

Legislative Appropriations Request

For Fiscal Years 2010 and 2011

**Submitted to the
Governor's Office of Budget, Planning and Policy
and the Legislative Budget Board**

by



Public Utility Commission of Texas

August 13, 2008

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ADMINISTRATOR'S STATEMENT
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
TIME: **11:53:10AM**
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Agency code: **473**

Agency name: **Public Utility Commission of Texas**

Over the past thirteen years, the Public Utility Commission of Texas (PUC or Commission) has been called upon to implement Legislative mandates associated with the restructuring of the electric and telecommunications industries. The agency continues to adjust its focus as telecommunications and electric markets mature, while continuing to regulate parts of the State not yet open to competition. The PUC's traditional regulatory role has decreased over the years, but has been replaced with responsibilities for oversight of competitive markets. The result is that overall, the PUC has not experienced a decreased need for funding of its core functions.

The PUC's basic functions are reflected in the agency's strategies: competitive market oversight; rate and service quality regulation; enforcement of statutes, rules, and orders; providing information to customers, utilities and competitive providers; assisting customers with resolving disputes with service providers; customer education related to electric restructuring; and administration of the electric low income discount program. The PUC created the strategy related to enforcement as part of the strategic planning process conducted earlier this year to emphasize the Commission's efforts in this area. The PUC has also added new performance measures to provide additional information about agency activities.

In October 2007, the PUC made changes to the agency organizational structure such that it is now completely based on functions, and organizational units based on the industries the PUC regulates and oversees have been eliminated. This structure allows for more efficient use of staff resources because employees can be assigned to work on the highest priority matters, regardless of whether the matter pertains to the electric or telecommunications industry.

PUC Commissioners

| | | |
|------------------------------|-------------------------------------|---------|
| Chairman Barry T. Smitherman | April 24, 2004 - August 31, 2013 | Houston |
| Commissioner Julie Parsley | November 15, 2002 - August 31, 2011 | Austin |
| Commissioner Paul Hudson | August 26, 2003 - August 31, 2009 | Austin |

Appropriation Request

The PUC receives appropriations from two sources – General Revenue, and General Revenue Dedicated, which is funded by the System Benefit Fund. The PUC's base request is for funding at the levels appropriated in 2008 and 2009, adjusted for the salary increases granted by the 80th Legislature.

The PUC's request also contains an exceptional item requesting a significant increase to funding from the System Benefit Fund for customer education. This program, authorized by Public Utility Regulatory Act §39.902, received funding of \$12 million per year in fiscal years 2001 and 2002, \$6 million per year in fiscal year 2003, and \$750,000 per year in fiscal years 2004 – 2009. The current funding supports a customer choice Internet Website, www.powertochoose.org, a call center, and limited outreach. Increased funding of this program will enable the Commission to enhance its customer education efforts by supporting development of new educational materials based on information of current interest to consumers, and to increase outreach to deliver that information to the people who need it.

In addition, the PUC's request contains an exceptional item funding the projected budget increase for the Data Center Services (DCS) project. The data center network costs were not accounted for in the Department of Information Resources (DIR) base case for FY 2008-2009. The original base case was requested and funded in the previous biennium without the network costs. The network costs have now been calculated by DIR and allocated to the project. This will be an ongoing expense included in the project. The funding will be allocated across all strategies and will support the operations of the PUC.

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Agency name: **Public Utility Commission of Texas**

General Revenue

The PUC requests funding from General Revenue for fiscal years 2010 and 2011 at the same level as for fiscal years 2008 and 2009. This level of funding allows the PUC to accomplish its statutory duties with the degree of quality that the Legislature and people of Texas have come to expect from the agency.

As required by the Legislative Appropriations Request instructions, the PUC has included the 10 Percent Biennial Base Reduction Options Schedule which demonstrates the reductions to the baseline request that are proposed if the agency's funding were decreased by 10%. The PUC proposes to reduce funding, and spending, ratably across its strategies. Approximately 85% of the Commission's General Revenue appropriation is spent on salaries; decreases in funding mean decreases in staff. Due to past decreases in funding and changes in statutory responsibilities which have occurred, the PUC does not currently perform work that could be considered discretionary. All of the agency's activities are required by statute. The Commission is able to exercise discretion in the prioritization and timing of its work, and at times, in the overall level of resources that can be expended on a particular function. For example, the PUC has established an enforcement program to assure that customers receive the benefits of competition. Unlike the Commission's statutory responsibility to respond to various applications for regulatory approvals, the burden to initiate enforcement actions is with the Commission and is dependent on the agency's ability to commit resources to act in a proactive, rather than reactive mode. A reduction in funding would mean a decrease in our ability to devote resources to aggressively enforce the Public Utility Regulatory Act (PURA) and the Commission's rules. In the area of rulemaking, the Commission has many statutory mandates to adopt rules, and must periodically amend its rules in response to changing conditions. Decreased funding would make it difficult for the PUC to adopt rules required by new legislation on a timely basis, and could affect the agency's ability to enact necessary rule amendments. Another area of concern would be the PUC's informal complaint resolution program. We place a high priority on timely processing of informal complaints, and are currently exceeding our performance measure for that function. The agency is also proud of the level of service it provides to consumers through the agency's call center. However, decreased funding would result in a lower level of service in this area.

General Revenue Dedicated: System Benefit Fund

The System Benefit Fund (SBF) was created in 1999 as part of the comprehensive restructuring of the electric utility industry. PURA §39.903 provides that the SBF, which is funded by a non-bypassable fee assessed to retail electric providers via transmission and distribution utilities, based on electricity usage of customers, shall provide funding for the following purposes:

- (1) programs to assist low income electric customers by providing a rate discount of 10 to 20 percent, and to provide one time bill payment assistance to low income electric customers who are or who have in their households seriously ill or disabled and who have been threatened with disconnection for non-payment;
- (2) customer education programs;
- (3) administrative expenses incurred by the PUC in administering Chapter 39 of PURA, and expenses incurred by the Office of Public Utility Counsel under Chapter 39;
- (4) programs to assist low-income electric customers by providing targeted energy efficiency programs; and
- (5) reimbursement to the PUC and Health and Human Services Commission for expenses incurred in the implementation and administration of an integrated eligibility process for discounts relating to retail electric service, including outreach expenses the PUC determines are reasonable and necessary.

Since the SBF's creation in 1999, the PUC has received appropriations in varying amounts for the purposes specified in PURA §39.903.

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Customer Education

The PUC has received funding for customer education from the SBF at the following levels:

| Fiscal Year | Appropriated Amount |
|-------------|---------------------|
| 2001 | \$12,000,000 |
| 2002 | \$12,000,000 |
| 2003 | \$6,000,000 |
| 2004 | \$750,000 |
| 2005 | \$750,000 |
| 2006 | \$750,000 |
| 2007 | \$750,000 |
| 2008 | \$750,000 |
| 2009 | \$750,000 |

For fiscal years 2010 and 2011, the PUC requests an appropriation of \$5 million per year, a total of \$10 million for the biennium. The increased funding level is presented as an exceptional item in the amount of \$4,250,000, which when added to the baseline request of \$750,000 would total \$5 million. This level of funding would allow the PUC to significantly improve its customer education efforts, which would provide important information to customers and help them make choices about and better understand their electric service.

For example, deployment of advanced metering technology over the next 3-5 years will bring the potential for many improvements in the provision of electric service to customers, such as time-of-use rates, increased opportunities for energy efficiency, and more timely initiation of service and changes of providers. As the new metering technology is implemented, it will be important for customers to have the information they need to understand and benefit from the new technology.

Other topics that could potentially be included in an expanded education effort would be the importance of fuel diversity and development of alternative generation resources; the need for right of way maintenance, such as tree trimming, and the role it plays in service quality and reliability; and energy efficiency opportunities and benefits. Also, customers will continue to need information about how to select a provider and rate package that will best meet their needs.

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Low Income Discount Program and Bill Payment Assistance

The PUC has historically received funding for the electric low income discount program from the SBF at the following levels:

| Fiscal Year | Appropriated Amount |
|-------------|---------------------|
| 2002 | \$97,083,960 |
| 2003 | \$135,957,827 |
| 2004 | \$97,129,705 |
| 2005 | \$117,504,085 |
| 2006 | \$0 |
| 2007 | \$0 |
| 2008 | \$80,000,000 |
| 2009 | \$90,000,000 |

The PUC also received an appropriation of \$30,000,000 in June 2007 to fund the program July - September 2007.

The PUC's request for the electric low income discount program for fiscal years 2010 and 2011 is based on the amount appropriated for this purpose in 2007. The 80th Legislature directed the PUC to use the amounts appropriated to provide a discount of up to 20 percent during the months of May through September in each year of the biennium. This level of funding, together with funds carried forward from the June 2007 appropriation, was adequate to provide a 20 percent discount during the designated months based on current eligibility requirements. This level of funding would support a 17% discount for the months of May through September in 2010 and 2011, taking into account expected increases in program participation based on population growth. If the Legislature wishes to provide for a different discount level, or to provide for the discount to occur during additional months of the year, or to make other changes to the program, the appropriation to the agency may need to be adjusted to reflect that intent.

The PUC has not included a request for funding for the bill payment assistance program created by PURA §39.903(j-1). This section, which was effective September 1, 2005, provides for bill payment assistance to prevent the disconnection of electric service for nonpayment of bills if there is one or more seriously ill or disabled low-income persons in the household whose health or safety may be injured by disconnection. The Legislature has not, to date, appropriated funds for this program.

Administration and Implementation of Chapter 39

The PUC requests funding for administration and implementation of Chapter 39 in the amount of \$2,204,472 per fiscal year. In fiscal years 2001 through 2007, the PUC received an appropriation of \$875,842 per fiscal year for expenses incurred to administer Chapter 39 of PURA. Beginning in fiscal year 2004, the PUC received additional funds in the amount of \$2,000,000 per fiscal year to support its electric wholesale and retail market oversight functions. For fiscal years 2008 and 2009, the PUC limited its request for total funding for implementation of Chapter 39 to \$2,075,842 per fiscal year, 72% of the amount appropriated for that purpose in fiscal years 2006 and 2007. The PUC was able to reduce its request because, pursuant to Senate Bill 408 enacted by the 79th Legislature, responsibility for monitoring the wholesale electric market was

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transferred to an independent market monitor which is overseen by the Commission, but funded by the Electric Reliability Council of Texas (ERCOT). Although day-to-day market monitoring is performed by the independent market monitor, the PUC retains overall responsibility for wholesale and retail market oversight, including enforcement.

Historically, the amounts appropriated for market oversight have been allocated between wholesale market oversight and retail market oversight, and were designated to be used for contracts. The PUC requests that in the future, the distinction between wholesale and retail market oversight be eliminated, and that the funds not be specifically designated for contracts. The PUC has learned that oversight of electric markets is not cleanly divided between wholesale and retail issues. It is important for the Commission to have flexibility in the use of its appropriated funds to achieve the most cost-effective mix of outside consultants and in-house expertise.

Executive Director's Compensation

The Executive Director's compensation level is a concern for the PUC. The PUC is a mission-critical agency; all persons who use telecommunications and electric services are affected by the PUC's activities.

The entities subject to the PUC's jurisdiction represent about \$14 billion in annual revenue. That number does not include entities such as power generation companies that are subject to PUC oversight, but not rate regulation. The Commission has oversight authority over the Electric Reliability Council of Texas (ERCOT), the independent organization which manages the electric grid that serves 70% of Texas, and the ERCOT Independent Market Monitor, the entity created by statute to detect and prevent market manipulation in the wholesale electric market.

The PUC also has responsibility for administration of the Universal Service Fund and the System Benefit Fund, each of which has a balance of hundreds of millions of dollars. The Commission has had the responsibility of implementing legislative initiatives restructuring both the telecommunications and electric industries. During that time, the PUC has adapted the agency's functions and priorities to its new role, which includes oversight of competitive wholesale and retail markets, continuing to regulate the rates of companies that are still subject to traditional cost of service regulation, and enforcement of statutes and regulations. The PUC also plays a key role in providing important information to customers who now purchase telecommunications and electric services in competitive markets rather than being served by monopoly providers.

The Commission accomplishes its mission through the Executive Director's leadership of a staff of highly specialized professionals who perform sophisticated analyses of complex issues. The agency has 188.6 authorized FTEs. Approximately 66% of the PUC's employees are college graduates; approximately 52% of those college graduates have graduate degrees. Also, 26% of the PUC employees have a professional license or certificate, e.g. Certified Public Accountant, Professional Engineer, or Attorney. In order to be an effective and credible leader of such a workforce, the PUC Executive Director needs to be highly qualified and perform well in the job.

Regulating utilities and overseeing competitive markets are technically complex tasks. The "learning curve" for PUC employees is steep, which makes it crucial that the agency be able to attract and retain a high quality workforce. The PUC has learned that inadequate compensation is the number one reason employees leave the PUC – most departing employees go on to lucrative private sector jobs where they can use the knowledge they obtained at the PUC. The PUC understands that state agencies cannot compete head-on with private sector employment opportunities, but we need to be able to pay people a salary that is still attractive, when considered along with the other benefits of employment in state government. The Executive Director's pay establishes the maximum pay for PUC employees. The agency pay structure must also provide for appropriate pay differentials to reflect varying levels of responsibility and expertise.

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The PUC also has a post-employment restriction that is more onerous than any other state agency. For one year after a person is employed at the PUC, he or she may not be employed by a public utility that was in the scope of the employee's official responsibility. Because the Executive Director is responsible for the entire agency, this restriction is an absolute ban on employment by a public utility for one year following separation from the agency. Because the PUC competes with other agencies for the same pool of executive talent, the Executive Director's salary should reflect the more onerous post-employment restriction.

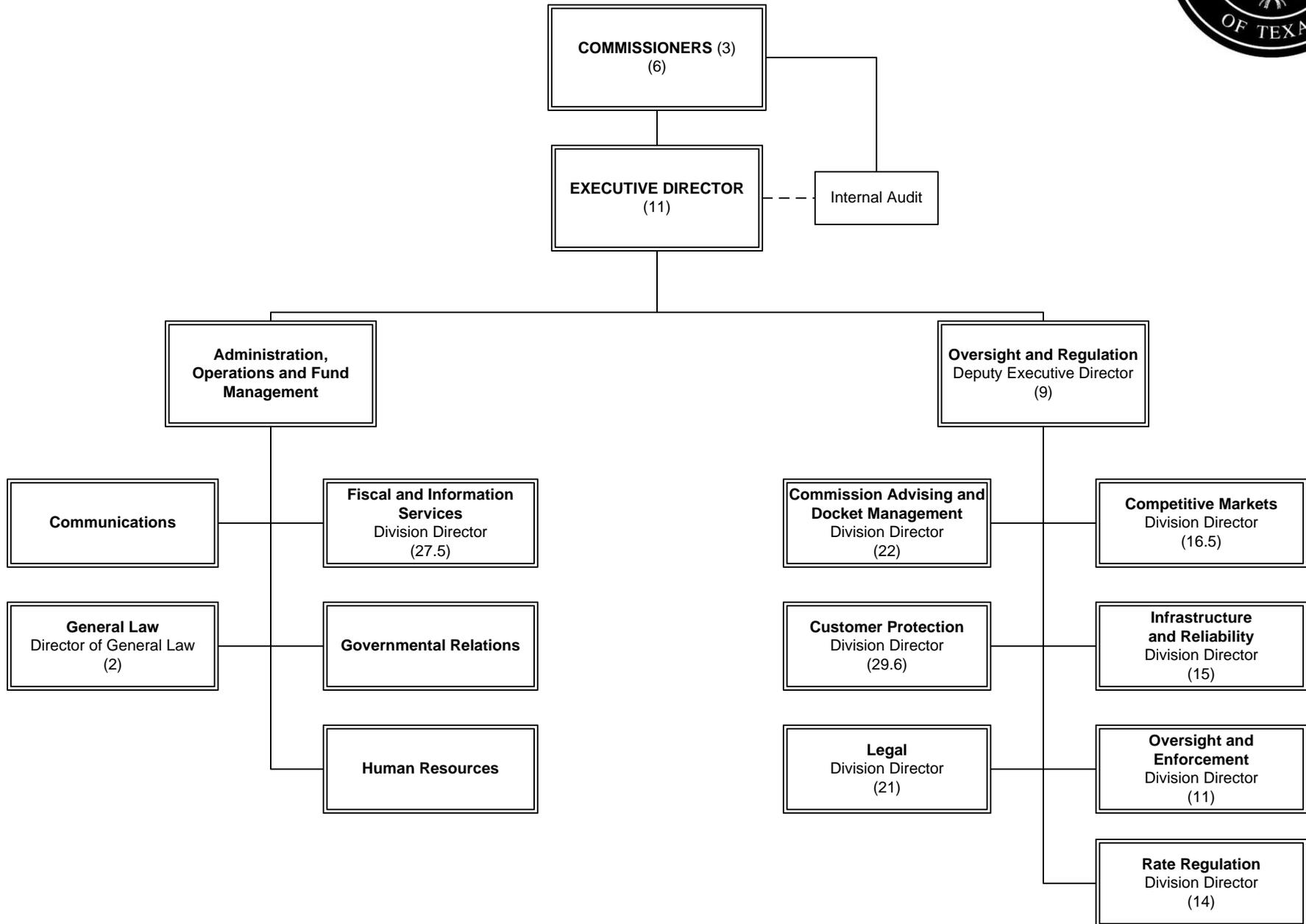
The Commissioners believe that the Executive Director's salary should be increased to reflect the contribution of the person holding that position to the State of Texas. The Executive Director is an exempt employee whose salary group and specific salary are established in the Appropriations Act. The Commissioners request that the Executive Director's position be reclassified from Group 4 to Group 5, and that the position's salary be established at \$135,000.

Agency Authority to Conduct Background Checks

The PUC does not have explicit statutory authority to conduct criminal background checks, and does not conduct background checks on current or prospective employees.

W. Lane Lanford
Executive Director

PUBLIC UTILITY COMMISSION OF TEXAS
 FUNCTIONAL ORGANIZATION CHART
 Fiscal Year 2008



Public Utility Commission
Description of Functions in Organizational Units

Oversight and Regulation

Commission Advising and Docket Management – This division is responsible for preparing final orders in contested cases; processing unopposed contested cases; serving as liaison with the Attorney General on matters relating to appeals of rules and contested cases; advising the Commissioners on contested cases and arbitrations; and providing the agency Alternative Dispute Resolution Coordinator.

