experience increases in calls during periods with extreme weather or during periods of economic downturn, similar to increases in calls to PSC and applications for energy assistance. As shown in **Exhibit 4**, calls to OPC for assistance increased by 15% in fiscal 2022, and have increased for two consecutive years following a large decline in fiscal 2020. In fiscal 2021 and 2022, OPC significantly increased outreach efforts through social media and online, as well as through coordination and training with other agencies serving customers with utility billing issues, resulting in greater awareness of the office and more callers seeking assistance. The number of calls OPC received in fiscal 2022 (888) was 61% higher than in fiscal 2020. However, this number remained below the levels in and prior to fiscal 2019. Since fiscal 2020, the number of calls received by OPC meeting intake criteria that were successfully resolved has also increased both years, nearly quadrupling from 201 in fiscal 2020 to 773 in fiscal 2022. Beginning in fiscal 2021, OPC tracks calls where an intake was conducted and a referral to another agency was made as a successful resolution, resulting in a higher number of calls falling into this category.

**Exhibit 4**  
**Calls to OPC for Assistance**  
**Fiscal 2018-2022**



OPC: Office of People’s Counsel

Source: Office of People’s Counsel

## ***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 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	19.00	19.00	22.00	3.00	15.8%
02 Contractual	2.19	3.00	0.00	-3.00	-100.0%
<b>Total Positions</b>	<b>21.19</b>	<b>22.00</b>	<b>22.00</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 2,265,281	\$ 2,688,680	\$ 3,538,016	\$ 849,336	31.6%
02 Technical and Special Fees	2,442,066	3,322,077	2,989,930	-332,147	-10.0%
03 Communication	8,905	9,501	9,501	0	0%
04 Travel	7,570	31,000	31,000	0	0%
07 Motor Vehicles	11,440	12,540	12,540	0	0%
08 Contractual Services	170,952	141,606	178,192	36,586	25.8%
09 Supplies and Materials	69,564	81,000	81,000	0	0%
11 Equipment – Additional	15,922	19,000	19,000	0	0%
13 Fixed Charges	168,826	207,751	189,374	-18,377	-8.8%
<b>Total Objects</b>	<b>\$ 5,160,526</b>	<b>\$ 6,513,155</b>	<b>\$ 7,048,553</b>	<b>\$ 535,398</b>	<b>8.2%</b>
<b>Funds</b>					
03 Special Fund	\$ 5,160,526	\$ 6,513,155	\$ 7,048,553	\$ 535,398	8.2%
<b>Total Funds</b>	<b>\$ 5,160,526</b>	<b>\$ 6,513,155</b>	<b>\$ 7,048,553</b>	<b>\$ 535,398</b>	<b>8.2%</b>

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted in the Department of Budget and Management.