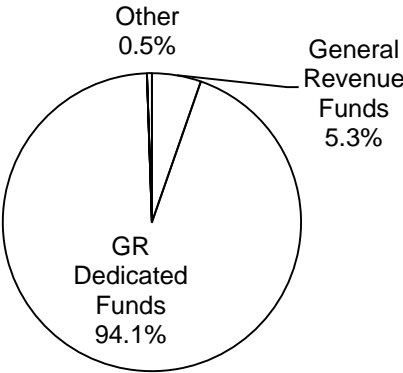


Section 1

Method of Financing	2012-13 Base	2014-15 Recommended	Biennial Change	% Change
General Revenue Funds	\$9,110,101	\$9,471,770	\$361,669	4.0%
GR Dedicated Funds	\$167,373,619	\$167,373,619	\$0	0.0%
Total GR-Related Funds	\$176,483,720	\$176,845,389	\$361,669	0.2%
Federal Funds	\$516,175	\$0	(\$516,175)	(100.0%)
Other	\$1,670,228	\$950,000	(\$720,228)	(43.1%)
All Funds	\$178,670,123	\$177,795,389	(\$874,734)	(0.5%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING



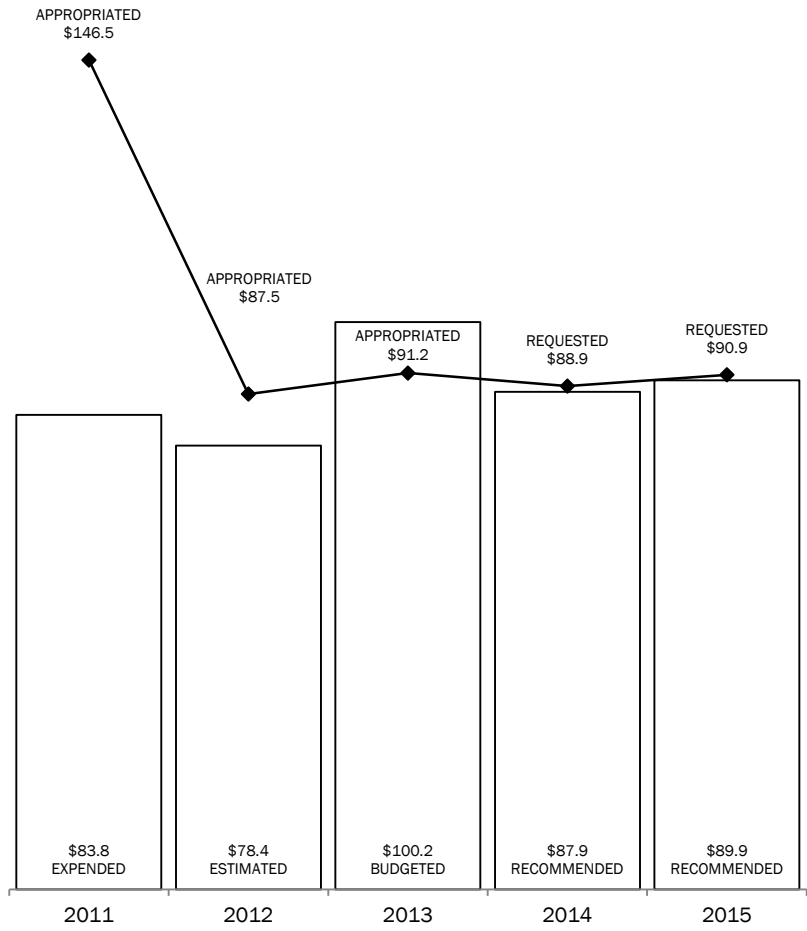
	FY 2013 Budgeted	FY 2015 Recommended	Biennial Change	% Change
FTEs	170.6	167.0	(3.6)	(2.1%)

The bill pattern for this agency (2014-15 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2014-15 biennium.