Competitive Markets Division – This division is responsible for wholesale and retail market oversight, including market design; oversight of the Electric Reliability Council of Texas (ERCOT); oversight of the renewable energy program; energy efficiency program implementation; generation adequacy issues; and arbitrations of telecommunications interconnection disputes.

Customer Protection Division – This division is responsible for the PUC’s informal customer complaint resolution program; customer education and information; Relay Texas and Specialized Telecommunications Assistance Program administration; and No Call List program administration.

Infrastructure and Reliability Division – This division is responsible for emergency management response and Homeland Security; licensing and registration of service providers; development of service quality standards; transmission line and power plant certificates of convenience and necessity; area code oversight; 911 oversight; power plant fuel issues; and service area boundary changes.

Legal Division – This division provides legal services to other divisions for all contested cases, rulemakings, and projects.

Oversight and Enforcement Division – This division is responsible for all compliance and enforcement efforts, including investigation and prosecution of alleged violations of statutes, rules and orders, and coordination with the Texas Regional Entity concerning alleged violations of state law.

Rate Regulation Division – This division is responsible for review of all requests for rate changes, including electric retail rates, electric transmission and distribution rates, electric wholesale transmission rates, and telecom retail rates; telecom cost study review; telecom municipal access rates; and earnings monitoring.

Administration, Operations and Fund Management

Communications – This unit consists of one individual who is responsible for providing information about PUC activities to media and other outside entities.

Fiscal and Information Services – This division is responsible for Universal Service Fund and System Benefit Fund oversight; administration of the agency budget; payroll administration; Historically Underutilized Business program; procurement; mail services; contract administration; travel approvals; records management; facilities management; installation and maintenance of the agency's computer network; managing software licenses; Website design and maintenance; and software development for specialized agency applications.

General Law – This Division is responsible for preparing contracts; providing legal opinions and advice on ethics, records management, and human resources matters; and responding to Public Information Act requests.

Governmental Relations – This Division is responsible for responding to requests from the Legislature and federal and state agencies, and coordinating the PUC's participation in matters relating to the Legislative session.

Human Resources – This Division is responsible for providing support in recruitment and hiring; employee benefits; developing and maintaining personnel policies to ensure compliance with state and federal laws; classification and compensation matters; and performance review oversight.

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:00:13PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Goal / Objective / STRATEGY | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|--|--------------------|--------------------|---------------------|--------------------|--------------------|
| 1 <u>Ensure Competition, Choice, Just Rates, and Reliable Quality Service</u> | | | | | |
| 1 <u>Maintain Policies to Foster Competition in Telecom & Elec Mkts</u> | | | | | |
| 1 MARKET COMPETITION | 3,977,159 | 4,328,264 | 5,099,863 | 4,614,765 | 4,614,765 |
| 2 <u>Regulate Providers Ensuring Companies Meet Service Quality Standards</u> | | | | | |
| 1 UTILITY REGULATION | 3,207,546 | 3,644,632 | 3,249,886 | 3,262,303 | 3,262,303 |
| 3 <u>Ensure Compliance with Statutes, Rules, and Orders</u> | | | | | |
| 1 INVESTIGATION AND ENFORCEMENT | 952,474 | 1,378,036 | 1,949,931 | 1,957,382 | 1,957,382 |
| TOTAL, GOAL 1 | \$8,137,179 | \$9,350,932 | \$10,299,680 | \$9,834,450 | \$9,834,450 |
| 2 <u>Educate Customers and Assist Customers</u> | | | | | |
| 1 <u>Inform Customers of Choices & Rights & Facilitate Information Access</u> | | | | | |
| 1 PROVIDE FACTS ABOUT CHANGES | 1,185,889 | 1,133,298 | 1,171,909 | 1,177,438 | 1,177,438 |
| 2 <u>Resolve Complaints Consistent w/Laws & PUC Rules & Orders</u> | | | | | |
| 1 ASSIST CUSTOMERS | 592,945 | 505,464 | 521,932 | 524,977 | 524,977 |
| TOTAL, GOAL 2 | \$1,778,834 | \$1,638,762 | \$1,693,841 | \$1,702,415 | \$1,702,415 |
| 3 <u>Electric Utility Restructuring</u> | | | | | |
| 1 <u>Provide Financial Assistance</u> | | | | | |
| 1 ENERGY ASSISTANCE | 15,788,609 | 87,962,286 | 96,249,105 | 90,000,000 | 91,000,000 |
| 2 CONSUMER EDUCATION | 745,702 | 589,460 | 910,540 | 750,000 | 750,000 |

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
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DATE: 8/12/2008
 TIME: 12:00:13PM

Agency code: 473 Agency name: Public Utility Commission of Texas

| Goal / Objective / STRATEGY | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|
| TOTAL, GOAL 3 | \$16,534,311 | \$88,551,746 | \$97,159,645 | \$90,750,000 | \$91,750,000 |
| 4 Indirect Administration | | | | | |
| 1 Indirect Administration | | | | | |
| 1 CENTRAL ADMINISTRATION | 1,287,606 | 1,170,223 | 1,301,245 | 1,236,823 | 1,236,823 |
| 2 INFORMATION RESOURCES | 536,503 | 531,919 | 591,475 | 562,192 | 562,192 |
| 3 OTHER SUPPORT SERVICES | 107,300 | 106,384 | 118,295 | 112,438 | 112,438 |
| TOTAL, GOAL 4 | \$1,931,409 | \$1,808,526 | \$2,011,015 | \$1,911,453 | \$1,911,453 |
| TOTAL, AGENCY STRATEGY REQUEST | \$28,381,733 | \$101,349,966 | \$111,164,181 | \$104,198,318 | \$105,198,318 |
| TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST* | | | | \$0 | \$0 |
| GRAND TOTAL, AGENCY REQUEST | \$28,381,733 | \$101,349,966 | \$111,164,181 | \$104,198,318 | \$105,198,318 |

2.A. SUMMARY OF BASE REQUEST BY STRATEGY
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 TIME: 12:00:13PM

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| Goal / Objective / STRATEGY | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|
| <u>METHOD OF FINANCING:</u> | | | | | |
| General Revenue Funds: | | | | | |
| 1 General Revenue Fund | 10,295,039 | 10,008,389 | 11,354,503 | 10,768,846 | 10,768,846 |
| SUBTOTAL | \$10,295,039 | \$10,008,389 | \$11,354,503 | \$10,768,846 | \$10,768,846 |
| General Revenue Dedicated Funds: | | | | | |
| 5100 System Benefit Account | 17,651,684 | 90,711,577 | 99,334,678 | 92,954,472 | 93,954,472 |
| SUBTOTAL | \$17,651,684 | \$90,711,577 | \$99,334,678 | \$92,954,472 | \$93,954,472 |
| Other Funds: | | | | | |
| 666 Appropriated Receipts | 435,010 | 630,000 | 475,000 | 475,000 | 475,000 |
| SUBTOTAL | \$435,010 | \$630,000 | \$475,000 | \$475,000 | \$475,000 |
| TOTAL, METHOD OF FINANCING | \$28,381,733 | \$101,349,966 | \$111,164,181 | \$104,198,318 | \$105,198,318 |

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
 81st Regular Session, Agency Submission, Version 1
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DATE: **8/12/2008**
 TIME: **12:00:42PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| METHOD OF FINANCING | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <u>GENERAL REVENUE</u> | | | | | |
| <u>1</u> General Revenue Fund | | | | | |
| <i>REGULAR APPROPRIATIONS</i> | | | | | |
| Regular Appropriation from MOF Table | \$9,666,300 | \$10,159,072 | \$10,159,071 | \$10,768,846 | \$10,768,846 |
| <i>TRANSFERS</i> | | | | | |
| Art IX, Sec 13.17(a), Salary Increase (2006-07 GAA) | \$487,315 | \$0 | \$0 | \$0 | \$0 |
| Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA) | \$0 | \$163,760 | \$338,560 | \$0 | \$0 |
| <i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i> | | | | | |
| HB 15, Data Center Consolidation, Sec 30 (n) - Onetime Costs | \$0 | \$11,500 | \$11,500 | \$0 | \$0 |
| HB 15, Data Center Consolidation, Sec 30(a) - Data Center Payments | \$0 | \$259,715 | \$259,714 | \$0 | \$0 |
| <i>LAPSED APPROPRIATIONS</i> | | | | | |
| Capital Budget Appropriations | \$(58,626) | \$0 | \$0 | \$0 | \$0 |
| Regular Appropriation | \$(476,220) | \$0 | \$0 | \$0 | \$0 |

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
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DATE: **8/12/2008**
 TIME: **12:00:49PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| METHOD OF FINANCING | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>GENERAL REVENUE</u> | | | | | |
| <i>UNEXPENDED BALANCES AUTHORITY</i> | | | | | |
| Art IX, Sec 14.03(j), Capital Budget UB (2008-09 GAA) | \$0 | \$(14,831) | \$14,831 | \$0 | \$0 |
| Art IX, Sec 6.16(j), Capital Budget UB (2006-07 GAA) | \$33,027 | \$0 | \$0 | \$0 | \$0 |
| Art VIII. pg 83 RIDER 6 (2008-09 GAA) | \$0 | \$(570,827) | \$570,827 | \$0 | \$0 |
| Article VIII. pg 82 Rider 6 (2006-07 GAA) | \$643,243 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, General Revenue Fund | \$10,295,039 | \$10,008,389 | \$11,354,503 | \$10,768,846 | \$10,768,846 |
| TOTAL, ALL GENERAL REVENUE | \$10,295,039 | \$10,008,389 | \$11,354,503 | \$10,768,846 | \$10,768,846 |

GENERAL REVENUE FUND - DEDICATED

5100 GR Dedicated - System Benefit Account No. 5100

REGULAR APPROPRIATIONS

Regular Appropriation from MOF Table

| | | | | |
|-------------|--------------|--------------|--------------|--------------|
| \$3,625,842 | \$82,895,592 | \$92,895,592 | \$92,954,472 | \$93,954,472 |
|-------------|--------------|--------------|--------------|--------------|

TRANSFERS

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:00:49PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| METHOD OF FINANCING | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <u>GENERAL REVENUE FUND - DEDICATED</u> | | | | | |
| Art IX, Sec 13.17(a), Salary Increase (2006-07 GAA) | \$42,086 | \$0 | \$0 | \$0 | \$0 |
| Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA) | \$0 | \$14,240 | \$29,440 | \$0 | \$0 |
| <i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i> | | | | | |
| HB 15, 80th Legislature, Regular Session | \$30,000,000 | \$0 | \$0 | \$0 | \$0 |
| <i>LAPSED APPROPRIATIONS</i> | | | | | |
| Regular Appropriation | \$(2,874,646) | \$0 | \$0 | \$0 | \$0 |
| <i>UNEXPENDED BALANCES AUTHORITY</i> | | | | | |
| Art VIII. pg 83 RIDER 6 (2008-09 GAA) | \$0 | \$(6,249,106) | \$6,249,106 | \$0 | \$0 |
| Art VIII. pg 83 RIDER 6 (2008-09 GAA) | \$0 | \$(160,540) | \$160,540 | \$0 | \$0 |
| Article VIII. pg 87 Rider 6 (2006-07 GAA) | \$1,069,793 | \$0 | \$0 | \$0 | \$0 |
| HB 15, 80th Legislature, Regular Session | \$(14,211,391) | \$14,211,391 | \$0 | \$0 | \$0 |

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:00:49PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| METHOD OF FINANCING | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|
| <u>GENERAL REVENUE FUND - DEDICATED</u> | | | | | |
| TOTAL, GR Dedicated - System Benefit Account No. 5100 | \$17,651,684 | \$90,711,577 | \$99,334,678 | \$92,954,472 | \$93,954,472 |
| TOTAL, ALL GENERAL REVENUE FUND - DEDICATED | \$17,651,684 | \$90,711,577 | \$99,334,678 | \$92,954,472 | \$93,954,472 |
| TOTAL, GR & GR-DEDICATED FUNDS | \$27,946,723 | \$100,719,966 | \$110,689,181 | \$103,723,318 | \$104,723,318 |
| <u>OTHER FUNDS</u> | | | | | |
| 666 Appropriated Receipts | | | | | |
| <i>REGULAR APPROPRIATIONS</i> | | | | | |
| Regular Appropriation from MOF Table | \$475,000 | \$475,000 | \$475,000 | \$475,000 | \$475,000 |
| <i>RIDER APPROPRIATION</i> | | | | | |
| Art IX, Sec 8.03, Reimbursements and Payments (2008-09 GAA) | \$0 | \$155,000 | \$0 | \$0 | \$0 |
| <i>LAPSED APPROPRIATIONS</i> | | | | | |
| Regular Appropriation | \$(63,213) | \$0 | \$0 | \$0 | \$0 |
| <i>UNEXPENDED BALANCES AUTHORITY</i> | | | | | |
| Article VIII. pg 87 Rider 6 (2006-07 GAA) | \$23,223 | \$0 | \$0 | \$0 | \$0 |

2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:00:49PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| METHOD OF FINANCING | Exp 2007 | Est 2008 | Bud 2009 | Req 2010 | Req 2011 |
|-------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <u>OTHER FUNDS</u> | | | | | |
| TOTAL, Appropriated Receipts | \$435,010 | \$630,000 | \$475,000 | \$475,000 | \$475,000 |
| TOTAL, ALL OTHER FUNDS | \$435,010 | \$630,000 | \$475,000 | \$475,000 | \$475,000 |
| GRAND TOTAL | \$28,381,733 | \$101,349,966 | \$111,164,181 | \$104,198,318 | \$105,198,318 |

FULL-TIME-EQUIVALENT POSITIONS

| | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| REGULAR APPROPRIATIONS | | | | | |
| Authorized Limit in GAA | 210.9 | 190.0 | 190.0 | 188.6 | 188.6 |
| TRANSFERS | | | | | |
| Art IX, Sec 18.02 (c) Data Center Consolidation FTE Reduction | 0.0 | (1.4) | (1.4) | 0.0 | 0.0 |
| UNAUTHORIZED NUMBER OVER (BELOW) CAP | | | | | |
| Reduction in FTE's due to Budget constraints & turnover | (39.6) | (14.9) | 0.0 | 0.0 | 0.0 |
| TOTAL, ADJUSTED FTES | 171.3 | 173.7 | 188.6 | 188.6 | 188.6 |
| NUMBER OF 100% FEDERALLY FUNDED FTES | | | | | |
| | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:01:07PM**

| Agency code: 473 | Agency name: Public Utility Commission of Texas | | | | |
|-------------------------------------|--|----------------------|----------------------|----------------------|----------------------|
| OBJECT OF EXPENSE | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
| 1001 SALARIES AND WAGES | \$9,581,412 | \$10,147,842 | \$10,539,457 | \$10,817,117 | \$10,881,116 |
| 1002 OTHER PERSONNEL COSTS | \$380,440 | \$416,729 | \$402,500 | \$402,500 | \$402,500 |
| 2001 PROFESSIONAL FEES AND SERVICES | \$1,471,133 | \$2,376,548 | \$4,583,962 | \$3,795,511 | \$3,826,300 |
| 2003 CONSUMABLE SUPPLIES | \$59,712 | \$56,110 | \$60,000 | \$60,000 | \$60,000 |
| 2004 UTILITIES | \$22,576 | \$24,066 | \$23,260 | \$23,260 | \$23,260 |
| 2005 TRAVEL | \$53,633 | \$70,402 | \$70,000 | \$70,000 | \$50,000 |
| 2006 RENT - BUILDING | \$15,588 | \$10,724 | \$10,000 | \$10,000 | \$10,000 |
| 2007 RENT - MACHINE AND OTHER | \$383,327 | \$364,986 | \$439,831 | \$400,000 | \$400,000 |
| 2009 OTHER OPERATING EXPENSE | \$678,358 | \$556,104 | \$645,066 | \$552,930 | \$525,142 |
| 3001 CLIENT SERVICES | \$15,716,472 | \$87,326,455 | \$94,390,105 | \$88,067,000 | \$89,020,000 |
| 5000 CAPITAL EXPENDITURES | \$19,082 | \$0 | \$0 | \$0 | \$0 |
| OOE Total (Excluding Riders) | \$28,381,733 | \$101,349,966 | \$111,164,181 | \$104,198,318 | \$105,198,318 |
| OOE Total (Riders) | | | | | |
| Grand Total | \$28,381,733 | \$101,349,966 | \$111,164,181 | \$104,198,318 | \$105,198,318 |

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/12/2008
Time: 12:01:27PM

Agency code: 473

Agency name: **Public Utility Commission of Texas**

| Goal/ Objective / Outcome | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|---|----------|----------|----------|---------|---------|
| 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service | | | | | |
| 1 Maintain Policies to Foster Competition in Telecom & Elec Mkts | | | | | |
| KEY 1 % Tx Cities Srvd by 3 or More Certificated Telecommunication Providers | | | | | |
| | 82.22% | 83.00% | 83.00% | 82.00% | 81.00% |
| 2 % Comp Res Customers Served by More Than Five Electric Providers | | | | | |
| | 99.70% | 99.70% | 99.70% | 99.70% | 99.70% |
| 3 Percent of Goal Achieved for Renewable Energy | | | | | |
| | 221.00% | 179.00% | 100.00% | 100.00% | 100.00% |
| KEY 4 Avg Price Elec/kWh in TX for Residential Customers As % of Nat'l Avg | | | | | |
| | 143.60% | 135.60% | 124.42% | 121.00% | 119.00% |
| 5 Avg Price Electricity/kWh for TX Commercial Customers As % Nat'l Avg | | | | | |
| | 103.50% | 111.50% | 106.80% | 105.00% | 105.00% |
| 6 Avg Price Electricity/kWh for TX Industrial Customers As % Nat'l Avg | | | | | |
| | 125.20% | 138.30% | 128.45% | 125.00% | 122.00% |
| 7 Percentage of Households in Texas with Telephone Service in Place | | | | | |
| | 91.10% | 92.65% | 92.80% | 92.95% | 93.10% |
| KEY 8 Avg Ann Resid Elec Bill from Competitive Suppliers as a % of Nat'l Avg | | | | | |
| | 154.60% | 167.20% | 154.06% | 150.00% | 148.00% |
| 2 Regulate Providers Ensuring Companies Meet Service Quality Standards | | | | | |
| KEY 1 Average Annual Residential Telephone Bill as a % of National Average | | | | | |
| | 69.89% | 72.50% | 72.40% | 73.00% | 73.00% |
| 2 Average Annual Business Telephone Bill as a % of the National Average | | | | | |
| | 79.39% | 80.60% | 80.00% | 81.00% | 82.00% |
| 3 Avg Price Electricity Per kWh for Residential Cust as % of Nat'l Avg | | | | | |
| | 102.40% | 107.90% | 103.23% | 104.00% | 105.00% |
| 4 Avg Price Electricity Per kWh for Commercial Cust as % of Nat'l Avg | | | | | |
| | 96.00% | 112.00% | 108.60% | 110.00% | 112.00% |

