

**Office of Public Utility Counsel
Summary of Recommendations - House**

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Cassandra Quinn, Interim Public Counsel

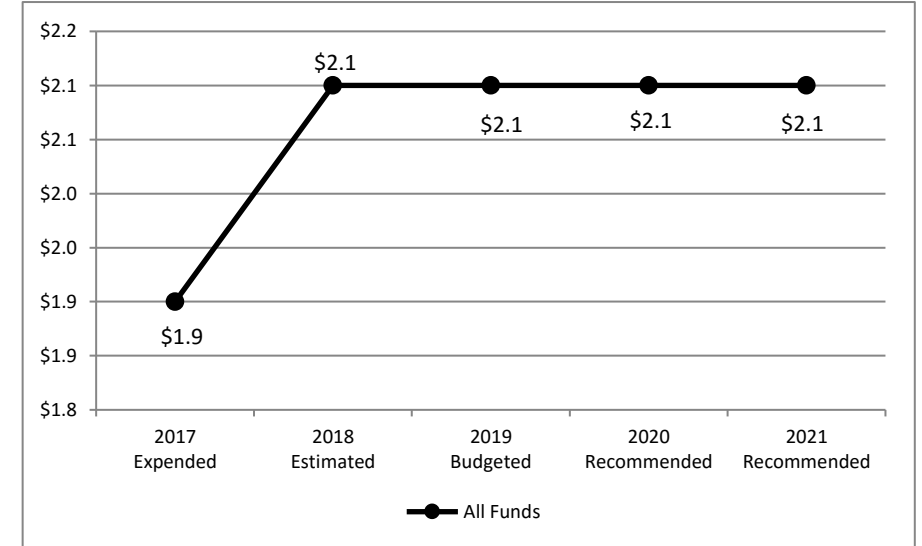
Melitta Berger, LBB Analyst

Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$3,281,418	\$3,281,418	\$0	0.0%
GR Dedicated Funds	\$990,111	\$990,111	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$4,271,529</i>	<i>\$4,271,529</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$4,271,529	\$4,271,529	\$0	0.0%

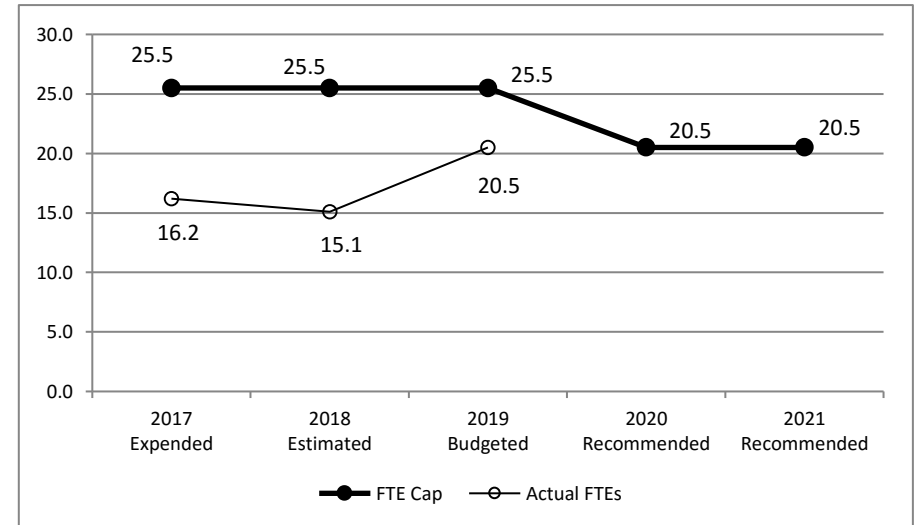
	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	20.5	20.5	0.0	0.0%