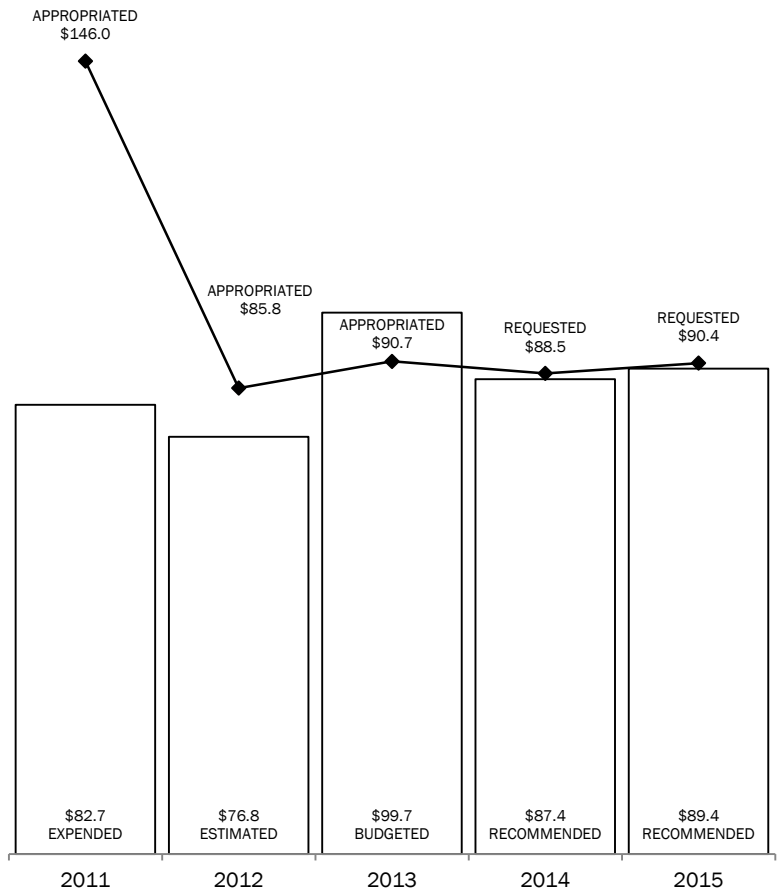
Section 1
Public Utility Commission of Texas
2014-2015 BIENNIUM
IN MILLIONS