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/12/2008

Time: 12:01:37PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Goal/ Objective / Outcome | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|--------------|--------------|--------------|--------------|--------------|
| 5 Average Annual Residential Electric Bill from Regulated Suppliers | | | | | |
| | 103.10% | 105.80% | 101.15% | 102.00% | 103.00% |
| 6 % of Subscriber Lines in Texas Are Served by Digital Switches | | | | | |
| | 96.65% | 97.00% | 97.00% | 97.50% | 98.00% |
| 7 % of Subscribers Served by Exchanges Meeting Service Quality Standards | | | | | |
| | 50.06% | 48.73% | 48.00% | 47.50% | 47.00% |
| 8 % Electric Customers Served | | | | | |
| | 96.83% | 96.24% | 96.90% | 96.95% | 97.00% |
| <i>3 Ensure Compliance with Statutes, Rules, and Orders</i> | | | | | |
| 1 % Agreements with Specific Provisions for Avoiding Future Violations | | | | | |
| | 32.00% | 38.00% | 55.00% | 60.00% | 65.00% |
| 2 Dollar Amount Administrative Penalties Assessed for Violations | | | | | |
| | 5,863,852.00 | 700,000.00 | 1,500,000.00 | 1,550,000.00 | 1,600,000.00 |
| <i>2 Educate Customers and Assist Customers</i> | | | | | |
| <i>2 Resolve Complaints Consistent w/Laws & PUC Rules & Orders</i> | | | | | |
| KEY 1 % Customer Complaints Resolved through Informal Resolution Process | | | | | |
| | 99.79% | 99.00% | 99.00% | 99.00% | 99.00% |
| 2 Credits & Refunds Obtained for Customers through Complaint Resolution | | | | | |
| | 1,299,565.00 | 1,250,000.00 | 1,300,000.00 | 1,350,000.00 | 1,400,000.00 |
| <i>3 Electric Utility Restructuring</i> | | | | | |
| <i>1 Provide Financial Assistance</i> | | | | | |
| KEY 1 % of Elig Low-income Customers Provided a Discount for Elec Service | | | | | |
| | 88.60% | 93.00% | 93.00% | 93.00% | 93.00% |

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:02:01PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Priority | Item | 2010 | | | 2011 | | | Biennium | |
|---|-----------------------------------|---------------------|--------------------|------|---------------------|--------------------|------|---------------------|--------------------|
| | | GR and GR/Dedicated | All Funds | FTEs | GR and GR Dedicated | All Funds | FTEs | GR and GR Dedicated | All Funds |
| 1 | Customer Education | \$4,250,000 | \$4,250,000 | | \$4,250,000 | \$4,250,000 | | \$8,500,000 | \$8,500,000 |
| 2 | DCS - Incremental Network/True-up | \$108,912 | \$108,912 | | \$59,912 | \$59,912 | | \$168,824 | \$168,824 |
| Total, Exceptional Items Request | | \$4,358,912 | \$4,358,912 | | \$4,309,912 | \$4,309,912 | | \$8,668,824 | \$8,668,824 |

Method of Financing

| | | | | | | | | |
|-----------------------------|--------------------|--------------------|--|--------------------|--------------------|--|--------------------|--------------------|
| General Revenue | \$108,912 | \$108,912 | | \$59,912 | \$59,912 | | \$168,824 | \$168,824 |
| General Revenue - Dedicated | 4,250,000 | 4,250,000 | | 4,250,000 | 4,250,000 | | 8,500,000 | 8,500,000 |
| Federal Funds | | | | | | | | |
| Other Funds | | | | | | | | |
| | \$4,358,912 | \$4,358,912 | | \$4,309,912 | \$4,309,912 | | \$8,668,824 | \$8,668,824 |

Full Time Equivalent Positions

Number of 100% Federally Funded FTEs 0.0 0.0

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/12/2008
 TIME : 12:02:31PM

Agency code: 473 Agency name: Public Utility Commission of Texas

| Goal/Objective/STRATEGY | Base 2010 | Base 2011 | Exceptional 2010 | Exceptional 2011 | Total Request 2010 | Total Request 2011 |
|--|----------------------|----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service | | | | | | |
| 1 <i>Maintain Policies to Foster Competition in Telecom & Elec Mkts</i> | | | | | | |
| 1 MARKET COMPETITION | \$4,614,765 | \$4,614,765 | \$32,674 | \$17,974 | \$4,647,439 | \$4,632,739 |
| 2 <i>Regulate Providers Ensuring Companies Meet Service Quality Standards</i> | | | | | | |
| 1 UTILITY REGULATION | 3,262,303 | 3,262,303 | 27,228 | 14,978 | 3,289,531 | 3,277,281 |
| 3 <i>Ensure Compliance with Statutes, Rules, and Orders</i> | | | | | | |
| 1 INVESTIGATION AND ENFORCEMENT | 1,957,382 | 1,957,382 | 16,337 | 8,987 | 1,973,719 | 1,966,369 |
| TOTAL, GOAL 1 | \$9,834,450 | \$9,834,450 | \$76,239 | \$41,939 | \$9,910,689 | \$9,876,389 |
| 2 Educate Customers and Assist Customers | | | | | | |
| 1 <i>Inform Customers of Choices & Rights & Facilitate Information Access</i> | | | | | | |
| 1 PROVIDE FACTS ABOUT CHANGES | 1,177,438 | 1,177,438 | 9,802 | 5,392 | 1,187,240 | 1,182,830 |
| 2 <i>Resolve Complaints Consistent w/Laws & PUC Rules & Orders</i> | | | | | | |
| 1 ASSIST CUSTOMERS | 524,977 | 524,977 | 4,356 | 2,396 | 529,333 | 527,373 |
| TOTAL, GOAL 2 | \$1,702,415 | \$1,702,415 | \$14,158 | \$7,788 | \$1,716,573 | \$1,710,203 |
| 3 Electric Utility Restructuring | | | | | | |
| 1 <i>Provide Financial Assistance</i> | | | | | | |
| 1 ENERGY ASSISTANCE | 90,000,000 | 91,000,000 | 0 | 0 | 90,000,000 | 91,000,000 |
| 2 CONSUMER EDUCATION | 750,000 | 750,000 | 4,250,000 | 4,250,000 | 5,000,000 | 5,000,000 |
| TOTAL, GOAL 3 | \$90,750,000 | \$91,750,000 | \$4,250,000 | \$4,250,000 | \$95,000,000 | \$96,000,000 |

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/12/2008
 TIME : 12:02:38PM

Agency code: 473 Agency name: Public Utility Commission of Texas

| Goal/Objective/STRATEGY | Base 2010 | Base 2011 | Exceptional 2010 | Exceptional 2011 | Total Request 2010 | Total Request 2011 |
|---|----------------------|----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| 4 Indirect Administration | | | | | | |
| 1 <i>Indirect Administration</i> | | | | | | |
| 1 CENTRAL ADMINISTRATION | \$1,236,823 | \$1,236,823 | \$11,980 | \$6,590 | \$1,248,803 | \$1,243,413 |
| 2 INFORMATION RESOURCES | 562,192 | 562,192 | 5,446 | 2,996 | 567,638 | 565,188 |
| 3 OTHER SUPPORT SERVICES | 112,438 | 112,438 | 1,089 | 599 | 113,527 | 113,037 |
| TOTAL, GOAL 4 | \$1,911,453 | \$1,911,453 | \$18,515 | \$10,185 | \$1,929,968 | \$1,921,638 |
| TOTAL, AGENCY STRATEGY REQUEST | \$104,198,318 | \$105,198,318 | \$4,358,912 | \$4,309,912 | \$108,557,230 | \$109,508,230 |
| TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST | | | | | | |
| GRAND TOTAL, AGENCY REQUEST | \$104,198,318 | \$105,198,318 | \$4,358,912 | \$4,309,912 | \$108,557,230 | \$109,508,230 |

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/12/2008
 TIME : 12:02:38PM

| Agency code: 473 Agency name: Public Utility Commission of Texas | | | | | | | |
|---|------------------------|----------------------|----------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <i>Goal/Objective/STRATEGY</i> | | Base 2010 | Base 2011 | Exceptional 2010 | Exceptional 2011 | Total Request 2010 | Total Request 2011 |
| General Revenue Funds: | | | | | | | |
| 1 | General Revenue Fund | \$10,768,846 | \$10,768,846 | \$108,912 | \$59,912 | \$10,877,758 | \$10,828,758 |
| | | \$10,768,846 | \$10,768,846 | \$108,912 | \$59,912 | \$10,877,758 | \$10,828,758 |
| General Revenue Dedicated Funds: | | | | | | | |
| 5100 | System Benefit Account | 92,954,472 | 93,954,472 | 4,250,000 | 4,250,000 | \$97,204,472 | \$98,204,472 |
| | | \$92,954,472 | \$93,954,472 | \$4,250,000 | \$4,250,000 | \$97,204,472 | \$98,204,472 |
| Other Funds: | | | | | | | |
| 666 | Appropriated Receipts | 475,000 | 475,000 | 0 | 0 | \$475,000 | \$475,000 |
| | | \$475,000 | \$475,000 | \$0 | \$0 | \$475,000 | \$475,000 |
| TOTAL, METHOD OF FINANCING | | \$104,198,318 | \$105,198,318 | \$4,358,912 | \$4,309,912 | \$108,557,230 | \$109,508,230 |
| FULL TIME EQUIVALENT POSITIONS | | 188.6 | 188.6 | 0.0 | 0.0 | 188.6 | 188.6 |

2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

Date : 8/12/2008

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Time: 12:21:32PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

Goal/ Objective / Outcome

| | BL 2010 | BL 2011 | Excp 2010 | Excp 2011 | Total Request 2010 | Total Request 2011 |
|------------|---|--------------------|----------------------|----------------------|-----------------------------------|-----------------------------------|
| 1 | Ensure Competition, Choice, Just Rates, and Reliable Quality Service | | | | | |
| 1 | <i>Maintain Policies to Foster Competition in Telecom & Elec Mkts</i> | | | | | |
| KEY | 1 % Tx Cities Srvd by 3 or More Certificated Telecommunication Providers | | | | | |
| | 82.00% | 81.00% | | | 82.00% | 81.00% |
| | 2 % Comp Res Customers Served by More Than Five Electric Providers | | | | | |
| | 99.70% | 99.70% | | | 99.70% | 99.70% |
| | 3 Percent of Goal Achieved for Renewable Energy | | | | | |
| | 100.00% | 100.00% | | | 100.00% | 100.00% |
| KEY | 4 Avg Price Elec/kWh in TX for Residential Customers As % of Nat'l Avg | | | | | |
| | 121.00% | 119.00% | | | 121.00% | 119.00% |
| | 5 Avg Price Electricity/kWh for TX Commercial Customers As % Nat'l Avg | | | | | |
| | 105.00% | 105.00% | | | 105.00% | 105.00% |
| | 6 Avg Price Electricity/kWh for TX Industrial Customers As % Nat'l Avg | | | | | |
| | 125.00% | 122.00% | | | 125.00% | 122.00% |
| | 7 Percentage of Households in Texas with Telephone Service in Place | | | | | |
| | 92.95% | 93.10% | | | 92.95% | 93.10% |
| KEY | 8 Avg Ann Resid Elec Bill from Competitive Suppliers as a % of Nat'l Avg | | | | | |
| | 150.00% | 148.00% | | | 150.00% | 148.00% |
| 2 | <i>Regulate Providers Ensuring Companies Meet Service Quality Standards</i> | | | | | |

2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

Date : 8/12/2008

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Time: 12:21:45PM

Agency code: 473

Agency name: Public Utility Commission of Texas

Goal/ Objective / Outcome

| | BL 2010 | BL 2011 | Excp 2010 | Excp 2011 | Total Request 2010 | Total Request 2011 |
|---|------------|------------|--------------|--------------|--------------------------|--------------------------|
| KEY | | | | | | |
| 1 Average Annual Residential Telephone Bill as a % of National Average | 73.00% | 73.00% | | | 73.00% | 73.00% |
| 2 Average Annual Business Telephone Bill as a % of the National Average | 81.00% | 82.00% | | | 81.00% | 82.00% |
| 3 Avg Price Electricity Per kWh for Residential Cust as % of Nat'l Avg | 104.00% | 105.00% | | | 104.00% | 105.00% |
| 4 Avg Price Electricity Per kWh for Commercial Cust as % of Nat'l Avg | 110.00% | 112.00% | | | 110.00% | 112.00% |
| 5 Average Annual Residential Electric Bill from Regulated Suppliers | 102.00% | 103.00% | | | 102.00% | 103.00% |
| 6 % of Subscriber Lines in Texas Are Served by Digital Switches | 97.50% | 98.00% | | | 97.50% | 98.00% |
| 7 % of Subscribers Served by Exchanges Meeting Service Quality Standards | 47.50% | 47.00% | | | 47.50% | 47.00% |
| 8 % Electric Customers Served | 96.95% | 97.00% | | | 96.95% | 97.00% |
| 3 <i>Ensure Compliance with Statutes, Rules, and Orders</i> | | | | | | |

2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

Date : 8/12/2008

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Time: 12:21:45PM

Agency code: 473

Agency name: Public Utility Commission of Texas

Goal/ Objective / Outcome

| | BL 2010 | BL 2011 | Excp 2010 | Excp 2011 | Total Request 2010 | Total Request 2011 |
|--|--|--------------------|----------------------|----------------------|-----------------------------------|-----------------------------------|
| 1 % Agreements with Specific Provisions for Avoiding Future Violations | | | | | | |
| | 60.00% | 65.00% | | | 60.00% | 65.00% |
| 2 Dollar Amount Administrative Penalties Assessed for Violations | | | | | | |
| | 1,550,000.00 | 1,600,000.00 | | | 1,550,000.00 | 1,600,000.00 |
| 2 | Educate Customers and Assist Customers | | | | | |
| 2 | <i>Resolve Complaints Consistent w/Laws & PUC Rules & Orders</i> | | | | | |
| KEY | 1 % Customer Complaints Resolved through Informal Resolution Process | | | | | |
| | 99.00% | 99.00% | | | 99.00% | 99.00% |
| 2 Credits & Refunds Obtained for Customers through Complaint Resolution | | | | | | |
| | 1,350,000.00 | 1,400,000.00 | | | 1,350,000.00 | 1,400,000.00 |
| 3 | Electric Utility Restructuring | | | | | |
| 1 | <i>Provide Financial Assistance</i> | | | | | |
| KEY | 1 % of Elig Low-income Customers Provided a Discount for Elec Service | | | | | |
| | 93.00% | 93.00% | | | 93.00% | 93.00% |

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:31PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 1 Maintain Policies to Foster Competition in Telecom & Elec Mkts Service Categories:
 STRATEGY: 1 Foster and Monitor Market Competition Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|------------------------------------|--|----------|----------|----------|---------|---------|
| Output Measures: | | | | | | |
| | 1 Number of Retail Electric Providers Registered | 117.00 | 137.00 | 150.00 | 160.00 | 165.00 |
| | 2 Number of Competitive Telecommunications Service Providers Licensed | 553.00 | 550.00 | 550.00 | 550.00 | 550.00 |
| KEY 3 | Number of Investigations Conducted for Market Power Electric | 14.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| KEY 4 | # of Investigations for Market Power in the Telephone Market | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| KEY 5 | Number of Cases Completed Related to Competition Among Providers | 565.00 | 400.00 | 400.00 | 375.00 | 375.00 |
| | 6 # of Rules Adopted or Amended Relating to Competitive Electric Issues | 24.00 | 11.00 | 10.00 | 11.00 | 11.00 |
| | 7 # of Rules Adopted or Amended Relating to Competitive Telecom Issues | 7.00 | 0.00 | 5.00 | 2.00 | 2.00 |
| | 8 Number of Applications & Amendments for Cable Franchise Certificates | 82.00 | 90.00 | 95.00 | 100.00 | 105.00 |
| Efficiency Measures: | | | | | | |
| KEY 1 | Avg # of Days to Process an Application for a Telecom COA & SPCOA | 38.00 | 52.00 | 52.00 | 52.00 | 52.00 |
| Explanatory/Input Measures: | | | | | | |
| | 1 # of Elect Coops and Municipal Utilities Reg for Wholesale Trans Rate | 41.00 | 40.00 | 37.00 | 37.00 | 37.00 |
| | 2 % of Statewide Electric Generating Capacity Above Peak Demand in ERCOT | 16.63 % | 17.36 % | 13.70 % | 15.00 % | 15.00 % |
| | 3 Energy Savings Due to Energy Efficiency Programs | 77.00 % | 90.00 % | 100.00 % | 95.00 % | 95.00 % |
| | 4 Demand Reductions Due to Energy Efficiency Programs | 124.00 % | 125.00 % | 100.00 % | 95.00 % | 95.00 % |
| | 5 Number of Power Generation Companies in Texas | 156.00 | 186.00 | 198.00 | 216.00 | 235.00 |

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
 OBJECTIVE: 1 Maintain Policies to Foster Competition in Telecom & Elec Mkts
 STRATEGY: 1 Foster and Monitor Market Competition

Statewide Goal/Benchmark: 7 9
 Service Categories:
 Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|------|---|----------|----------|----------|----------|----------|
| 6 | Number of Aggregators in Texas | 226.00 | 230.00 | 234.00 | 238.00 | 240.00 |
| 7 | Average Cost of Natural Gas in Texas as a Percent of 2001 Avg Costs | 162.00 % | 217.34 % | 245.79 % | 242.32 % | 229.03 % |

Objects of Expense:

| | | | | | | |
|---------------------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1001 | SALARIES AND WAGES | \$3,131,902 | \$3,140,267 | \$3,220,339 | \$3,335,404 | \$3,354,603 |
| 1002 | OTHER PERSONNEL COSTS | \$121,741 | \$125,019 | \$120,750 | \$120,750 | \$120,750 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$327,877 | \$739,265 | \$1,384,327 | \$823,753 | \$818,890 |
| 2003 | CONSUMABLE SUPPLIES | \$19,108 | \$16,833 | \$18,000 | \$18,000 | \$18,000 |
| 2004 | UTILITIES | \$7,224 | \$7,220 | \$6,978 | \$6,978 | \$6,978 |
| 2005 | TRAVEL | \$17,162 | \$21,121 | \$21,000 | \$21,000 | \$15,000 |
| 2006 | RENT - BUILDING | \$4,988 | \$3,217 | \$3,000 | \$3,000 | \$3,000 |
| 2007 | RENT - MACHINE AND OTHER | \$122,665 | \$109,496 | \$131,949 | \$120,000 | \$120,000 |
| 2009 | OTHER OPERATING EXPENSE | \$218,386 | \$165,826 | \$193,520 | \$165,880 | \$157,544 |
| 5000 | CAPITAL EXPENDITURES | \$6,106 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$3,977,159 | \$4,328,264 | \$5,099,863 | \$4,614,765 | \$4,614,765 |

