



Financial Status Report for 2017-18 Year-end



Administrative Services California Public Utilities Commission

November 28, 2018



Transportation Programs State Operations

Fund / Program	Budget	Expenditure	Remaining	% Remain
0042 – Rail Crossing Safety Enforcement	5,360,000	5,188,000	172,000	3.21%
0046 – Rail Transit Safety Enforcement	7,774,000	6,054,000	1,720,000	22.13%
0412 – Transportation Licensing-Household Goods Movers	2,539,000	1,865,000	674,000	26.55%
0461 – Regulation of Transportation (Freight Rail and Passenger Carriers)	17,887,000	15,404,000	2,483,000	13.88%





PUC Utilities Reimbursement Account (0462)

State Operations

Fund/Program	Budget	Expenditure	Remaining	% Remain
0462 – Energy	89,481,000	74,626,000	14,855,000	16.60%
0462 – Water/Sewer	12,928,000	9,656,000	3,272,000	25.31%
0462 - Telecommunications	27,212,000	22,550,000	4,662,000	17.13%
0462-Reimbursements (Energy)	57,844,000	31,645,000	26,199,000	45.29%





Federal Funds State Operations

Fund / Program	Budget	Expenditure	Remaining	% Remain
Energy (Pipeline and Hazardous Materials Safety Administration)	4,000,000	3,743,000	257,000	6%
Rail Transit Safety ¹	3,306,000	3,306,000	-	0%

1/ The CPUC first spends federal funds available for Rail Transit Safety. When these funds ran out in May 2018, we transitioned to state funds (Fund 0046 – Public Transportation Account, State Transportation Fund) for the remainder of the fiscal year.





Public Purpose Programs State Operations

Fund / Program	Budget	Expenditure	Remaining	% Remain
0464 – High Cost Fund A	1,334,000	657,000	677,000	50.75%
0470 – High Cost Fund B	1,553,000	317,000	1,236,000	79.59%
0471 – California Lifeline	30,707,000	20,179,000	10,528,000	34.29%
0483 – Deaf & Disabled	64,218,000	54,617,000	9,601,000	14.95%
0493 – California Teleconnect	7,756,000	1,446,000	6,310,000	81.36%
3141 – California Advanced Services Fund	4,489,000	2,353,000	2,136,000	47.58%





Local Assistance Programs by Fund Source

Fund / Program	Budget	Expenditure	Remaining	% Remain
Public Purpose Programs				
0464 – High Cost Fund A	47,913,000	39,498,000	8,415,000	17.56%
0470 – High Cost Fund B	20,777,000	14,728,000	6,049,000	29.11%
0471 – CA Lifeline	599,466,000	352,000,000	247,466,000	41.28%
0483 – Deaf and Disabled	210,000	169,000	41,000	19.52%
0493 – California Teleconnect	145,065,000	79,541,000	65,524,000	45.17%
3141 – CA Advanced Services	72,611,000	66,268,000	6,343,000	8.74%
Gas Consumption Surcharge Fund				
3015	562,057,000	456,215,000	105,842	18.83%

Chapter 932, Statutes of 2000 (AB 1002) established the gas surcharge in 2001. Proceeds are deposited in Fund 3015—Gas Consumption Surcharge Fund. AB 1002/00 imposed a surcharge on all natural gas consumed in California to fund specified low income, energy efficiency, conservation, and public interest research programs. There can be a 4-6 month lag before expenditures are reflected in Financial Reports.