TOTAL= \$177.8 MILLION

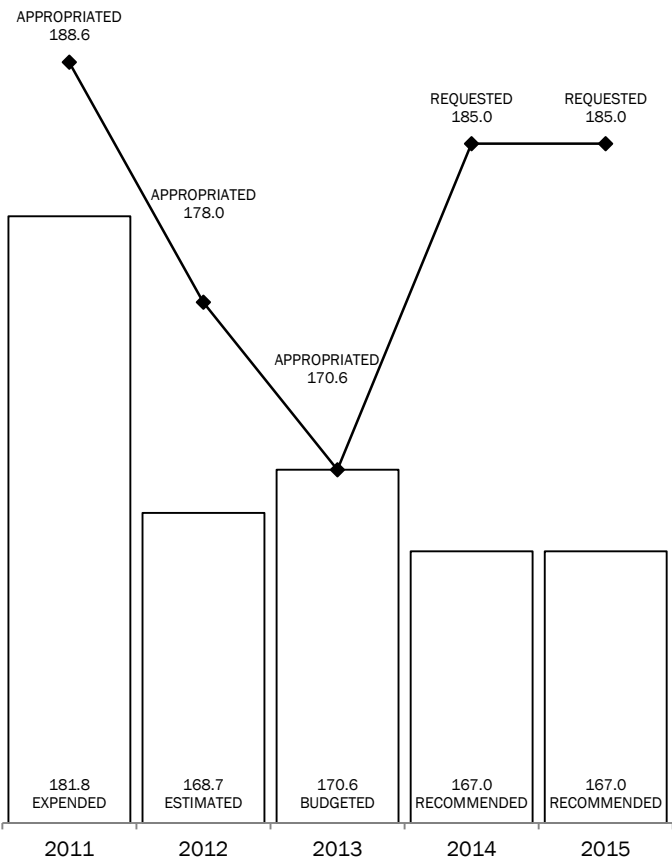
ALL FUNDS



GENERAL REVENUE AND
GENERAL REVENUE-DEDICATED FUNDS



FULL-TIME-EQUIVALENT POSITIONS



Section 2

Public Utility Commission of Texas
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
MARKET COMPETITION A.1.1	\$8,316,266	\$7,881,196	(\$435,070)	(5.2%)	
UTILITY REGULATION A.2.1	\$8,191,709	\$7,587,444	(\$604,265)	(7.4%)	
INVESTIGATION AND ENFORCEMENT A.3.1	\$3,742,571	\$3,800,582	\$58,011	1.6%	
Total, Goal A, COMPETITION/CHOICE/RATES/SERVICE	\$20,250,546	\$19,269,222	(\$981,324)	(4.8%)	
PROVIDE FACTS ABOUT CHANGES B.1.1	\$1,335,657	\$1,359,988	\$24,331	1.8%	
ASSIST CUSTOMERS B.2.1	\$1,600,056	\$1,621,284	\$21,228	1.3%	
Total, Goal B, EDUCATION AND CUSTOMER ASSISTANCE	\$2,935,713	\$2,981,272	\$45,559	1.6%	
ENERGY ASSISTANCE C.1.1	\$152,175,045	\$152,175,046	\$1	0.0%	
CONSUMER EDUCATION C.1.2	\$1,500,000	\$1,500,000	\$0	0.0%	
Total, Goal C, ELECTRIC UTILITY RESTRUCTURING	\$153,675,045	\$153,675,046	\$1	0.0%	
CENTRAL ADMINISTRATION D.1.1	\$1,205,879	\$1,246,567	\$40,688	3.4%	
INFORMATION RESOURCES D.1.2	\$502,450	\$519,403	\$16,953	3.4%	
OTHER SUPPORT SERVICES D.1.3	\$100,490	\$103,879	\$3,389	3.4%	
Total, Goal D, INDIRECT ADMINISTRATION	\$1,808,819	\$1,869,849	\$61,030	3.4%	
Grand Total, All Strategies	\$178,670,123	\$177,795,389	(\$874,734)	(0.5%)	Recommendations decrease All Funds by \$874,734 due to an increase of \$361,669 in General Revenue for Data Center Consolidation Costs (see Selected Fiscal and Policy Issues #1) and the completion of two American Recovery and Reinvestment Act federal grants (\$516,175 in Federal Funds and \$720,228 in Interagency Contracts from State Energy Conservation Office).

Section 3

Public Utility Commission Selected Fiscal and Policy Issues

1. **Capital Budget.** Recommendations increase capital budget authority and funding for the Data Center Consolidation project by \$361,669 in General Revenue over the biennium due to cost increases for current service levels identified by the Department of Information Resources (DIR) for the 2014-15 biennium. Recommended capital budget appropriations for the Data Center Consolidation project total \$965,013 in General Revenue for the biennium (see Rider Highlights #2).
2. **Low-Income Discount Program.** Recommendations continue base appropriations levels previously approved by the 82nd Legislature by providing \$152.2 million (\$75.1 million in fiscal year 2014; \$77.1 million in fiscal year 2015) of General Revenue-Dedicated—System Benefit Account No. 5100 (SBF) funds for the Low-Income Discount program. The recommended level of appropriations would provide an estimated 10 percent discount on program participant's electric bills from May to September.
3. **System Benefit Fund Revenue.** Recommendations limit revenue generated in the biennium for the SBF to the amount of funds estimated to be necessary to cover the cost of administering the allocation of the SBF (see Rider Highlights #7 and #8). Revenue for this account is generated from a nonbypassable fee set by the Public Utility Commission (PUC) that is charged to retail electric customers based on electricity usage. The PUC has set the fee at the statutory maximum rate of 65 cents per megawatt hour since 2002. According to agency estimates, the appropriation-leveled assessment rate is projected to be 37 cents in fiscal years 2014 and 2015. Compared to the maximum statutory rate, the appropriation-leveled assessment rate is anticipated to generate \$123.5 million less revenue over the biennium based on the Comptroller's Biennial Revenue Estimate. LBB staff has developed a report that includes proposals to reduce the reliance on the General Revenue-Dedicated funds being counted toward certification of the General Appropriations Act. Because the SBF is one of the accounts with the largest balances counted toward certification, the report includes specific options to reduce reliance on that account's revenue and balance.
4. **Sunset Review.** The agency is currently undergoing a limited-scope Sunset review (see Rider Highlights #6). The Sunset Commission has recommended continuing the agency for 10 years. Sunset recommendations also include transferring responsibility for water and wastewater utility regulation from the Texas Commission on Environmental Quality (TCEQ) to PUC. This would include the transfer of \$1.43 million in annual appropriations from the General Revenue-Dedicated Water Resource Management Account No. 153 and 20.0 FTEs from TCEQ to PUC.