Method of Financing:

| | | | | | | |
|--|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1 | General Revenue Fund | \$3,294,413 | \$3,002,516 | \$3,406,352 | \$3,230,654 | \$3,230,654 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$3,294,413 | \$3,002,516 | \$3,406,352 | \$3,230,654 | \$3,230,654 |

Method of Financing:

| | | | | | | |
|--|------------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| 5100 | System Benefit Account | \$543,543 | \$1,136,748 | \$1,551,011 | \$1,241,611 | \$1,241,611 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$543,543 | \$1,136,748 | \$1,551,011 | \$1,241,611 | \$1,241,611 |

Method of Financing:

| | | | | | | |
|-----|-----------------------|-----------|-----------|-----------|-----------|-----------|
| 666 | Appropriated Receipts | \$139,203 | \$189,000 | \$142,500 | \$142,500 | \$142,500 |
|-----|-----------------------|-----------|-----------|-----------|-----------|-----------|

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 1 Maintain Policies to Foster Competition in Telecom & Elec Mkts Service Categories:
 STRATEGY: 1 Foster and Monitor Market Competition Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| SUBTOTAL, MOF (OTHER FUNDS) | | \$139,203 | \$189,000 | \$142,500 | \$142,500 | \$142,500 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$4,614,765 | \$4,614,765 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$3,977,159 | \$4,328,264 | \$5,099,863 | \$4,614,765 | \$4,614,765 |
| FULL TIME EQUIVALENT POSITIONS: | | 54.8 | 52.1 | 56.6 | 56.6 | 56.6 |

STRATEGY DESCRIPTION AND JUSTIFICATION:

Public Utility Regulatory Act (PURA) Chapters 39, 52, 54, 60, and 65 require the Public Utility Commission (PUC) to oversee competitive electric and telecom markets and contain provisions establishing ongoing specific responsibilities. Key activities are evaluating the design and operation of competitive wholesale and retail markets, including generation adequacy; identifying and implementing improvements in market design and operations through contested cases and rulemakings; overseeing requirements related to renewable energy and energy efficiency; licensing market participants; ruling on petitions to deregulate telecommunications markets; and resolving disputes among market participants.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors such as changes in state and federal law, environmental regulations, federal incentives, natural gas prices, and overall economic conditions can affect the functioning of competitive markets and therefore the amount of resources which must be dedicated to this strategy. The number and timing of filings made by market participants, and the complexity and duration of contested case proceedings are mostly outside the control of the PUC. Internal factors affecting this strategy include difficulty recruiting and retaining employees with the necessary training and experience to oversee competitive markets.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 2 Regulate Providers Ensuring Companies Meet Service Quality Standards Service Categories:
 STRATEGY: 1 Conduct Rate Cases for Regulated Telephone and Electric Utilities Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|------------------------------------|--|-------------|-------------|-------------|-------------|-------------|
| Output Measures: | | | | | | |
| KEY 1 | Number of Rate Cases Completed for Regulated Electric Utilities | 34.00 | 26.00 | 25.00 | 30.00 | 30.00 |
| KEY 2 | Number of Rate Cases Completed for Telecommunications Providers | 9.00 | 11.00 | 8.00 | 8.00 | 8.00 |
| 3 | Number of Investigations Conducted Concerning Telecom Service Quality | 1.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| 4 | Number of Investigations Conducted Concerning Electric Service Quality | 0.00 | 0.00 | 11.00 | 11.00 | 11.00 |
| 5 | # Rules Adopted/Amended Relating to Elec Issues Other Than Competition | 1.00 | 6.00 | 8.00 | 4.00 | 4.00 |
| 6 | # Rules Adopted Relating to Telecom Issues Other Than Competition | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Efficiency Measures: | | | | | | |
| KEY 1 | Average Number of Days to Process a Major Rate Case for TDU | 318.00 | 240.00 | 220.00 | 220.00 | 220.00 |
| 2 | Average Cost Per Transmission and Distribution Utility Rate Case | 108,991.00 | 114,138.00 | 225,000.00 | 200,000.00 | 200,000.00 |
| Explanatory/Input Measures: | | | | | | |
| 1 | Number of Electric Utilities Regulated | 11.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| 2 | Number of Telecommunications Service Providers Regulated | 61.00 | 63.00 | 63.00 | 63.00 | 63.00 |
| Objects of Expense: | | | | | | |
| 1001 | SALARIES AND WAGES | \$2,643,423 | \$3,038,788 | \$2,683,616 | \$2,779,503 | \$2,795,503 |
| 1002 | OTHER PERSONNEL COSTS | \$102,719 | \$120,852 | \$100,625 | \$100,625 | \$100,625 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$129,411 | \$175,223 | \$153,606 | \$103,128 | \$99,075 |
| 2003 | CONSUMABLE SUPPLIES | \$16,122 | \$16,272 | \$15,000 | \$15,000 | \$15,000 |

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 2 Regulate Providers Ensuring Companies Meet Service Quality Standards Service Categories:
 STRATEGY: 1 Conduct Rate Cases for Regulated Telephone and Electric Utilities Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2004 | UTILITIES | \$6,095 | \$6,979 | \$5,815 | \$5,815 | \$5,815 |
| 2005 | TRAVEL | \$14,481 | \$20,417 | \$17,500 | \$17,500 | \$12,500 |
| 2006 | RENT - BUILDING | \$4,209 | \$3,110 | \$2,500 | \$2,500 | \$2,500 |
| 2007 | RENT - MACHINE AND OTHER | \$103,499 | \$105,846 | \$109,958 | \$100,000 | \$100,000 |
| 2009 | OTHER OPERATING EXPENSE | \$182,435 | \$157,145 | \$161,266 | \$138,232 | \$131,285 |
| 5000 | CAPITAL EXPENDITURES | \$5,152 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$3,207,546 | \$3,644,632 | \$3,249,886 | \$3,262,303 | \$3,262,303 |
| Method of Financing: | | | | | | |
| 1 | General Revenue Fund | \$2,779,660 | \$2,902,433 | \$2,838,626 | \$2,692,212 | \$2,692,212 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$2,779,660 | \$2,902,433 | \$2,838,626 | \$2,692,212 | \$2,692,212 |
| Method of Financing: | | | | | | |
| 5100 | System Benefit Account | \$310,433 | \$559,499 | \$292,510 | \$451,341 | \$451,341 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$310,433 | \$559,499 | \$292,510 | \$451,341 | \$451,341 |
| Method of Financing: | | | | | | |
| 666 | Appropriated Receipts | \$117,453 | \$182,700 | \$118,750 | \$118,750 | \$118,750 |
| SUBTOTAL, MOF (OTHER FUNDS) | | \$117,453 | \$182,700 | \$118,750 | \$118,750 | \$118,750 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$3,262,303 | \$3,262,303 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$3,207,546 | \$3,644,632 | \$3,249,886 | \$3,262,303 | \$3,262,303 |
| FULL TIME EQUIVALENT POSITIONS: | | 46.2 | 50.4 | 47.2 | 47.2 | 47.2 |

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| | | | | | |
|------------|---|--|---------------------------|----|-------------------------|
| GOAL: | 1 | Ensure Competition, Choice, Just Rates, and Reliable Quality Service | Statewide Goal/Benchmark: | 7 | 9 |
| OBJECTIVE: | 2 | Regulate Providers Ensuring Companies Meet Service Quality Standards | Service Categories: | | |
| STRATEGY: | 1 | Conduct Rate Cases for Regulated Telephone and Electric Utilities | Service: | 17 | Income: A.2 Age: B.3 |

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|

STRATEGY DESCRIPTION AND JUSTIFICATION:

The PUC has responsibility for ensuring that customers receive high quality service at just and reasonable rates. The PUC regulates rates and services in both the telecommunications and electric industries. PURA Chapter 36 provides for electric rate regulation. PURA Chapter 38 provides for regulation of service quality. Within the Electric Reliability Council of Texas (ERCOT), the PUC regulates the rates and service quality of transmission and distribution utilities, and the rates of wholesale transmission providers. Areas outside ERCOT are not open to retail competition and the PUC continues to be responsible for rate and service quality regulation for integrated utilities. The PUC is also responsible for licensing transmission facilities throughout the state under PURA Chapter 37. PURA Chapter 53 provides for rate regulation of local exchange providers. Regulated telecom providers may elect incentive regulation under PURA Chapters 58 and 59, which limits PUC jurisdiction over rates and services. PURA Chapter 65 provides for deregulation of telecom exchanges based on adequate development of competitive markets, which has resulted in a decrease in PUC regulation of the telecommunications industry. Functions related to emergency response and Homeland Security are also funded by this strategy.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The number and timing of filings made by companies seeking necessary regulatory approvals, and the complexity and duration of contested case proceedings are mostly outside the control of the PUC. Natural disasters and other emergencies can affect the amount of resources dedicated to this strategy.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
 OBJECTIVE: 3 Ensure Compliance with Statutes, Rules, and Orders
 STRATEGY: 1 Conduct Investigations and Initiate Enforcement Actions

Statewide Goal/Benchmark: 7 9
 Service Categories:
 Service: NA Income: NA Age: NA

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|------|-------------|----------|----------|----------|---------|---------|
|------|-------------|----------|----------|----------|---------|---------|

Output Measures:

| | | | | | | |
|---|--|-------|-------|-------|-------|-------|
| 1 | Number of Enforcement Investigations Conducted | 45.00 | 40.00 | 75.00 | 80.00 | 90.00 |
|---|--|-------|-------|-------|-------|-------|

Objects of Expense:

| | | | | | | |
|---------------------------------|--------------------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| 1001 | SALARIES AND WAGES | \$785,327 | \$1,148,234 | \$1,610,169 | \$1,667,701 | \$1,677,302 |
| 1002 | OTHER PERSONNEL COSTS | \$30,435 | \$45,840 | \$60,375 | \$60,375 | \$60,375 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$38,344 | \$66,464 | \$92,163 | \$61,877 | \$59,445 |
| 2003 | CONSUMABLE SUPPLIES | \$4,777 | \$6,172 | \$9,000 | \$9,000 | \$9,000 |
| 2004 | UTILITIES | \$1,806 | \$2,647 | \$3,489 | \$3,489 | \$3,489 |
| 2005 | TRAVEL | \$4,291 | \$7,744 | \$10,500 | \$10,500 | \$7,500 |
| 2006 | RENT - BUILDING | \$1,247 | \$1,180 | \$1,500 | \$1,500 | \$1,500 |
| 2007 | RENT - MACHINE AND OTHER | \$30,666 | \$40,148 | \$65,975 | \$60,000 | \$60,000 |
| 2009 | OTHER OPERATING EXPENSE | \$54,054 | \$59,607 | \$96,760 | \$82,940 | \$78,771 |
| 5000 | CAPITAL EXPENDITURES | \$1,527 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$952,474 | \$1,378,036 | \$1,949,931 | \$1,957,382 | \$1,957,382 |

Method of Financing:

| | | | | | | |
|--|----------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| 1 | General Revenue Fund | \$823,603 | \$1,100,923 | \$1,703,175 | \$1,615,327 | \$1,615,327 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$823,603 | \$1,100,923 | \$1,703,175 | \$1,615,327 | \$1,615,327 |

Method of Financing:

| | | | | | | |
|--|------------------------|-----------------|------------------|------------------|------------------|------------------|
| 5100 | System Benefit Account | \$94,071 | \$207,813 | \$175,506 | \$270,805 | \$270,805 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$94,071 | \$207,813 | \$175,506 | \$270,805 | \$270,805 |

Method of Financing:

| | | | | | | |
|-----|-----------------------|----------|----------|----------|----------|----------|
| 666 | Appropriated Receipts | \$34,800 | \$69,300 | \$71,250 | \$71,250 | \$71,250 |
|-----|-----------------------|----------|----------|----------|----------|----------|

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 3 Ensure Compliance with Statutes, Rules, and Orders Service Categories:
 STRATEGY: 1 Conduct Investigations and Initiate Enforcement Actions Service: NA Income: NA Age: NA

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------|------------------|--------------------|--------------------|--------------------|--------------------|
| SUBTOTAL, MOF (OTHER FUNDS) | | \$34,800 | \$69,300 | \$71,250 | \$71,250 | \$71,250 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$1,957,382 | \$1,957,382 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$952,474 | \$1,378,036 | \$1,949,931 | \$1,957,382 | \$1,957,382 |
| FULL TIME EQUIVALENT POSITIONS: | | 13.7 | 19.1 | 28.3 | 28.3 | 28.3 |

STRATEGY DESCRIPTION AND JUSTIFICATION:

PURA §15.023 provides that the PUC may impose administrative penalties for violations of PURA or a PUC rule or order. Ensuring compliance is essential to proper functioning of competitive markets so that customers receive the benefits of competition. Ensuring that regulated utilities comply with service quality standards and tariffs results in customers receiving high quality service at reasonable rates. Functions under this strategy include investigating possible instances of noncompliance, issuing notices of violations, participating in contested case hearings, and assessment of penalties when violations are found.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The PUC has some ability to control the resources dedicated to this strategy because the agency must initiate and prosecute cases based on alleged violations. However, the degree to which service providers comply with laws, and the complexity and duration of contested case proceedings are mostly outside the control of the PUC.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 2 Educate Customers and Assist Customers Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 1 Inform Customers of Choices & Rights & Facilitate Information Access Service Categories:
 STRATEGY: 1 Provide Information about Changes in Electric and Telecom Industries Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Output Measures: | | | | | | |
| 1 | Number of Website Hits to Customer Protection Home Page | 311,113.00 | 260,000.00 | 270,000.00 | 280,000.00 | 290,000.00 |
| KEY 2 | Number of Information Requests to Which Responses Were Provided | 81,899.00 | 72,000.00 | 75,000.00 | 80,000.00 | 85,000.00 |
| 3 | Number of Customer Information Products Distributed | 556,349.00 | 435,000.00 | 500,000.00 | 500,000.00 | 500,000.00 |
| Efficiency Measures: | | | | | | |
| KEY 1 | % Customer Information Product Distributed Electronically | 82.00 % | 75.00 % | 75.00 % | 75.00 % | 75.00 % |
| Explanatory/Input Measures: | | | | | | |
| KEY 1 | Number of Calls Completed through Relay Texas | 1,855,506.00 | 1,806,821.00 | 1,752,617.00 | 1,600,000.00 | 1,600,000.00 |
| Objects of Expense: | | | | | | |
| 1001 | SALARIES AND WAGES | \$976,955 | \$945,277 | \$968,052 | \$1,003,630 | \$1,009,390 |
| 1002 | OTHER PERSONNEL COSTS | \$38,044 | \$37,506 | \$36,225 | \$36,225 | \$36,225 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$47,930 | \$54,380 | \$55,298 | \$37,126 | \$35,667 |
| 2003 | CONSUMABLE SUPPLIES | \$5,971 | \$5,050 | \$5,400 | \$5,400 | \$5,400 |
| 2004 | UTILITIES | \$2,258 | \$2,166 | \$2,093 | \$2,093 | \$2,093 |
| 2005 | TRAVEL | \$5,363 | \$6,336 | \$6,300 | \$6,300 | \$4,500 |
| 2006 | RENT - BUILDING | \$1,559 | \$965 | \$900 | \$900 | \$900 |
| 2007 | RENT - MACHINE AND OTHER | \$38,333 | \$32,849 | \$39,585 | \$36,000 | \$36,000 |
| 2009 | OTHER OPERATING EXPENSE | \$67,568 | \$48,769 | \$58,056 | \$49,764 | \$47,263 |
| 5000 | CAPITAL EXPENDITURES | \$1,908 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$1,185,889 | \$1,133,298 | \$1,171,909 | \$1,177,438 | \$1,177,438 |
| Method of Financing: | | | | | | |
| 1 | General Revenue Fund | \$1,029,504 | \$900,755 | \$1,021,905 | \$969,196 | \$969,196 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$1,029,504 | \$900,755 | \$1,021,905 | \$969,196 | \$969,196 |

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 2 Educate Customers and Assist Customers Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 1 Inform Customers of Choices & Rights & Facilitate Information Access Service Categories:
 STRATEGY: 1 Provide Information about Changes in Electric and Telecom Industries Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Method of Financing: | | | | | | |
| 5100 | System Benefit Account | \$112,884 | \$175,843 | \$107,254 | \$165,492 | \$165,492 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$112,884 | \$175,843 | \$107,254 | \$165,492 | \$165,492 |
| Method of Financing: | | | | | | |
| 666 | Appropriated Receipts | \$43,501 | \$56,700 | \$42,750 | \$42,750 | \$42,750 |
| SUBTOTAL, MOF (OTHER FUNDS) | | \$43,501 | \$56,700 | \$42,750 | \$42,750 | \$42,750 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$1,177,438 | \$1,177,438 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$1,185,889 | \$1,133,298 | \$1,171,909 | \$1,177,438 | \$1,177,438 |
| FULL TIME EQUIVALENT POSITIONS: | | 17.1 | 15.6 | 17.0 | 17.0 | 17.0 |

STRATEGY DESCRIPTION AND JUSTIFICATION:

PURA§17.003 requires the PUC to promote awareness of changes in electric and telecom markets, provide customers with information necessary to make informed choices, and ensure that customers have an adequate understanding of their rights. These education efforts must be conducted in English, Spanish, and other languages as necessary. Providing information assists utility customers who purchase services in competitive markets in selecting providers and choosing services and rate plans that are appropriate for the customers' needs. Customers who are served by companies that remain regulated need information to assist them in understanding their bills, and understanding issues that relate to service quality, such as tree trimming. The PUC provides information using a toll-free customer hot line; postings on the PUC's Web page; printed materials; walk-in, Internet and on-site electronic access to all documents filed in the PUC's Central Records; and responses to written inquiries, including requests under the Public Information Act.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The PUC has some ability to control the level of effort devoted to providing information to customers. The PUC's call center function is included in this strategy, and the agency has no ability to control the number of persons who call the PUC seeking information or assistance. Similarly, the PUC cannot control the number or scope of Public Information Act requests which are received.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 2 Educate Customers and Assist Customers Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 2 Resolve Complaints Consistent w/Laws & PUC Rules & Orders Service Categories:
 STRATEGY: 1 Assist Customers in Resolving Disputes Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|------|-------------|----------|----------|----------|---------|---------|
|------|-------------|----------|----------|----------|---------|---------|