2017-18 Expenditures by Division

Division	Budget	Expenditure	Remaining	% Remain
Administrative Services	41,099,000	35,632,000	5,467,000	13.30%
Administrative law Judge	14,374,000	11,799,000	2,575,000	17.91%
Communications	113,926,000	82,632,000	31,294,000	24.47%
CPED	13,097,000	12,751,000	346,000	2.64%
Energy	24,137,000	21,274,000	2,863,000	11.86%
Executive	18,463,000	17,517,000	946,000	5.12%
Legal	17,305,000	15,431,000	1,874,000	10.83%
Office of Safety Advocate	1,558,000	604,000	954,000	61.23%
Public Advocates Office	20,335,000	20,575,000	(240,000)	-1.18%
Policy and Planning	1,736,000	2,059,000	(323,000)	-18.61
Safety and Enforcement	32,206,000	28,788,000	3,418,000	10.61%
Water	2,930,000	2,850,000	80,000	2.73%
Total	301,166,000	251,912,000		





FI\$Cal Update

- Go Live Date was July 9, 2018. CPUC is fully transacting in system, and reports will be available in late November or early December.
- The State Controller and State Treasurer transitioned to FI\$Cal in phases during 2018, which has further affected Accounting Office processes.
- Accounting data from prior system will rollover in December/January.
- M Corp contract – Contractor has nearly completed business processes documentation. CPUC has available funding on contract, which will allow for more transition assistance, but has not started utilizing yet.
- We are in the final stages of closing month 1 (July). Transactions are entered for August, September, and October for the various modules.





Budget Update

- Finance decisions for the Governor's Budget are final at this point.
- Divisions are rewriting narratives to conform to DOF decisions and working on concepts for April 1 Finance Letters.
- Finance has agreed in concept with allowing administrative staff to grow as programs grow. We will be having discussions with them on staffing ratios and metrics for each unit.





Contracts Update

- CPUC will be receiving an award from DGS for outstanding achievements in small business and disabled veteran business enterprise contracting participation for 2017-18. IT and non-IT contracts staff will attend the awards ceremony on January 23.
- Energy efficiency contract Groups A, B, D, and E have been awarded. DGS ruled in favor of CPUC on the Group D protests last week.
- Group C is an IT contract. ASD's IT Acquisitions staff is coordinating with ITSD and Energy Division. This contract will consolidate the Energy Efficiency programs 23 different custom IT systems to meet scheduled deliverables throughout the year for different business line activities such as data oversight and processing, analysis and reports, archive and documentation of studies, and to enable stakeholder interactions such as utility filings and updates. The consolidation includes going to a unified coding format, redesign of websites and reports, and retaining administrative control of systems.
- A CMAS contract is being awarded to Sjoberg Evashenk Consulting, Inc. to evaluate and improve CPUC accounting functions.
- ASD is about to release a CMAS solicitation for development of an Administrative Procedures Manual and related desk manuals.





Appendix - Funding Sources for Each Division

Division	Funding Source
Administrative Services	Funds 0462, 3089
Administrative Law Judge	All funds
Communications	Funds 0462, 0464, 0470, 0471, 0483, 0493, 3141
CPED	Funds 0412, 0461, 0462
Energy	Fund 0462
Executive	All funds
Legal	All funds
Office of Safety Advocate	Fund 0462
Public Advocates Office	Fund 3089, Funded by annual transfer from Fund 0462
Policy and Planning	Funds 0461 and Fund 0462
Safety and Enforcement	Funds 0042, 0046, 0461, 0462, 0890
Water	Fund 0462