Section 4

Public Utility Commission (PUC)
Performance Review and Policy Report Highlights

Reports & Recommendations	Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
Expand the Use of the System Benefit Fund To Support Energy-Related Projects	19					
1. Amend statute to create a proportional allocation structure for eligible allocations of System Benefit Funds, and adopt a contingency rider in Article IX reducing appropriation to PUC and appropriating a like amount to the Texas Department of Housing and Community Affairs (TDHCA) to supplement the Weatherization Assistance Program. The net impact of this recommendation on the GAA would be \$0.		\$30,435,009 (PUC) (\$30,435,009) (TDHCA)		GR-D GR-D		Amend Statute Adopt Contingency Rider
2. Amend statute to implement a credit enhancement loan program at TDHCA. The program will assist in the financing of energy efficiency and weatherization projects that could have a positive effect on low-income utility obligations in the state. Adopt a contingency rider in TDHCA's bill pattern to make an appropriation from the System Benefit Fund (Fund 5100) to capitalize the loan program.		(\$10,000,000) (TDHCA)		GR -D		Amend Statute Adopt Contingency Rider

Section 5

Public Utility Commission Rider Highlights

2. **Capital Budget.** Recommendations increase capital budget authority and funding for the Data Center Consolidation project by \$361,669 in General Revenue over the biennium due to cost increases for current service levels identified by DIR for the 2014-15 biennium. Recommended capital budget appropriations for the Data Center Consolidation project total \$965,013 over the biennium (see Selected Fiscal and Policy Issues #1).
6. **Sunset Contingency.** Recommendations update the rider (see Selected Fiscal and Policy Issues #4).
7. **Contingent Revenue.** Recommendations update rider appropriation amounts and amend the rider to include an additional subsection limiting the total amount of revenue generated in the biennium for the General Revenue-Dedicated—System Benefit Account No. 5100 (SBF) to the amount of funds necessary to cover the cost of administering the SBF (see Selected Fiscal and Policy Issues #3).
8. **Allocation of System Benefit Account.** Recommendations amend the rider to remove informational language regarding the maximum statutory assessment rate (see Selected Fiscal and Policy Issues #3). Recommendations also update the rider allocation amounts and delete the term “Contracts” from the Electric Market and Oversight line-item to clarify that those funds are not spent solely on third-party contracts. The agency uses Electric Market Oversight appropriations for contracts, staff salaries, and other personnel costs.
10. **(former) Contingency Rider: Power to Choose.** Recommendations delete this rider because provisions were contingent on Senate Bill 1219, Eighty-second Legislature, 2011, which was not enacted.

Section 6

Public Utility Commission of Texas
Items not Included in Recommendations - Senate

	2014-15 Biennial Total	
	GR & GR-Dedicated	All Funds
In Agency Priority Order		
1. General Revenue-Dedicated--System Benefit Account No. 5100 funding and increasing the Full-Time Equivalent (FTE) cap for 14.0 FTEs, including: 4.0 Program Specialist VI; 2.0 Utility Specialist II; 2.0 Economist IV; 2.0 Investigator IV; 1.0 Financial Examiner IV; 1.0 Engineering Specialist IV; 1.0 Information Specialist III; and 1.0 Customer Service Representative II. a. Salaries and wages \$1,784,000 for the biennium \$576,000 for 4.0 Program Specialist VI (\$72,000 each year per FTE) \$256,000 for 2.0 Utility Specialist II (\$64,000 each year per FTE) \$288,000 for 2.0 Economist IV (\$72,000 each year per FTE) \$204,000 for 2.0 Investigator IV (\$51,000 each year per FTE) \$142,000 for 1.0 Financial Examiner IV (\$71,000 each year) \$150,000 for 1.0 Engineering Specialist IV (\$75,000 each year) \$100,000 for 1.0 Information Specialist III (\$50,000 each year) \$68,000 for 1.0 Customer Service Representative III (\$34,000 each year) b. Other expenses \$273,981 \$74,700 for Other Personnel Costs \$14,850 for Consumable Supplies \$20,100 for Travel \$76,600 for Rent-Machine and Other \$87,731 for Other Operating Expense	\$ 2,057,981	\$ 2,057,981
2. Increase the FTE cap by 4.0 FTE from 167.0 to 171.0 to allow the flexibility necessary for the agency to react to anticipated retirements and turnover. This exceptional item request is contingent on the previous exceptional item (above) not being approved.	\$ -	\$ -
3. Remove non-transferable designation from Strategy C.1.2: Consumer Education, to allow the agency to allocate consumer education resources throughout agency strategies.	\$ -	\$ -

Section 6

Public Utility Commission of Texas
Items not Included in Recommendations - Senate

	2014-15 Biennial Total	
	GR & GR-Dedicated	All Funds
4. Designate Outcome Measure 1.1.8, Average Price per Kilowatt Hour Offered on the Power-to-Choose Website as a Percentage of the National Average, as a key measure.	\$ -	\$ -
Total, Items Not Included in the Recommendations	\$ 2,057,981	\$ 2,057,981