Output Measures:

| | | | | | | |
|-------|---|-----------|-----------|-----------|-----------|-----------|
| KEY 1 | Number of Customer Complaints Concluded | 14,504.00 | 13,500.00 | 14,000.00 | 15,000.00 | 15,000.00 |
|-------|---|-----------|-----------|-----------|-----------|-----------|

Efficiency Measures:

| | | | | | | |
|-------|--|-------|-------|-------|-------|-------|
| KEY 1 | Average Number of Days to Conclude Customer Complaints | 23.00 | 22.00 | 23.00 | 24.00 | 24.00 |
|-------|--|-------|-------|-------|-------|-------|

Explanatory/Input Measures:

| | | | | | | |
|---|--|----------|----------|----------|----------|----------|
| 1 | Number Complaints Received for Unauthorized Changes in Service | 1,859.00 | 2,500.00 | 2,000.00 | 1,600.00 | 1,700.00 |
|---|--|----------|----------|----------|----------|----------|

Objects of Expense:

| | | | | | | |
|---------------------------------|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| 1001 | SALARIES AND WAGES | \$488,478 | \$421,899 | \$431,329 | \$447,730 | \$450,289 |
| 1002 | OTHER PERSONNEL COSTS | \$19,022 | \$16,669 | \$16,100 | \$16,100 | \$16,100 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$23,965 | \$24,169 | \$24,577 | \$16,500 | \$15,852 |
| 2003 | CONSUMABLE SUPPLIES | \$2,986 | \$2,244 | \$2,400 | \$2,400 | \$2,400 |
| 2004 | UTILITIES | \$1,129 | \$963 | \$930 | \$930 | \$930 |
| 2005 | TRAVEL | \$2,682 | \$2,816 | \$2,800 | \$2,800 | \$2,000 |
| 2006 | RENT - BUILDING | \$779 | \$429 | \$400 | \$400 | \$400 |
| 2007 | RENT - MACHINE AND OTHER | \$19,166 | \$14,599 | \$17,593 | \$16,000 | \$16,000 |
| 2009 | OTHER OPERATING EXPENSE | \$33,784 | \$21,676 | \$25,803 | \$22,117 | \$21,006 |
| 5000 | CAPITAL EXPENDITURES | \$954 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$592,945 | \$505,464 | \$521,932 | \$524,977 | \$524,977 |

Method of Financing:

| | | | | | | |
|--|----------------------|------------------|------------------|------------------|------------------|------------------|
| 1 | General Revenue Fund | \$514,752 | \$400,336 | \$454,180 | \$430,754 | \$430,754 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$514,752 | \$400,336 | \$454,180 | \$430,754 | \$430,754 |

Method of Financing:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 2 Educate Customers and Assist Customers Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 2 Resolve Complaints Consistent w/Laws & PUC Rules & Orders Service Categories:
 STRATEGY: 1 Assist Customers in Resolving Disputes Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|------------------------|------------------|------------------|------------------|------------------|------------------|
| 5100 | System Benefit Account | \$56,442 | \$79,928 | \$48,752 | \$75,223 | \$75,223 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$56,442 | \$79,928 | \$48,752 | \$75,223 | \$75,223 |
| Method of Financing: | | | | | | |
| 666 | Appropriated Receipts | \$21,751 | \$25,200 | \$19,000 | \$19,000 | \$19,000 |
| SUBTOTAL, MOF (OTHER FUNDS) | | \$21,751 | \$25,200 | \$19,000 | \$19,000 | \$19,000 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$524,977 | \$524,977 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$592,945 | \$505,464 | \$521,932 | \$524,977 | \$524,977 |
| FULL TIME EQUIVALENT POSITIONS: | | 8.6 | 7.0 | 7.5 | 7.5 | 7.5 |

STRATEGY DESCRIPTION AND JUSTIFICATION:

PURA §15.051 provides that an affected person may complain to the PUC about a public utility alleged to be in violation of a statute, rule or order, and the PUC is required to maintain certain records concerning complaints that are received. PURA §17.157 authorizes the PUC to resolve disputes between customers and service providers. PURA §§17.102 and 39.101 require the PUC to adopt and enforce rules providing specific customer protections. The PUC assists customers in resolving disputes with their electric and telecommunications service providers by investigating complaints about alleged wrong-doings, making informal determinations about whether certain activities appear to comply with applicable statutes and rules, and recommending corrective actions where appropriate. Customers may file complaints by letter, fax, telephone, appearing in person, or Internet submission. Records are maintained in a database which is capable of producing a variety of reports summarizing data about complaints received.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The PUC has no ability to control the number of persons who seek help with informal resolution of disputes by filing complaints about service providers. Factors such as extreme weather and natural gas prices can affect utility costs for consumers and result in more complaints about billing and service.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 3 Electric Utility Restructuring Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 1 Provide Financial Assistance Service Categories:
 STRATEGY: 1 Energy Assistance. Nontransferable Service: 17 Income: A.1 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Efficiency Measures: | | | | | | |
| 1 | % Low-Incom-Discount Program Participants Who Automatically Enroll | 98.00 % | 86.00 % | 86.00 % | 86.00 % | 86.00 % |
| 2 | Average Number of Days for Retail Electric Provider Reimbursement | 1.44 | 5.00 | 5.00 | 5.00 | 5.00 |
| Explanatory/Input Measures: | | | | | | |
| 1 | Total # of Low-Income-Discount Participants | 353,017.00 | 365,000.00 | 375,000.00 | 387,000.00 | 398,000.00 |
| Objects of Expense: | | | | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$72,137 | \$635,831 | \$1,859,000 | \$1,933,000 | \$1,980,000 |
| 3001 | CLIENT SERVICES | \$15,716,472 | \$87,326,455 | \$94,390,105 | \$88,067,000 | \$89,020,000 |
| TOTAL, OBJECT OF EXPENSE | | \$15,788,609 | \$87,962,286 | \$96,249,105 | \$90,000,000 | \$91,000,000 |
| Method of Financing: | | | | | | |
| 5100 | System Benefit Account | \$15,788,609 | \$87,962,286 | \$96,249,105 | \$90,000,000 | \$91,000,000 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$15,788,609 | \$87,962,286 | \$96,249,105 | \$90,000,000 | \$91,000,000 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$90,000,000 | \$91,000,000 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$15,788,609 | \$87,962,286 | \$96,249,105 | \$90,000,000 | \$91,000,000 |

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 3 Electric Utility Restructuring Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 1 Provide Financial Assistance Service Categories:
 STRATEGY: 2 Customer Education. Nontransferable Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|---|------------------|------------------|------------------|------------------|------------------|
| Output Measures: | | | | | | |
| 1 | # of Customers Information Products Distributed Through Outsourcing | 160,698.00 | 50,000.00 | 150,000.00 | 150,000.00 | 150,000.00 |
| Explanatory/Input Measures: | | | | | | |
| 1 | # of Power-to-Choose Website Hits | 1,924,539.00 | 1,700,000.00 | 1,750,000.00 | 1,750,000.00 | 1,750,000.00 |
| Objects of Expense: | | | | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$745,195 | \$578,499 | \$910,540 | \$750,000 | \$750,000 |
| 2009 | OTHER OPERATING EXPENSE | \$507 | \$10,961 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$745,702 | \$589,460 | \$910,540 | \$750,000 | \$750,000 |
| Method of Financing: | | | | | | |
| 5100 | System Benefit Account | \$745,702 | \$589,460 | \$910,540 | \$750,000 | \$750,000 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED) | | \$745,702 | \$589,460 | \$910,540 | \$750,000 | \$750,000 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$750,000 | \$750,000 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$745,702 | \$589,460 | \$910,540 | \$750,000 | \$750,000 |

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

PURA § 39.902 requires the PUC to conduct ongoing customer education designed to help customers make informed choices of electric services and retail electric providers. As envisioned by § 39.902, the PUC contracts for professional services to carry out the customer education program in areas of the state participating in the competitive electric market. The PUC currently has two contracts, one for a third party call center to provide information about the provision of electric service and to provide information about specific service offerings of competitive providers, and one with an advocacy marketing company to develop and distribute educational materials and perform other outreach functions. This strategy is funded from the System Benefit Fund in General Revenue Dedicated. The System Benefit Fund is financed by a non-bypassable fee not to exceed 65 cents per megawatt hour paid by electric utility customers in areas of the state open to retail competition.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| | | | | | |
|------------|---|-------------------------------------|---------------------------|----|-------------------------|
| GOAL: | 3 | Electric Utility Restructuring | Statewide Goal/Benchmark: | 7 | 9 |
| OBJECTIVE: | 1 | Provide Financial Assistance | Service Categories: | | |
| STRATEGY: | 2 | Customer Education. Nontransferable | Service: | 17 | Income: A.2 Age: B.3 |

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The PUC can respond to reduced funding for this strategy by reducing or eliminating customer education efforts.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 4 Indirect Administration Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 1 Indirect Administration Service Categories:
 STRATEGY: 1 Central Administration Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Objects of Expense: | | | | | | |
| 1001 | SALARIES AND WAGES | \$1,036,885 | \$940,420 | \$1,052,087 | \$1,024,391 | \$1,031,431 |
| 1002 | OTHER PERSONNEL COSTS | \$45,653 | \$45,840 | \$44,275 | \$44,275 | \$44,275 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$57,516 | \$66,464 | \$67,586 | \$45,376 | \$43,593 |
| 2003 | CONSUMABLE SUPPLIES | \$7,165 | \$6,172 | \$6,600 | \$6,600 | \$6,600 |
| 2004 | UTILITIES | \$2,709 | \$2,647 | \$2,559 | \$2,559 | \$2,559 |
| 2005 | TRAVEL | \$6,436 | \$7,744 | \$7,700 | \$7,700 | \$5,500 |
| 2006 | RENT - BUILDING | \$1,871 | \$1,180 | \$1,100 | \$1,100 | \$1,100 |
| 2007 | RENT - MACHINE AND OTHER | \$45,999 | \$40,149 | \$48,381 | \$44,000 | \$44,000 |
| 2009 | OTHER OPERATING EXPENSE | \$81,082 | \$59,607 | \$70,957 | \$60,822 | \$57,765 |
| 5000 | CAPITAL EXPENDITURES | \$2,290 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$1,287,606 | \$1,170,223 | \$1,301,245 | \$1,236,823 | \$1,236,823 |
| Method of Financing: | | | | | | |
| 1 | General Revenue Fund | \$1,235,405 | \$1,100,923 | \$1,248,995 | \$1,184,573 | \$1,184,573 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$1,235,405 | \$1,100,923 | \$1,248,995 | \$1,184,573 | \$1,184,573 |
| Method of Financing: | | | | | | |
| 666 | Appropriated Receipts | \$52,201 | \$69,300 | \$52,250 | \$52,250 | \$52,250 |
| SUBTOTAL, MOF (OTHER FUNDS) | | \$52,201 | \$69,300 | \$52,250 | \$52,250 | \$52,250 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$1,236,823 | \$1,236,823 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$1,287,606 | \$1,170,223 | \$1,301,245 | \$1,236,823 | \$1,236,823 |
| FULL TIME EQUIVALENT POSITIONS: | | 20.6 | 19.1 | 20.7 | 20.7 | 20.7 |

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| | | | | | |
|------------|---|-------------------------|---------------------------|----|-------------------------|
| GOAL: | 4 | Indirect Administration | Statewide Goal/Benchmark: | 7 | 9 |
| OBJECTIVE: | 1 | Indirect Administration | Service Categories: | | |
| STRATEGY: | 1 | Central Administration | Service: | 17 | Income: A.2 Age: B.3 |

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|

STRATEGY DESCRIPTION AND JUSTIFICATION:

PURA §12.103 provides that the Executive Director is responsible for the daily operations of the PUC and coordinating activities of PUC employees. This strategy includes Fiscal Services, General Law, Human Resources, Governmental Relations, and Communications. Strategy activities include strategic planning; budget administration; administration of electric low income discount program; ensuring compliance with state travel regulations; human resources management; ensuring agency compliance with state and federal laws affecting personnel, and state procurement laws and regulations; responding to requests from the Legislature and state and federal agencies; and preparation of contracts with third party vendors.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Changes in state and federal laws affecting human resources and procurement can affect activities under this strategy. The PUC seeks to improve efficiencies through automation of administrative functions.

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Statewide Goal/Benchmark: 7 9
 Service Categories:
 Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Objects of Expense: | | | | | | |
| 1001 | SALARIES AND WAGES | \$432,035 | \$427,464 | \$478,221 | \$465,632 | \$468,832 |
| 1002 | OTHER PERSONNEL COSTS | \$19,022 | \$20,836 | \$20,125 | \$20,125 | \$20,125 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$23,965 | \$30,211 | \$30,721 | \$20,626 | \$19,815 |
| 2003 | CONSUMABLE SUPPLIES | \$2,986 | \$2,806 | \$3,000 | \$3,000 | \$3,000 |
| 2004 | UTILITIES | \$1,129 | \$1,203 | \$1,163 | \$1,163 | \$1,163 |
| 2005 | TRAVEL | \$2,682 | \$3,520 | \$3,500 | \$3,500 | \$2,500 |
| 2006 | RENT - BUILDING | \$779 | \$536 | \$500 | \$500 | \$500 |
| 2007 | RENT - MACHINE AND OTHER | \$19,166 | \$18,249 | \$21,992 | \$20,000 | \$20,000 |
| 2009 | OTHER OPERATING EXPENSE | \$33,785 | \$27,094 | \$32,253 | \$27,646 | \$26,257 |
| 5000 | CAPITAL EXPENDITURES | \$954 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$536,503 | \$531,919 | \$591,475 | \$562,192 | \$562,192 |
| Method of Financing: | | | | | | |
| 1 | General Revenue Fund | \$514,752 | \$500,419 | \$567,725 | \$538,442 | \$538,442 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$514,752 | \$500,419 | \$567,725 | \$538,442 | \$538,442 |
| Method of Financing: | | | | | | |
| 666 | Appropriated Receipts | \$21,751 | \$31,500 | \$23,750 | \$23,750 | \$23,750 |
| SUBTOTAL, MOF (OTHER FUNDS) | | \$21,751 | \$31,500 | \$23,750 | \$23,750 | \$23,750 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$562,192 | \$562,192 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$536,503 | \$531,919 | \$591,475 | \$562,192 | \$562,192 |
| FULL TIME EQUIVALENT POSITIONS: | | 8.6 | 8.7 | 9.4 | 9.4 | 9.4 |

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 4 Indirect Administration Statewide Goal/Benchmark: 7 9
 OBJECTIVE: 1 Indirect Administration Service Categories:
 STRATEGY: 3 Other Support Services Service: 17 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Objects of Expense: | | | | | | |
| 1001 | SALARIES AND WAGES | \$86,407 | \$85,493 | \$95,644 | \$93,126 | \$93,766 |
| 1002 | OTHER PERSONNEL COSTS | \$3,804 | \$4,167 | \$4,025 | \$4,025 | \$4,025 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$4,793 | \$6,042 | \$6,144 | \$4,125 | \$3,963 |
| 2003 | CONSUMABLE SUPPLIES | \$597 | \$561 | \$600 | \$600 | \$600 |
| 2004 | UTILITIES | \$226 | \$241 | \$233 | \$233 | \$233 |
| 2005 | TRAVEL | \$536 | \$704 | \$700 | \$700 | \$500 |
| 2006 | RENT - BUILDING | \$156 | \$107 | \$100 | \$100 | \$100 |
| 2007 | RENT - MACHINE AND OTHER | \$3,833 | \$3,650 | \$4,398 | \$4,000 | \$4,000 |
| 2009 | OTHER OPERATING EXPENSE | \$6,757 | \$5,419 | \$6,451 | \$5,529 | \$5,251 |
| 5000 | CAPITAL EXPENDITURES | \$191 | \$0 | \$0 | \$0 | \$0 |
| TOTAL, OBJECT OF EXPENSE | | \$107,300 | \$106,384 | \$118,295 | \$112,438 | \$112,438 |
| Method of Financing: | | | | | | |
| 1 | General Revenue Fund | \$102,950 | \$100,084 | \$113,545 | \$107,688 | \$107,688 |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS) | | \$102,950 | \$100,084 | \$113,545 | \$107,688 | \$107,688 |
| Method of Financing: | | | | | | |
| 666 | Appropriated Receipts | \$4,350 | \$6,300 | \$4,750 | \$4,750 | \$4,750 |
| SUBTOTAL, MOF (OTHER FUNDS) | | \$4,350 | \$6,300 | \$4,750 | \$4,750 | \$4,750 |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) | | | | | \$112,438 | \$112,438 |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) | | \$107,300 | \$106,384 | \$118,295 | \$112,438 | \$112,438 |
| FULL TIME EQUIVALENT POSITIONS: | | 1.7 | 1.7 | 1.9 | 1.9 | 1.9 |

3.A. STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:03:39PM

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| | | | | | |
|------------|---|-------------------------|---------------------------|----|-------------------------|
| GOAL: | 4 | Indirect Administration | Statewide Goal/Benchmark: | 7 | 9 |
| OBJECTIVE: | 1 | Indirect Administration | Service Categories: | | |
| STRATEGY: | 3 | Other Support Services | Service: | 17 | Income: A.2 Age: B.3 |

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Other Support Services strategy includes library, mail room, purchasing, and facilities management activities. The PUC maintains a specialized legal and reference library, providing expert reference information to agency staff. The Mail Room provides reproduction and copying services, mail delivery and pick up, and receiving and distribution of items purchased. Staff responsible for agency purchasing and facilities management activities is also budgeted from this strategy.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The PUC seeks efficiencies in procurement through automation and coordination with other agencies in areas such as HUB procurement.