Appendix: State Funds

Fund / Program	Budget
0042-State Highway Account, State Transportation Fund PUC Program: Rail Crossing Safety Enforcement	The CPUC receives a direct appropriation from this fund, which is administered by California Department of Transportation (Caltrans). The CPUC is responsible for seeing that highway-rail and pathway-rail crossings are safely designed, constructed, and maintained. The Rail Crossings and Engineering Branch (RCEB) investigates and evaluates requests to construct new rail crossings or modify existing crossings. RCEB also investigates train-related incidents that occur at rail crossings and adjudicates complaints regarding rail crossings safety or conditions.
0046-Public Transportation Account PUC Program: Rail Transit Safety Enforcement	The CPUC receives a direct appropriation from this fund, which is administered by Caltrans. These funds support the CPUC Rail Transit Safety Branch (RTSB). RTSB engineers and analysts conduct continuous review and safety oversight of design and construction of capital projects, operations, emergency response, accident reporting, and incident investigation. RTSB inspectors conduct on-site visits to inspect infrastructure and vehicles, monitor operations, evaluate maintenance practices, and other activities to identify noncompliance, safety concerns, and unsafe conditions.
0412-Transportation Rate Fund	This fund receives fees paid by household goods movers. Generally, proceeds are generated from quarterly user fees, regulatory licenses and penalties, and voluntary suspension fees. The CPUC uses this fund to administer and enforce the Household Goods Carriers Act. This program will be transferred to the Department of Consumer Affairs as of July 1, 2018.





Appendix: State Funds (Cont.)

Fund / Program	Budget
<p>0461-Public Utilities Commission Transportation Reimbursement Account</p>	<p>Pursuant to Public Utilities Code §426, the CPUC shall use all moneys paid into the Public Utilities Commission Transportation Reimbursement Account (PUCTRA) by charter bus transportation, solely for the following purposes:</p> <ul style="list-style-type: none"> (a) Safety regulation. (b) The administration of financial responsibility requirements. (c) Commission activities to ensure compliance with safety regulation and financial responsibility requirements. (d) Any other regulatory program permitted by Section 14501(a) of Title 49 of the United States Code. <p>Fees are imposed on common carriers and related businesses subject to the jurisdiction of the CPUC and are used to regulate these entities.</p>
<p>0462-Public Utilities Commission Utilities Reimbursement Account</p>	<p>This fund is the CPUC's main operating fund. Fees are levied on investor-owned utilities and are used to support regulatory activities of the organization. Pursuant to Public Utilities Code §431, fees are:</p> <ul style="list-style-type: none"> (a) Annually determined to be paid by every investor-owned electrical, natural gas, telephone, telegraph, water, sewer system, and heat corporation and every other public utility providing service directly to customers or subscribers and subject to the jurisdiction of the CPUC other than a railroad. (b) Established to produce a total amount equal to that amount established in the authorized CPUC budget for the same year, including adjustments for increases in employee compensation, other increases appropriated by the Legislature, and an appropriate reserve to regulate public utilities less the amount to be paid from special accounts, reimbursements, federal funds, and any other revenues, and the amount of unencumbered funds from the preceding year.





Appendix: State Funds (Cont.)

Fund / Program	Budget
0464-California High Cost Fund-A Administrative Committee Fund	This fund was adopted by the CPUC via Decision 91-09-042 and is funded by an all-end-user surcharge collected by telecommunications carriers which, in turn, is remitted to the agency. Pursuant to Public Utilities Code §275.6, this fund was implemented to provide universal service rate support to small independent, telephone corporations, promoting the state's commitment to universal service and continued affordability and availability of safe, reliable, high-quality communications services in rural areas of the state.
0470-California High Cost Fund-B Administrative Committee Fund	This fund was adopted by the CPUC via Decision 91-10-066 and is funded by an all-end-user surcharge collected by telecommunications carriers which, in turn, is remitted to the agency. Pursuant to Public Utilities Code §739.3, subsidies are provided to carriers of last resort (COLRs) for providing basic local telephone service to residential customers in high-cost areas. The purpose of the subsidies is to keep basic telephone service affordable and to meet the CPUC's universal service goal.
0471-Universal Lifeline Telephone Service Trust Administrative Committee Fund	This fund was expanded by the CPUC via Decision 14-01-036 and is funded by an all-end-user surcharge collected by telecommunications carriers which in turn is remitted to the agency. This program provides subsidies for wireline or wireless services for qualifying low income individuals and families.





Appendix: State Funds Cont.