The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



**Office of Public Utility Counsel
Selected Fiscal and Policy Issues - House**

1. **Background and Changes to Workload.** The Office of Public Utility Counsel represents Texas' residential and small commercial consumers in rate cases, rulemakings, and projects involving electric, telecommunications, and water utilities in order to protect consumer interests. The agency's workload has historically been largely dictated by the number of rate cases brought before the Public Utility Commission (PUC) and the number of projects or rulemakings initiated by PUC or required of it by the legislature. In fiscal year 2018, the agency participated in 41 utility cases and 27 utility projects, and is projecting to participate in 30 cases and 26 projects in each year of the 2020-21 biennium. The passage of the federal Tax Cuts and Jobs Act of 2017 effective January 1, 2018, had a significant impact on the number of cases in which the agency participated. The agency participated in nine additional cases in fiscal year 2018 due to the passage of the Act. These cases will not occur again absent the passage of additional federal legislation.
2. **Full-time Equivalents (FTEs).** The agency has historically operated with FTEs numbering between sixty and seventy percent of its FTE cap. The recommendations would reduce the cap by 5.0 FTEs (from 25.5 to 20.5) to better align the cap with operations. The budgeted fiscal year 2019 level is also reduced to 20.5 given that the fiscal year 2018 report is well below the cap at 15.1 FTEs. Recommended funding for fiscal years 2020-21 remains level with the 2018-2019 biennial expenditure level.
3. **State Auditor Report, Performance Measures at the Office of Public Utility Counsel.** In April, the SAO published a report of their review of four key performance measures for compliance with ABEST reporting and definitions. It certified three of the four measures. The fourth measure was certified with qualification in fiscal year 2017, and found to be inaccurate in the first quarter of fiscal year 2018. The agency has implemented the recommended controls in its internal timekeeping system to ensure the accuracy of the data element that had been reported in error (a utility case was misclassified as a utility project).

**Office of Public Utility Counsel
Appendices - House**

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* Appendix is not included - no significant information to report

**Office of Public Utility Counsel
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
PARTICIPATION IN CASES A.1.1	\$2,988,344	\$2,988,344	\$0	0.0%	
Total, Goal A, EQUITABLE UTILITY RATES	\$2,988,344	\$2,988,344	\$0	0.0%	
PARTICIPATION IN UTILITY PROJECTS B.1.1	\$1,283,185	\$1,283,185	\$0	0.0%	
Total, Goal B, CONSUMER PROTECTION	\$1,283,185	\$1,283,185	\$0	0.0%	
Grand Total, All Strategies	\$4,271,529	\$4,271,529	\$0	0.0%	

**Office of Public Utility Counsel
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	25.5	25.5	25.5	20.5	20.5
Actual/Budgeted	16.2	15.1	20.5	NA	NA

Schedule of Exempt Positions (Cap)

Public Counsel (\$133,940)

Notes:

- a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 18-705, August 2018), indicates a market average salary of \$151,189 for the Public Counsel position at the Office of Public Utility Counsel.
- b) The agency has historically operated below its FTE cap. The recommendations would reduce the cap by 5.0 FTEs to better align the cap with operations.

**Office of Public Utility Counsel
Summary of Ten Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	Across the board reduction	The agency will reduce \$82,035 from General Revenue and \$24,752 from General Revenue Dedicated-Water Resources Management Account for the biennium. This reduction will be attained through across-the-board reductions for both agency strategies. This reduction will impact the agency's performance measures, primarily in the number of proceedings in which the agency represents residential and small commercial consumers.	\$106,787	\$106,787	0.5	\$0	2.5%	\$4,271,529	No
2)	Across the board reduction	Same as above.	\$106,787	\$106,787	0.5	\$0	2.5%	\$4,271,529	No
3)	Across the board reduction	Same as above.	\$106,789	\$106,789	0.5	\$0	2.5%	\$4,271,529	No
4)	Across the board reduction	Same as above.	\$106,790	\$106,790	0.5	\$0	2.5%	\$4,271,529	No
TOTAL, 10% Reduction Options			\$427,153	\$427,153	2.0	\$0			