3.A. STRATEGY REQUEST
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:03:39PM

SUMMARY TOTALS:

| | | | | | |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|
| OBJECTS OF EXPENSE: | \$28,381,733 | \$101,349,966 | \$111,164,181 | \$104,198,318 | \$105,198,318 |
| METHODS OF FINANCE (INCLUDING RIDERS): | | | | \$104,198,318 | \$105,198,318 |
| METHODS OF FINANCE (EXCLUDING RIDERS): | \$28,381,733 | \$101,349,966 | \$111,164,181 | \$104,198,318 | \$105,198,318 |
| FULL TIME EQUIVALENT POSITIONS: | 171.3 | 173.7 | 188.6 | 188.6 | 188.6 |

3.B. Rider Revisions and Additions Request

| | | | | |
|-----------------------------|--|--------------------------------------|--------------------------|-------------------------------|
| Agency Code: 473 | Agency Name: Public Utility Commission | Prepared By: Paula Mueller | Date: 08/13/08 | Request Level: Base |
| Current Rider Number | Page Number in 2008-09 GAA | Proposed Rider Language | | |

| 1 | VIII-81 | <p>1. Performance Measure Targets. The following is a listing of the key performance target levels for the Public Utility Commission of Texas. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Public Utility Commission of Texas. In order to achieve the objectives and service standards established by this Act, the Public Utility Commission of Texas shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: center;"><u>2010</u> 2008</th> <th style="width: 10%; text-align: center;"><u>2011</u> 2009</th> </tr> </thead> <tbody> <tr> <td>A. Goal: COMPETITION/CHOICE/RATES/SERVICE Outcome (Results/Impact):</td> <td></td> <td></td> </tr> <tr> <td>Average Price of Electricity Per kWh in Texas for Residential Customers from Competitive Suppliers as a Percentage of the National Residential Average</td> <td style="text-align: center;"><u>121%</u> 113%</td> <td style="text-align: center;"><u>119%</u> 113%</td> </tr> <tr> <td>Average Annual Residential Electric Bill from Competitive Suppliers as a Percentage of the National Average</td> <td style="text-align: center;">150%</td> <td style="text-align: center;"><u>148%</u> 149%</td> </tr> <tr> <td>Percent of Texas Cities Served by Three or More Certificated Telecommunication Providers</td> <td style="text-align: center;"><u>82 %</u> 85.2%</td> <td style="text-align: center;"><u>81%</u> 85.7%</td> </tr> <tr> <td>Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average</td> <td style="text-align: center;"><u>73%</u> 72.2%</td> <td style="text-align: center;"><u>73%</u> 72.4%</td> </tr> <tr> <td>A.1.1. Strategy: MARKET COMPETITION Output (Volume):</td> <td></td> <td></td> </tr> <tr> <td>Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Electric Market</td> <td style="text-align: center;"><u>1</u> 10</td> <td style="text-align: center;"><u>1</u> 10</td> </tr> <tr> <td>Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Telephone Market</td> <td style="text-align: center;"><u>1</u> 3</td> <td style="text-align: center;"><u>1</u> 3</td> </tr> <tr> <td>Number of Cases Completed Related to Competition Among Providers</td> <td style="text-align: center;"><u>375</u> 500</td> <td style="text-align: center;"><u>375</u> 500</td> </tr> </tbody> </table> | | <u>2010</u> 2008 | <u>2011</u> 2009 | A. Goal: COMPETITION/CHOICE/RATES/SERVICE Outcome (Results/Impact): | | | Average Price of Electricity Per kWh in Texas for Residential Customers from Competitive Suppliers as a Percentage of the National Residential Average | <u>121%</u> 113% | <u>119%</u> 113% | Average Annual Residential Electric Bill from Competitive Suppliers as a Percentage of the National Average | 150% | <u>148%</u> 149% | Percent of Texas Cities Served by Three or More Certificated Telecommunication Providers | <u>82 %</u> 85.2% | <u>81%</u> 85.7% | Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average | <u>73%</u> 72.2% | <u>73%</u> 72.4% | A.1.1. Strategy: MARKET COMPETITION Output (Volume): | | | Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Electric Market | <u>1</u> 10 | <u>1</u> 10 | Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Telephone Market | <u>1</u> 3 | <u>1</u> 3 | Number of Cases Completed Related to Competition Among Providers | <u>375</u> 500 | <u>375</u> 500 |
|--|------------------------------|---|--|-----------------------------|-----------------------------|--|--|--|--|-----------------------------|-----------------------------|---|------|-----------------------------|--|------------------------------|-----------------------------|--|-----------------------------|-----------------------------|---|--|--|--|------------------------|------------------------|---|-----------------------|-----------------------|--|---------------------------|---------------------------|
| | <u>2010</u> 2008 | <u>2011</u> 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A. Goal: COMPETITION/CHOICE/RATES/SERVICE Outcome (Results/Impact): | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average Price of Electricity Per kWh in Texas for Residential Customers from Competitive Suppliers as a Percentage of the National Residential Average | <u>121%</u> 113% | <u>119%</u> 113% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average Annual Residential Electric Bill from Competitive Suppliers as a Percentage of the National Average | 150% | <u>148%</u> 149% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percent of Texas Cities Served by Three or More Certificated Telecommunication Providers | <u>82 %</u> 85.2% | <u>81%</u> 85.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average | <u>73%</u> 72.2% | <u>73%</u> 72.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A.1.1. Strategy: MARKET COMPETITION Output (Volume): | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Electric Market | <u>1</u> 10 | <u>1</u> 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of Investigations Conducted for Market Power, Market Design, or Anti-competitive Conduct in the Telephone Market | <u>1</u> 3 | <u>1</u> 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of Cases Completed Related to Competition Among Providers | <u>375</u> 500 | <u>375</u> 500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

3.B. Rider Revisions and Additions Request

| | | | | |
|-----------------------------|--|--------------------------------------|--------------------------|-------------------------------|
| Agency Code: 473 | Agency Name: Public Utility Commission | Prepared By: Paula Mueller | Date: 08/13/08 | Request Level: Base |
| Current Rider Number | Page Number in 2008-09 GAA | Proposed Rider Language | | |

| | | |
|--|--|---|
| | | <p>Efficiencies: Average Number of Days to Process an Application for a Certificate of Authority and Service Provider Certificate of Authority <u>52</u> 60 <u>52</u> 60</p> <p>A.2.1. Strategy: UTILITY REGULATION</p> <p>Output (Volume): Number of Rate Cases Completed for Regulated Electric Utilities <u>30</u> 20 <u>30</u> 20</p> <p>Number of Rate Cases Completed for Regulated Telecommunications Providers <u>8</u> 6 <u>8</u> 6</p> <p>Efficiencies: Average Number of Days to Process a Major Rate Case for a Transmission and Distribution Utility 220 220</p> <p>B. Goal: EDUCATION AND COMPLIANCE</p> <p>Outcome (Results/Impact): Percentage of Customer Complaints Resolved through Informal Complaint Resolution Process 99% 99%</p> <p>B.1.1. Strategy: PROVIDE FACTS ABOUT CHANGES</p> <p>Output (Volume): Number of Information Requests to Which Responses Were Provided <u>80,000</u> 100,000 <u>85,000</u> 115,000</p> <p>Efficiencies: <u>% Customer Information Products Distributed Electronically</u> <u>75%</u> <u>75%</u></p> <p>Average Cost Per Customer Information Product Distributed .25 .25</p> <p>Explanatory: Number of Calls Completed through Relay Texas <u>1,600,000</u> 3,100,000 <u>1,600,000</u> 3,200,000</p> |
|--|--|---|

3.B. Rider Revisions and Additions Request

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|-----------------------------|--|--------------------------------------|--------------------------|-------------------------------|
| Agency Code: 473 | Agency Name: Public Utility Commission | Prepared By: Paula Mueller | Date: 08/13/08 | Request Level: Base |
| Current Rider Number | Page Number in 2008-09 GAA | Proposed Rider Language | | |

| | | |
|--|--|---|
| | | <p>B.2.1. Strategy: INVESTIGATIONS AND ENFORCEMENT</p> <p>Output (Volume):</p> <p>Number of Utilities for Which a Detailed Review of Earnings Is Conducted 5 5</p> <p>Number of Enforcement Investigations Conducted 150 150</p> <p>Number of Customer Complaints Concluded 15,000 15,000</p> <p>Efficiencies:</p> <p>Average Cost Per Enforcement Investigation Conducted 500 500</p> <p>Average Number of Days to Conclude Customer Complaints <u>24</u> 30 <u>24</u> 30</p> <p>C. Goal: ELECTRIC UTILITY RESTRUCTURING</p> <p>Outcome (Results/Impact):</p> <p>Percent of Eligible Low-income Customers Provided a Discount for Electric Service <u>93%</u> 99% <u>93%</u> 99%</p> <p><i>This Rider has been updated to reflect performance measure projections for 2010 and 2011.</i></p> |
|--|--|---|

3.B. Rider Revisions and Additions Request

| | | | | |
|-----------------------------|--|--|--------------------------|-------------------------------|
| Agency Code: 473 | Agency Name: Public Utility Commission | Prepared By: James O. Albright | Date: 08/13/08 | Request Level: Base |
| Current Rider Number | Page Number in 2008-09 GAA | Proposed Rider Language | | |

| 2 | VIII-82 | <p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budget funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by commission management to be in the best interest of the State of Texas.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;"><u>2010</u>2008</th> <th style="width: 20%; text-align: right;"><u>2011</u>2009</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">a. Acquisition of Information Resources Technologies</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 40px;">(1) Digital Copiers Lease</td> <td style="text-align: right;">\$160,000220,000</td> <td style="text-align: right;">\$160,000220,000</td> </tr> <tr> <td style="padding-left: 40px;">(2) <u>Computer Equipment and Software</u> Microsoft Open License Software lease & Desktop Computer Lease</td> <td style="text-align: right;">\$240,000205,000</td> <td style="text-align: right;">\$240,000205,000</td> </tr> <tr> <td style="padding-left: 40px;">(3) Data Center Consolidation</td> <td style="text-align: right;">\$370,088372,505</td> <td style="text-align: right;">\$370,088367,676</td> </tr> <tr> <td style="padding-left: 40px;">Total, Acquisition of Information Resources Technologies</td> <td style="text-align: right;">\$770,088797,505</td> <td style="text-align: right;">\$770,088792,676</td> </tr> <tr> <td style="padding-left: 20px;">Total, Capital Budget</td> <td style="text-align: right;">\$770,088797,505</td> <td style="text-align: right;">\$770,088792,676</td> </tr> <tr> <td style="padding-left: 20px;">Method of Financing (Capital Budget): General Revenue Fund</td> <td style="text-align: right;">\$770,088797,505</td> <td style="text-align: right;">\$770,088792,676</td> </tr> <tr> <td style="padding-left: 40px;">Total, Method of Financing</td> <td style="text-align: right;">\$770,088797,505</td> <td style="text-align: right;">\$770,088797,505</td> </tr> </tbody> </table> <p><i>This rider is updated to reflect the changes which decrease the overall capital budget with the exception of the DCS costs. Also the revised description provides more flexibility in choosing desktop software and hardware.</i></p> | | <u>2010</u> 2008 | <u>2011</u> 2009 | a. Acquisition of Information Resources Technologies | | | (1) Digital Copiers Lease | \$ 160,000 220,000 | \$ 160,000 220,000 | (2) <u>Computer Equipment and Software</u> Microsoft Open License Software lease & Desktop Computer Lease | \$ 240,000 205,000 | \$ 240,000 205,000 | (3) Data Center Consolidation | \$ 370,088 372,505 | \$ 370,088 367,676 | Total, Acquisition of Information Resources Technologies | \$ 770,088 797,505 | \$ 770,088 792,676 | Total, Capital Budget | \$ 770,088 797,505 | \$ 770,088 792,676 | Method of Financing (Capital Budget): General Revenue Fund | \$ 770,088 797,505 | \$ 770,088 792,676 | Total, Method of Financing | \$ 770,088 797,505 | \$ 770,088 797,505 |
|--|-------------------------------|--|--|-----------------------------|-----------------------------|--|--|--|---------------------------|-------------------------------|-------------------------------|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|-------------------------------|-------------------------------|-----------------------|-------------------------------|-------------------------------|---|-------------------------------|-------------------------------|----------------------------|-------------------------------|-------------------------------|
| | <u>2010</u> 2008 | <u>2011</u> 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. Acquisition of Information Resources Technologies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Digital Copiers Lease | \$ 160,000 220,000 | \$ 160,000 220,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) <u>Computer Equipment and Software</u> Microsoft Open License Software lease & Desktop Computer Lease | \$ 240,000 205,000 | \$ 240,000 205,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) Data Center Consolidation | \$ 370,088 372,505 | \$ 370,088 367,676 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total, Acquisition of Information Resources Technologies | \$ 770,088 797,505 | \$ 770,088 792,676 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total, Capital Budget | \$ 770,088 797,505 | \$ 770,088 792,676 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Method of Financing (Capital Budget): General Revenue Fund | \$ 770,088 797,505 | \$ 770,088 792,676 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total, Method of Financing | \$ 770,088 797,505 | \$ 770,088 797,505 | | | | | | | | | | | | | | | | | | | | | | | | | | | |

3.B. Rider Revisions and Additions Request

| | | | | |
|-----------------------------|--|--|--------------------------|-------------------------------|
| Agency Code: 473 | Agency Name: Public Utility Commission | Prepared By: James O. Albright | Date: 08/13/08 | Request Level: Base |
| Current Rider Number | Page Number in 2008-09 GAA | Proposed Rider Language | | |
| 3 | VIII-82 | <p>Appropriation of Receipts: Electronic Information System. Out of Appropriated Receipts appropriated above, \$30,000 each year from fee revenue derived from implementation of an electronic information system for public access to records on file with the agency may be used only for operating lease payments and for service agreements limited to PUC interchange support.</p> <p><i>This rider has been deleted because the PUC has eliminated most fees associated with the electronic information system and the appropriation received under this rider is less than \$3,000 per fiscal year.</i></p> | | |
| 4 | VIII-82 | <p>Transfer Authority. The Public Utility Commission has no authority to transfer an appropriation to or from any item under Goal C: Electric Utility Restructuring, and may not expend amounts above those appropriated above in each strategy of Goal C: Electric Utility Restructuring.</p> | | |
| 5 | VIII-83 | <p>System Benefit Account Reporting. The Public Utility Commission shall submit a quarterly report to the Legislative Budget Board and the Governor on revenues and expenditures made from the GR Dedicated - System Benefit Account No. 5100. The report shall be submitted with documentation as specified by the Legislative Budget Board and the Governor.</p> | | |
| 6 | VIII-83 | <p>Appropriation of Unexpended Balances: 20102008 Appropriations. The unobligated and unexpended balances of appropriations to the Public Utility Commission for the fiscal year ending August 31, <u>20102008</u>, are hereby appropriated to the commission for the same purposes for the fiscal year ending August 31, <u>20112009</u>.</p> <p><i>This rider has been updated for 2010-2011.</i></p> | | |

3.B. Rider Revisions and Additions Request

| | | | | |
|-----------------------------|--|---|--------------------------|-------------------------------|
| Agency Code: 473 | Agency Name: Public Utility Commission | Prepared By: James O. Albright | Date: 08/13/08 | Request Level: Base |
| Current Rider Number | Page Number in 2008-09 GAA | Proposed Rider Language | | |
| 7 | VIII-83 | <p>Contingent Revenue. Of the amounts appropriated above to the Public Utility Commission from the GR Dedicated - System Benefit Account No. 5100, the estimated amounts of \$92,954,472\$82,895,592 in fiscal year 20102008 and \$93,954,472\$92,895,592 in fiscal year 20112009 are contingent on the Public Utility Commission assessing a rate sufficient to generate the estimated needs of the GR Dedicated - System Benefit Account No. 5100. The Public Utility Commission, upon completion of necessary actions for the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the 2010-11 2008-09 biennium to the Comptroller of Public Accounts. If the comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.</p> <p><i>This rider has been updated to reflect the PUC's appropriation request from General Revenue Dedicated – System Benefit Fund.</i></p> | | |

3.B. Rider Revisions and Additions Request

| | | | | |
|-----------------------------|--|--|--------------------------|-------------------------------|
| Agency Code: 473 | Agency Name: Public Utility Commission | Prepared By: James O. Albright | Date: 08/13/08 | Request Level: Base |
| Current Rider Number | Page Number in 2008-09 GAA | Proposed Rider Language | | |

| 8 | VIII-83 | <p>Allocation of System Benefit Account. The GR Dedicated - System Benefit Account No. 5100, calculated at the maximum statutory assessment rate estimated to be \$146,504,868<u>\$146,897,000</u> in fiscal year 2010<u>2008</u> and \$147,969,917<u>\$150,336,000</u> in fiscal year 2011<u>2009</u>, has been allocated throughout this Act as follows: The estimated balance as of August 31, 2009<u>2007</u> is \$530,847,670<u>\$408,699,000</u>, interest income is estimated to be \$44,388,421<u>\$32,178,000</u> for the biennium. The total account balance available for appropriation for 2010-2011<u>2008-09</u> is estimated to be \$869,710,876<u>\$738,110,000</u>.</p> <table style="width: 100%; margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>2010</u>2008</th> <th style="text-align: right;"><u>2011</u>2009</th> </tr> </thead> <tbody> <tr> <td>Public Utility Commission:</td> <td></td> <td></td> </tr> <tr> <td>Electric Market Oversight Contracts</td> <td style="text-align: right;"><u>\$1,200,000</u></td> <td style="text-align: right;"><u>\$1,200,000</u></td> </tr> <tr> <td style="padding-left: 20px;">Wholesale Market</td> <td style="text-align: right;"><u>\$700,000</u></td> <td style="text-align: right;"><u>\$700,000</u></td> </tr> <tr> <td style="padding-left: 20px;">Retail market</td> <td style="text-align: right;"><u>\$500,000</u></td> <td style="text-align: right;"><u>\$500,000</u></td> </tr> <tr> <td>Low Income Discount</td> <td style="text-align: right;"><u>\$90,000,000</u></td> <td style="text-align: right;"><u>\$91,000,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;">\$80,000,000</td> <td style="text-align: right;"><u>\$90,000,000</u></td> </tr> <tr> <td>Customer Education</td> <td style="text-align: right;"><u>\$750,000</u></td> <td style="text-align: right;"><u>\$750,000</u></td> </tr> <tr> <td>Administration</td> <td style="text-align: right;"><u>\$1,004,472</u>\$945,592</td> <td style="text-align: right;"><u>\$1,004,472</u>\$945,592</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$92,954,472</u></td> <td style="text-align: right;"><u>\$93,954,472</u></td> </tr> <tr> <td></td> <td style="text-align: right;">\$82,895,592</td> <td style="text-align: right;"><u>\$92,895,592</u></td> </tr> </tbody> </table> <p><i>This rider is updated to reflect increases associated with salary increases in 2008 and 2009, current base levels for the low income discount program, and the PUC's request not to allocate the Electric Market Oversight Funds between wholesale and retail and to eliminate the word "contracts" to clarify that the agency has flexibility in its use of the funds.</i></p> | | <u>2010</u> 2008 | <u>2011</u> 2009 | Public Utility Commission: | | | Electric Market Oversight Contracts | <u>\$1,200,000</u> | <u>\$1,200,000</u> | Wholesale Market | <u>\$700,000</u> | <u>\$700,000</u> | Retail market | <u>\$500,000</u> | <u>\$500,000</u> | Low Income Discount | <u>\$90,000,000</u> | <u>\$91,000,000</u> | | \$80,000,000 | <u>\$90,000,000</u> | Customer Education | <u>\$750,000</u> | <u>\$750,000</u> | Administration | <u>\$1,004,472</u> \$945,592 | <u>\$1,004,472</u> \$945,592 | Total | <u>\$92,954,472</u> | <u>\$93,954,472</u> | | \$82,895,592 | <u>\$92,895,592</u> |
|--|---|--|--|-----------------------------|-----------------------------|----------------------------|--|--|--|--------------------|--------------------|-----------------------------|------------------|------------------|--------------------------|------------------|------------------|---------------------|---------------------|---------------------|--|-------------------------|---------------------|--------------------|------------------|------------------|----------------|---|---|--------------|---------------------|---------------------|--|-------------------------|---------------------|
| | <u>2010</u> 2008 | <u>2011</u> 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Utility Commission: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electric Market Oversight Contracts | <u>\$1,200,000</u> | <u>\$1,200,000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wholesale Market | <u>\$700,000</u> | <u>\$700,000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retail market | <u>\$500,000</u> | <u>\$500,000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Low Income Discount | <u>\$90,000,000</u> | <u>\$91,000,000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$80,000,000 | <u>\$90,000,000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Customer Education | <u>\$750,000</u> | <u>\$750,000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administration | <u>\$1,004,472</u> \$945,592 | <u>\$1,004,472</u> \$945,592 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$92,954,472</u> | <u>\$93,954,472</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$82,895,592 | <u>\$92,895,592</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