Fund / Program	Budget
0483-Deaf and Disabled Telecommunications Program Administrative Committee Fund	<p>Pursuant to Public Utilities Code §2881, the Public Utilities Commission (PUC) implemented a program to provide telecommunications devices to Californians with certified hearing, vision, speech, cognitive, and mobility disabilities.</p> <p>This program is funded by an all-end-user surcharge collected by telecommunications carriers which, in turn, is remitted to the agency. Program beneficiaries receive the following benefits:</p> <ul style="list-style-type: none"> a) Specialized telecommunications equipment, such as (amplifying/speech generating devices, telephone ringer signals, speakerphones, and cordless phones). b) A dual party relay system, now called the California Relay Service (CRS), connecting TTY user(s) with any other telephone user(s). The CRS uses third-party intervention to provide 24-hour contact with any other telephone subscriber.
0493-California Teleconnect Fund Administrative Committee Fund	<p>This fund was adopted by the CPUC via Decision 96-10-066. Pursuant to Public Utilities Code §280, the CPUC provides discounts for telecommunications services to qualifying K-12 schools, community colleges, libraries, hospitals, health clinics, and community based organizations. Chapter 841/16 (SB 1212) authorizes the CPUC, if deemed appropriate, to expend up to \$1.5 million CTF to help close 2-1-1 service gaps in counties lacking access to disaster preparedness, response, and recovery information and referral services, where technically feasible, through available 2-1-1 service. The 2017-18 budget includes \$1.5 million local assistance for this purpose. This program is funded by an all-end-user surcharge collected by telecommunications carriers which, in turn, is remitted to the agency.</p>





Appendix: State Funds Cont.

Fund / Program	Budget
0890-Federal Trust Fund	<p>The CPUC receives federal grant funding for pipeline and rail transit safety activities. The state established the Federal Trust Fund to provide accountability for the receipt and expenditure of federal funds received by the state. Multiple departments receive a direct appropriation from this fund.</p>
0995-Reimbursements	<p>Pursuant to Public Utilities Code and CPUC-approved Resolutions and Decisions, utilities reimburse the CPUC for program oversight. The CPUC is reimbursed for the labor of its employees and the labor and travel costs of consultants hired by the CPUC.</p> <p>Additional expenses, not included in the initial contract, are billed to the utility for payment. Reimbursable contracts, (sometimes reimbursed by multiple utilities, as a percentage of the total cost), include contracts for California Environmental Quality Act (CEQA), Energy Efficiency, and Low Income Oversight.</p>
3015-Gas Consumption Surcharge Fund	<p>Pursuant to Public Utilities Code 890(a), surcharges are levied on natural gas consumption in order to fund low-income assistance programs, such as the California Alternate Rates for Energy (CARE), required by sections 739.1, 739.2, 2790. This surcharge supports energy efficiency and conservation projects. The Budget Act transfers \$24 million annually to the Energy Commission for public interest research programs.</p>





Appendix: State Funds Cont.

Fund / Program	Budget
<p>3089-Public Utilities Commission Ratepayer Advocate Account</p>	<p>The annual Budget Act transfers funds from the Public Utilities Commission Utilities Reimbursement Account (PUCRA) to the Public Utilities Commission Public Advocates Account. This account supports the activities of the Public Advocates Office (PAO).</p> <p>PAO duties include representing the interests of public utility customers and subscribers within the jurisdiction of the Commission.</p> <p>PAO's mandate and function is defined in Public Utilities Code §309.5, which charges PAO with representing and advocating on behalf of public utility customers and subscribers in all significant proceedings within the Public Utility Commission's jurisdiction.</p>
<p>3141-California Advanced Services Fund</p>	<p>This fund was adopted by the CPUC via Decision 07-12-054. Pursuant to Public Utilities Code §234, the CPUC provides grants to telecommunication carriers to bridge the "digital divide" by providing:</p> <ol style="list-style-type: none"> a) Broadband services to areas currently without broadband access. b) Construct facilities in underserved areas.





Thank you.

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