3.B. Rider Revisions and Additions Request

| | | | | |
|-----------------------------|--|--|--------------------------|-------------------------------|
| Agency Code: 473 | Agency Name: Public Utility Commission | Prepared By: James O. Albright | Date: 08/13/08 | Request Level: Base |
| Current Rider Number | Page Number in 2008-09 GAA | Proposed Rider Language | | |
| 9 | VIII-83 | <p>Low Income Discount. All amounts appropriated above in Strategy C.1.1, Energy Assistance, shall only be expended to provide a discount of up to 20 percent during the months of May through September in each fiscal year</p> <p><i>This rider is included unchanged. If the Legislature wishes to change the months during which the discount should be provided, or to specify a different maximum amount, this rider would need to be modified.</i></p> | | |

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:04:11PM**

Agency code: **473**

Agency name:
Public Utility Commission of Texas

| <u>CODE</u> | <u>DESCRIPTION</u> | <u>Excp 2010</u> | <u>Excp 2011</u> |
|-------------|--------------------|------------------|------------------|
|-------------|--------------------|------------------|------------------|

| | | | |
|---|---|--|--|
| | Item Name: Customer Education - Produce and disseminate customer education information for electric market competition through outsourcing; address customer inquiries through a website and call center | | |
| | Item Priority: 1 | | |
| Includes Funding for the Following Strategy or Strategies: | 03-01-02 Customer Education. Nontransferable | | |

OBJECTS OF EXPENSE:

| | | | |
|------|---------------------------------|--------------------|--------------------|
| 2001 | PROFESSIONAL FEES AND SERVICES | 4,250,000 | 4,250,000 |
| | TOTAL, OBJECT OF EXPENSE | \$4,250,000 | \$4,250,000 |

METHOD OF FINANCING:

| | | | |
|------|-----------------------------------|--------------------|--------------------|
| 5100 | System Benefit Account | 4,250,000 | 4,250,000 |
| | TOTAL, METHOD OF FINANCING | \$4,250,000 | \$4,250,000 |

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item would enable the PUC to significantly increase its customer education efforts by supporting development and distribution of new educational materials containing information of current interest to consumers. Funding would be allocated to Strategy 3-1-2 (Produce and disseminate customer education information for electric market competition through outsourcing; address customer inquiries through a website and call center).

The PUC would not increase staffing. The PUC would hire consultants with expertise in developing and distributing educational materials and information, and use existing positions to work with the consultants to ensure that the information is accurate, timely and useful.

Funding would be used for some or all the following:

- Development of educational materials for the Power to Choose Website or printed brochures and fact sheets;
- Creation of video or audio presentations that could be aired on television or radio as public service announcements or paid advertising, to convey information and direct consumers to other information resources, e.g. www.powertochoose.org or the PUC's call center;
- Creation of print ads to convey information and direct consumers to other information resources, e.g. www.powertochoose.org or the PUC's call center.

EXTERNAL/INTERNAL FACTORS:

Electric customers need more information about topics related to electric restructuring to help them make choices about purchasing retail electric service in competitive markets and to ensure that they have an adequate understanding of their rights.

Customers rely on the PUC to provide neutral, nonpromotional information about retail electric service, including rate structures and specific rate offers.

Customers need more information about technological changes associated with electric service and their relationship to making choices about rate offerings, e.g. advanced metering.

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:04:29PM**

Agency code: **473**

Agency name:
Public Utility Commission of Texas

| CODE | DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------|---|------------------|------------------|
| | Item Name: Data Center Services - Incremental Network/True-up Costs | | |
| | Item Priority: 2 | | |
| | Includes Funding for the Following Strategy or Strategies: | | |
| | 01-01-01 Foster and Monitor Market Competition | | |
| | 01-02-01 Conduct Rate Cases for Regulated Telephone and Electric Utilities | | |
| | 01-03-01 Conduct Investigations and Initiate Enforcement Actions | | |
| | 02-01-01 Provide Information about Changes in Electric and Telecom Industries | | |
| | 02-02-01 Assist Customers in Resolving Disputes | | |
| | 04-01-01 Central Administration | | |
| | 04-01-02 Information Resources | | |
| | 04-01-03 Other Support Services | | |

OBJECTS OF EXPENSE:

| | | | |
|---------------------------------|--------------------------------|------------------|-----------------|
| 2001 | PROFESSIONAL FEES AND SERVICES | 108,912 | 59,912 |
| TOTAL, OBJECT OF EXPENSE | | \$108,912 | \$59,912 |

METHOD OF FINANCING:

| | | | |
|-----------------------------------|----------------------|------------------|-----------------|
| 1 | General Revenue Fund | 108,912 | 59,912 |
| TOTAL, METHOD OF FINANCING | | \$108,912 | \$59,912 |

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item would cover the budget shortfall on the DCS project. The data center network costs were not accounted for in the DIR base case for FY 2008 and 2009. The costs have now been allocated to the project and will be an ongoing expense included in the project. The request would also provide funding for the true-up costs associated with this project that were not covered in the original request for the previous biennium. The funding will be allocated across all strategies and will support the operations of the PUC.

EXTERNAL/INTERNAL FACTORS:

The funding request will insure the effectiveness of all aspects of the PUC data center environment and will provide the agency staff a stable computing platform to serve the agency customers.

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
TIME: **12:04:57PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|---|--|--------------------|--------------------|
| Item Name: Customer Education - Produce and disseminate customer education information for electric market competition through outsourcing; address customer inquiries through a website and call center | | | |
| Allocation to Strategy: 3-1-2 Customer Education. Nontransferable | | | |
| OUTPUT MEASURES: | | | |
| | <u>1</u> # of Customers Information Products Distributed Through Outsourcing | 150,000.00 | 150,000.00 |
| EXPLANATORY/INPUT MEASURES: | | | |
| | <u>1</u> # of Power-to-Choose Website Hits | 3,000,000.00 | 3,000,000.00 |
| OBJECTS OF EXPENSE: | | | |
| | 2001 PROFESSIONAL FEES AND SERVICES | 4,250,000 | 4,250,000 |
| TOTAL, OBJECT OF EXPENSE | | \$4,250,000 | \$4,250,000 |
| METHOD OF FINANCING: | | | |
| | 5100 System Benefit Account | 4,250,000 | 4,250,000 |
| TOTAL, METHOD OF FINANCING | | \$4,250,000 | \$4,250,000 |

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:05:08PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|-----------------------------------|--------------------------------|--|-----------------|
| Item Name: | | Data Center Services - Incremental Network/True-up Costs | |
| Allocation to Strategy: | | 1-1-1 Foster and Monitor Market Competition | |
| OBJECTS OF EXPENSE: | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | 32,674 | 17,974 |
| TOTAL, OBJECT OF EXPENSE | | \$32,674 | \$17,974 |
| METHOD OF FINANCING: | | | |
| 1 | General Revenue Fund | 32,674 | 17,974 |
| TOTAL, METHOD OF FINANCING | | \$32,674 | \$17,974 |

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:05:08PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|--|--------------------------------|-----------------|-----------------|
| Item Name: Data Center Services - Incremental Network/True-up Costs | | | |
| Allocation to Strategy: 1-2-1 Conduct Rate Cases for Regulated Telephone and Electric Utilities | | | |
| OBJECTS OF EXPENSE: | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | 27,228 | 14,978 |
| TOTAL, OBJECT OF EXPENSE | | \$27,228 | \$14,978 |
| METHOD OF FINANCING: | | | |
| 1 | General Revenue Fund | 27,228 | 14,978 |
| TOTAL, METHOD OF FINANCING | | \$27,228 | \$14,978 |

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:05:08PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|--|--------------------------------|-----------------|----------------|
| Item Name: Data Center Services - Incremental Network/True-up Costs | | | |
| Allocation to Strategy: 1-3-1 Conduct Investigations and Initiate Enforcement Actions | | | |
| OBJECTS OF EXPENSE: | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | 16,337 | 8,987 |
| TOTAL, OBJECT OF EXPENSE | | \$16,337 | \$8,987 |
| METHOD OF FINANCING: | | | |
| 1 | General Revenue Fund | 16,337 | 8,987 |
| TOTAL, METHOD OF FINANCING | | \$16,337 | \$8,987 |

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:05:08PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|---|--------------------------------|----------------|----------------|
| Item Name: Data Center Services - Incremental Network/True-up Costs | | | |
| Allocation to Strategy: 2-1-1 Provide Information about Changes in Electric and Telecom Industries | | | |
| OBJECTS OF EXPENSE: | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | 9,802 | 5,392 |
| TOTAL, OBJECT OF EXPENSE | | \$9,802 | \$5,392 |
| METHOD OF FINANCING: | | | |
| 1 | General Revenue Fund | 9,802 | 5,392 |
| TOTAL, METHOD OF FINANCING | | \$9,802 | \$5,392 |

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
TIME: **12:05:08PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|---|--------------------------------|----------------|----------------|
| Item Name: Data Center Services - Incremental Network/True-up Costs | | | |
| Allocation to Strategy: 2-2-1 Assist Customers in Resolving Disputes | | | |
| OBJECTS OF EXPENSE: | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | 4,356 | 2,396 |
| TOTAL, OBJECT OF EXPENSE | | \$4,356 | \$2,396 |
| METHOD OF FINANCING: | | | |
| 1 | General Revenue Fund | 4,356 | 2,396 |
| TOTAL, METHOD OF FINANCING | | \$4,356 | \$2,396 |

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:05:08PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|--|--------------------------------|-----------------|----------------|
| Item Name: Data Center Services - Incremental Network/True-up Costs | | | |
| Allocation to Strategy: 4-1-1 Central Administration | | | |
| OBJECTS OF EXPENSE: | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | 11,980 | 6,590 |
| TOTAL, OBJECT OF EXPENSE | | \$11,980 | \$6,590 |
| METHOD OF FINANCING: | | | |
| 1 | General Revenue Fund | 11,980 | 6,590 |
| TOTAL, METHOD OF FINANCING | | \$11,980 | \$6,590 |

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:05:08PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|--|--------------------------------|----------------|----------------|
| Item Name: Data Center Services - Incremental Network/True-up Costs | | | |
| Allocation to Strategy: 4-1-2 Information Resources | | | |
| OBJECTS OF EXPENSE: | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | 5,446 | 2,996 |
| TOTAL, OBJECT OF EXPENSE | | \$5,446 | \$2,996 |
| METHOD OF FINANCING: | | | |
| 1 | General Revenue Fund | 5,446 | 2,996 |
| TOTAL, METHOD OF FINANCING | | \$5,446 | \$2,996 |

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:05:08PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

| Code | Description | Excp 2010 | Excp 2011 |
|--|--------------------------------|----------------|--------------|
| Item Name: Data Center Services - Incremental Network/True-up Costs | | | |
| Allocation to Strategy: 4-1-3 Other Support Services | | | |
| OBJECTS OF EXPENSE: | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | 1,089 | 599 |
| TOTAL, OBJECT OF EXPENSE | | \$1,089 | \$599 |
| METHOD OF FINANCING: | | | |
| 1 | General Revenue Fund | 1,089 | 599 |
| TOTAL, METHOD OF FINANCING | | \$1,089 | \$599 |

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:29PM

Agency Code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service Statewide Goal/Benchmark: 7 - 9
 OBJECTIVE: 1 Maintain Policies to Foster Competition in Telecom & Elec Mkts Service Categories:
 STRATEGY: 1 Foster and Monitor Market Competition Service: 17 Income: A.2 Age: B.3

| CODE DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------------------|------------------|------------------|
|-------------------------|------------------|------------------|

OBJECTS OF EXPENSE:

| | | |
|-------------------------------------|-----------------|-----------------|
| 2001 PROFESSIONAL FEES AND SERVICES | 32,674 | 17,974 |
| Total, Objects of Expense | \$32,674 | \$17,974 |

METHOD OF FINANCING:

| | | |
|---------------------------------|-----------------|-----------------|
| 1 General Revenue Fund | 32,674 | 17,974 |
| Total, Method of Finance | \$32,674 | \$17,974 |

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services - Incremental Network/True-up Costs

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:35PM

Agency Code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service Statewide Goal/Benchmark: 7 - 9
 OBJECTIVE: 2 Regulate Providers Ensuring Companies Meet Service Quality Standards Service Categories:
 STRATEGY: 1 Conduct Rate Cases for Regulated Telephone and Electric Utilities Service: 17 Income: A.2 Age: B.3

| | | |
|-------------------------|------------------|------------------|
| CODE DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------------------|------------------|------------------|

OBJECTS OF EXPENSE:

| | | |
|-------------------------------------|------------------------|------------------------|
| 2001 PROFESSIONAL FEES AND SERVICES | 27,228 | 14,978 |
| Total, Objects of Expense | <u>\$27,228</u> | <u>\$14,978</u> |

METHOD OF FINANCING:

| | | |
|---------------------------------|------------------------|------------------------|
| 1 General Revenue Fund | 27,228 | 14,978 |
| Total, Method of Finance | <u>\$27,228</u> | <u>\$14,978</u> |

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services - Incremental Network/True-up Costs

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:35PM

Agency Code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 1 Ensure Competition, Choice, Just Rates, and Reliable Quality Service Statewide Goal/Benchmark: 7 - 9
 OBJECTIVE: 3 Ensure Compliance with Statutes, Rules, and Orders Service Categories:
 STRATEGY: 1 Conduct Investigations and Initiate Enforcement Actions Service: NA Income: NA Age: NA

| CODE DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------------------|------------------|------------------|
|-------------------------|------------------|------------------|

OBJECTS OF EXPENSE:

| | | |
|-------------------------------------|-----------------|----------------|
| 2001 PROFESSIONAL FEES AND SERVICES | 16,337 | 8,987 |
| Total, Objects of Expense | \$16,337 | \$8,987 |

METHOD OF FINANCING:

| | | |
|---------------------------------|-----------------|----------------|
| 1 General Revenue Fund | 16,337 | 8,987 |
| Total, Method of Finance | \$16,337 | \$8,987 |

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services - Incremental Network/True-up Costs

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:35PM

Agency Code: **473**

Agency name: **Public Utility Commission of Texas**

GOAL: 2 Educate Customers and Assist Customers

Statewide Goal/Benchmark: 7 - 9

OBJECTIVE: 1 Inform Customers of Choices & Rights & Facilitate Information Access

Service Categories:

STRATEGY: 1 Provide Information about Changes in Electric and Telecom Industries

Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION

Excp 2010

Excp 2011

OBJECTS OF EXPENSE:

2001 PROFESSIONAL FEES AND SERVICES

9,802

5,392

Total, Objects of Expense

\$9,802

\$5,392

METHOD OF FINANCING:

1 General Revenue Fund

9,802

5,392

Total, Method of Finance

\$9,802

\$5,392

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services - Incremental Network/True-up Costs

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:35PM

Agency Code: **473** Agency name: **Public Utility Commission of Texas**

GOAL: 2 Educate Customers and Assist Customers Statewide Goal/Benchmark: 7 - 9
 OBJECTIVE: 2 Resolve Complaints Consistent w/Laws & PUC Rules & Orders Service Categories:
 STRATEGY: 1 Assist Customers in Resolving Disputes Service: 17 Income: A.2 Age: B.3

| CODE DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------------------|------------------|------------------|
|-------------------------|------------------|------------------|

OBJECTS OF EXPENSE:

| | | |
|-------------------------------------|----------------|----------------|
| 2001 PROFESSIONAL FEES AND SERVICES | 4,356 | 2,396 |
| Total, Objects of Expense | \$4,356 | \$2,396 |

METHOD OF FINANCING:

| | | |
|---------------------------------|----------------|----------------|
| 1 General Revenue Fund | 4,356 | 2,396 |
| Total, Method of Finance | \$4,356 | \$2,396 |

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services - Incremental Network/True-up Costs

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:35PM

Agency Code: **473**

Agency name: **Public Utility Commission of Texas**

GOAL: 3 Electric Utility Restructuring

Statewide Goal/Benchmark: 7 - 9

OBJECTIVE: 1 Provide Financial Assistance

Service Categories:

STRATEGY: 2 Customer Education. Nontransferable

Service: 17 Income: A.2 Age: B.3

| CODE DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------------------|------------------|------------------|
|-------------------------|------------------|------------------|

OBJECTS OF EXPENSE:

| | | |
|-------------------------------------|--------------------|--------------------|
| 2001 PROFESSIONAL FEES AND SERVICES | 4,250,000 | 4,250,000 |
| Total, Objects of Expense | \$4,250,000 | \$4,250,000 |

METHOD OF FINANCING:

| | | |
|---------------------------------|--------------------|--------------------|
| 5100 System Benefit Account | 4,250,000 | 4,250,000 |
| Total, Method of Finance | \$4,250,000 | \$4,250,000 |

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Customer Education - Produce and disseminate customer education information for electric market competition through outsourcing; address customer inquiries through a website and call center

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:35PM

Agency Code: **473**

Agency name: **Public Utility Commission of Texas**

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Statewide Goal/Benchmark: 7 - 9
 Service Categories:
 Service: 17 Income: A.2 Age: B.3

| CODE DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------------------|------------------|------------------|
|-------------------------|------------------|------------------|

OBJECTS OF EXPENSE:

| | | |
|-------------------------------------|-----------------|----------------|
| 2001 PROFESSIONAL FEES AND SERVICES | 11,980 | 6,590 |
| Total, Objects of Expense | \$11,980 | \$6,590 |

METHOD OF FINANCING:

| | | |
|---------------------------------|-----------------|----------------|
| 1 General Revenue Fund | 11,980 | 6,590 |
| Total, Method of Finance | \$11,980 | \$6,590 |

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services - Incremental Network/True-up Costs

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:35PM

Agency Code: **473**

Agency name: **Public Utility Commission of Texas**

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Statewide Goal/Benchmark: 7 - 9
 Service Categories:
 Service: 17 Income: A.2 Age: B.3

| CODE DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------------------|------------------|------------------|
|-------------------------|------------------|------------------|

OBJECTS OF EXPENSE:

| | | |
|-------------------------------------|----------------|----------------|
| 2001 PROFESSIONAL FEES AND SERVICES | 5,446 | 2,996 |
| Total, Objects of Expense | \$5,446 | \$2,996 |

METHOD OF FINANCING:

| | | |
|---------------------------------|----------------|----------------|
| 1 General Revenue Fund | 5,446 | 2,996 |
| Total, Method of Finance | \$5,446 | \$2,996 |

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services - Incremental Network/True-up Costs

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:05:35PM

Agency Code: **473**

Agency name: **Public Utility Commission of Texas**

GOAL: 4 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 3 Other Support Services

Statewide Goal/Benchmark: 7 - 9
 Service Categories:
 Service: 17 Income: A.2 Age: B.3

| | | |
|-------------------------|------------------|------------------|
| CODE DESCRIPTION | Excp 2010 | Excp 2011 |
|-------------------------|------------------|------------------|

OBJECTS OF EXPENSE:

| | | |
|-------------------------------------|-----------------------|---------------------|
| 2001 PROFESSIONAL FEES AND SERVICES | 1,089 | 599 |
| Total, Objects of Expense | <u>\$1,089</u> | <u>\$599</u> |

METHOD OF FINANCING:

| | | |
|---------------------------------|-----------------------|---------------------|
| 1 General Revenue Fund | 1,089 | 599 |
| Total, Method of Finance | <u>\$1,089</u> | <u>\$599</u> |

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services - Incremental Network/True-up Costs

Agency code: 473

Agency name: Public Utility Commission of Texas

Category Code / Category Name

| <i>Project Sequence/Project Id/ Name</i> | | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|---|------------------|------------------|------------------|------------------|
| OOE / TOF / MOF CODE | | | | | |
| 5005 Acquisition of Information Resource Technologies | | | | | |
| <i>1/1 Digital Copiers Lease</i> | | | | | |
| OBJECTS OF EXPENSE | | | | | |
| <u>Capital</u> | | | | | |
| 2007 RENT - MACHINE AND OTHER | | \$152,573 | \$220,000 | \$160,000 | \$160,000 |
| Capital Subtotal OOE, Project | 1 | \$152,573 | \$220,000 | \$160,000 | \$160,000 |
| Subtotal OOE, Project | 1 | \$152,573 | \$220,000 | \$160,000 | \$160,000 |
| TYPE OF FINANCING | | | | | |
| <u>Capital</u> | | | | | |
| CA 1 General Revenue Fund | | \$152,573 | \$220,000 | \$160,000 | \$160,000 |
| Capital Subtotal TOF, Project | 1 | \$152,573 | \$220,000 | \$160,000 | \$160,000 |
| Subtotal TOF, Project | 1 | \$152,573 | \$220,000 | \$160,000 | \$160,000 |
| <i>2/2 Desktop Software and desktop computer acquisition</i> | | | | | |
| OBJECTS OF EXPENSE | | | | | |
| <u>Capital</u> | | | | | |
| 2007 RENT - MACHINE AND OTHER | | \$212,412 | \$219,831 | \$240,000 | \$240,000 |
| Capital Subtotal OOE, Project | 2 | \$212,412 | \$219,831 | \$240,000 | \$240,000 |
| Subtotal OOE, Project | 2 | \$212,412 | \$219,831 | \$240,000 | \$240,000 |
| TYPE OF FINANCING | | | | | |
| <u>Capital</u> | | | | | |
| CA 1 General Revenue Fund | | \$212,412 | \$219,831 | \$240,000 | \$240,000 |
| Capital Subtotal TOF, Project | 2 | \$212,412 | \$219,831 | \$240,000 | \$240,000 |
| Subtotal TOF, Project | 2 | \$212,412 | \$219,831 | \$240,000 | \$240,000 |
| <i>3/3 Data Center Consolidation</i> | | | | | |
| OBJECTS OF EXPENSE | | | | | |

5.A. CAPITAL BUDGET PROJECT SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:06:08PM

Agency code: 473

Agency name: Public Utility Commission of Texas

Category Code / Category Name

| <i>Project Sequence/Project Id/ Name</i> | | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|--------------------------------|------------------|------------------|------------------|------------------|
| OOE / TOF / MOF CODE | | | | | |
| <u>Capital</u> | | | | | |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$417,688 | \$472,000 | \$370,088 | \$370,088 |
| Capital Subtotal OOE, Project | 3 | \$417,688 | \$472,000 | \$370,088 | \$370,088 |
| Subtotal OOE, Project | 3 | \$417,688 | \$472,000 | \$370,088 | \$370,088 |
| TYPE OF FINANCING | | | | | |
| <u>Capital</u> | | | | | |
| CA | 1 General Revenue Fund | \$417,688 | \$472,000 | \$370,088 | \$370,088 |
| Capital Subtotal TOF, Project | 3 | \$417,688 | \$472,000 | \$370,088 | \$370,088 |
| Subtotal TOF, Project | 3 | \$417,688 | \$472,000 | \$370,088 | \$370,088 |
| Capital Subtotal, Category | 5005 | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| Informational Subtotal, Category | 5005 | | | | |
| Total, Category | 5005 | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| AGENCY TOTAL -CAPITAL | | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| AGENCY TOTAL -INFORMATIONAL | | | | | |
| AGENCY TOTAL | | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| METHOD OF FINANCING: | | | | | |
| <u>Capital</u> | | | | | |
| 1 | General Revenue Fund | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| Total, Method of Financing-Capital | | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| Total, Method of Financing | | \$782,673 | \$911,831 | \$770,088 | \$770,088 |

5.A. CAPITAL BUDGET PROJECT SCHEDULE
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:06:08PM

Agency code: 473

Agency name: Public Utility Commission of Texas

Category Code / Category Name

Project Sequence/Project Id/ Name

| OOE / TOF / MOF CODE | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|----------------------------------|------------------|------------------|------------------|------------------|
| TYPE OF FINANCING: | | | | |
| <u>Capital</u> | | | | |
| CA CURRENT APPROPRIATIONS | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| Total, Type of Financing-Capital | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| Total,Type of Financing | \$782,673 | \$911,831 | \$770,088 | \$770,088 |

5.B. CAPITAL BUDGET PROJECT INFORMATION
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:06:35PM

| | | | |
|------------------|-------------|----------------|---|
| Agency Code: | 473 | Agency name: | Public Utility Commission of Texas |
| Category Number: | 5005 | Category Name: | ACQUISITN INFO RES TECH. |
| Project number: | 1 | Project Name: | Digital Copiers Lease |

PROJECT DESCRIPTION

General Information

An ongoing lease for copiers with Xerox Corporation. The copiers also are network capable and can be used as high volume printers.

| | | | | |
|---|-------------|------------------------|-------------|--------------------------------|
| Number of Units / Average Unit Cost | 0 | | | |
| Estimated Completion Date | 08/31/2011 | | | |
| Additional Capital Expenditure Amounts Required | | 2012 | | 2013 |
| | | 0 | | 0 |
| Type of Financing | CA | CURRENT APPROPRIATIONS | | |
| Projected Useful Life | 5 years | | | |
| Estimated/Actual Project Cost | \$ 220,000 | | | |
| Length of Financing/ Lease Period | 5 years | | | |
| <u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u> | | | | Total over project life |
| | 2010 | 2011 | 2012 | 2013 |
| | 160,000 | 160,000 | 0 | 0 |
| | | | | 320,000 |

| <u>REVENUE GENERATION / COST SAVINGS</u> | | |
|---|------------------------|------------------------------|
| <u>REVENUE_COST_FLAG</u> | <u>MOF_CODE</u> | <u>AVERAGE_AMOUNT</u> |
| | | |

Explanation: N/A

Project Location: Austin, TX

Beneficiaries: Based on the added printer functionality of the copiers, the agency benefits by using the high volume copiers as printers.

Frequency of Use and External Factors Affecting Use:

This will be used in the daily operations of the agency.

5.B. CAPITAL BUDGET PROJECT INFORMATION
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:06:35PM

| | | | |
|------------------|-------------|----------------|---|
| Agency Code: | 473 | Agency name: | Public Utility Commission of Texas |
| Category Number: | 5005 | Category Name: | ACQUISITN INFO RES TECH. |
| Project number: | 2 | Project Name: | Software & Computer Lease |

PROJECT DESCRIPTION

General Information

The project is the continuation of the PUC's computer Master Lease agreement and software maintenance, which was put in place during the Commission's Year 2000 project in 1999. The decision to lease the desktops allowed the agency to rapidly deploy the technology needed for the Year 2000 project and assisted with the standardization of the computing platform. The leases are based on the Commission's 36-month technology refresh for desktops and are an integral part of the PUC's Daily Operations.

| | | | |
|--|------------|------------------------|-------------|
| Number of Units / Average Unit Cost | 0 | | |
| Estimated Completion Date | 08/31/2011 | | |
| Additional Capital Expenditure Amounts Required | | 2012 | 2013 |
| | | 0 | 0 |
| Type of Financing | CA | CURRENT APPROPRIATIONS | |
| Projected Useful Life | 3 years | | |
| Estimated/Actual Project Cost | \$ 0 | | |
| Length of Financing/ Lease Period | 3 years | | |

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

| 2010 | 2011 | 2012 | 2013 | Total over project life |
|-------------|-------------|-------------|-------------|------------------------------------|
| 240,000 | 240,000 | 0 | 0 | 480,000 |

REVENUE GENERATION / COST SAVINGS

| <u>REVENUE COST FLAG</u> | <u>MOF_CODE</u> | <u>AVERAGE_AMOUNT</u> |
|---------------------------------|------------------------|------------------------------|
| | | |

Explanation:

Project Location: Austin, TX

Beneficiaries: The Desktop & Software project supports agency personnel and service delivery to our external customers.

Frequency of Use and External Factors Affecting Use:

This will be used in the daily operations of the agency.

5.B. CAPITAL BUDGET PROJECT INFORMATION
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME: 12:06:35PM

| | | | |
|------------------|-------------|----------------|---|
| Agency Code: | 473 | Agency name: | Public Utility Commission of Texas |
| Category Number: | 5005 | Category Name: | ACQUISITN INFO RES TECH. |
| Project number: | 3 | Project Name: | Data Center Consolidation |

PROJECT DESCRIPTION

General Information

On November 22, 2006, DIR executed a contract with International Business Machines Corporation (IBM) to provide data center services for 27 Texas state agencies. The contract commenced on March 31, 2007, and expires on August 31, 2014, with three optional, one-year extensions. The agreement includes transition of in-scope services in 31 legacy data centers, careful and methodical consolidation of these services to two commercial-grade facilities, and ongoing operations in a high-performance environment. The state retains ownership of all assets until end of life and retains ownership of all data on the in-scope systems.

IBM's partners in the contract, collectively called Team for Texas, are Unisys, Pitney Bowes, and Xerox. In addition, the contract contains additional subcontractors with more than 20 percent of contract value subcontracted to Historically Underutilized Businesses (HUBs). IBM provides overall program management for the contract and has responsibility for strategic planning, IT operations, risk management, communications, and training. Unisys has responsibility for IT operations, infrastructure build out, and data center and support center management. Pitney Bowes oversees mail operations management and mail services transformation. Xerox is responsible for print operations management and the transformation of print services.

The state's goals for the data center services (DCS) contract include effective management of in-place services, migration of services to the consolidated data centers, and improvements to services, security, and disaster recovery capability. IBM organizes these activities into three phases: transition, transformation, and consolidation. (see Project Status for definitions and current status)

| | | | |
|--|-----------|------------------------|-------------|
| Number of Units / Average Unit Cost | 0 | | |
| Estimated Completion Date | 8/31/2014 | | |
| Additional Capital Expenditure Amounts Required | | 2012 | 2013 |
| | | 0 | 0 |
| Type of Financing | CA | CURRENT APPROPRIATIONS | |
| Projected Useful Life | N/A | | |
| Estimated/Actual Project Cost | \$ 0 | | |
| Length of Financing/ Lease Period | N/A | | |

| <u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u> | | | | | Total over project life |
|---|-------------|-------------|-------------|-------------|------------------------------------|
| | 2010 | 2011 | 2012 | 2013 | |
| | 479,000 | 430,000 | 0 | 0 | 0 |

| <u>REVENUE GENERATION / COST SAVINGS</u> | | |
|---|------------------------|------------------------------|
| <u>REVENUE</u> | <u>COST</u> | <u>FLAG</u> |
| | <u>MOF_CODE</u> | <u>AVERAGE_AMOUNT</u> |
| | | |

Explanation: N/A

5.B. CAPITAL BUDGET PROJECT INFORMATION
81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:06:35PM

Project Location: Austin, Texas

Beneficiaries: The agency will benefit from having a more secure and reliable data center.

Frequency of Use and External Factors Affecting Use:

This will be used in the daily operations of the agency.

Agency code: 473 Agency name: Public Utility Commission of Texas

Category Code/Name

Project Sequence/Project Id/Name

| Goal/Obj/Str | Strategy Name | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------------------------------|-----------|-----------|-----------|-----------|
| 5005 Acquisition of Information Resource Technologies | | | | | |
| 1/1 | Digital Copiers Lease | | | | |
| Capital | 1-1-1 MARKET COMPETITION | 45,772 | 66,000 | \$48,000 | \$48,000 |
| Capital | 1-2-1 UTILITY REGULATION | 44,246 | 55,000 | 40,000 | 40,000 |
| Capital | 1-3-1 INVESTIGATION AND ENFORCEMENT | 16,782 | 33,000 | 24,000 | 24,000 |
| Capital | 2-2-1 ASSIST CUSTOMERS | 6,103 | 8,800 | 6,400 | 6,400 |
| Capital | 2-1-1 PROVIDE FACTS ABOUT CHANGES | 13,732 | 19,800 | 14,400 | 14,400 |
| Capital | 4-1-1 CENTRAL ADMINISTRATION | 16,783 | 24,200 | 17,600 | 17,600 |
| Capital | 4-1-2 INFORMATION RESOURCES | 7,629 | 11,000 | 8,000 | 8,000 |
| Capital | 4-1-3 OTHER SUPPORT SERVICES | 1,526 | 2,200 | 1,600 | 1,600 |
| TOTAL, PROJECT | | \$152,573 | \$220,000 | \$160,000 | \$160,000 |

2/2 Software & Computer Lease

| | | | | | |
|---------|-------------------------------------|--------|--------|--------|--------|
| Capital | 1-1-1 MARKET COMPETITION | 63,724 | 65,949 | 72,000 | 72,000 |
| Capital | 1-2-1 UTILITY REGULATION | 61,599 | 54,958 | 60,000 | 60,000 |
| Capital | 1-3-1 INVESTIGATION AND ENFORCEMENT | 23,366 | 32,975 | 36,000 | 36,000 |
| Capital | 2-2-1 ASSIST CUSTOMERS | 8,496 | 8,793 | 9,600 | 9,600 |
| Capital | 2-1-1 PROVIDE FACTS ABOUT CHANGES | 19,117 | 19,785 | 21,600 | 21,600 |
| Capital | 4-1-1 CENTRAL ADMINISTRATION | 23,366 | 24,181 | 26,400 | 26,400 |
| Capital | 4-1-2 INFORMATION RESOURCES | 10,620 | 10,992 | 12,000 | 12,000 |
| Capital | 4-1-3 OTHER SUPPORT SERVICES | 2,124 | 2,198 | 2,400 | 2,400 |

5.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES (BASELINE)
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/12/2008**
 TIME: **12:07:18PM**

Agency code: **473** Agency name: **Public Utility Commission of Texas**

Category Code/Name

Project Sequence/Project Id/Name

| Goal/Obj/Str | Strategy Name | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------------------------------|------------------|------------------|------------------|------------------|
| TOTAL, PROJECT | | \$212,412 | \$219,831 | \$240,000 | \$240,000 |
| <i>3/3</i> | <i>Data Center Consolidation</i> | | | | |
| Capital | 1-1-1 MARKET COMPETITION | 125,306 | 141,600 | \$111,026 | \$111,026 |
| Capital | 1-2-1 UTILITY REGULATION | 121,130 | 118,000 | 92,522 | 92,522 |
| Capital | 1-3-1 INVESTIGATION AND ENFORCEMENT | 45,946 | 70,800 | 55,513 | 55,513 |
| Capital | 2-2-1 ASSIST CUSTOMERS | 16,708 | 18,880 | 14,804 | 14,804 |
| Capital | 2-1-1 PROVIDE FACTS ABOUT CHANGES | 37,592 | 42,480 | 33,308 | 33,308 |
| Capital | 4-1-1 CENTRAL ADMINISTRATION | 45,946 | 51,920 | 40,710 | 40,710 |
| Capital | 4-1-2 INFORMATION RESOURCES | 20,883 | 23,600 | 18,504 | 18,504 |
| Capital | 4-1-3 OTHER SUPPORT SERVICES | 4,177 | 4,720 | 3,701 | 3,701 |
| TOTAL, PROJECT | | \$417,688 | \$472,000 | \$370,088 | \$370,088 |
| TOTAL CAPITAL, ALL PROJECTS | | \$782,673 | \$911,831 | \$770,088 | \$770,088 |
| TOTAL INFORMATIONAL, ALL PROJECTS | | | | | |
| TOTAL, ALL PROJECTS | | \$782,673 | \$911,831 | \$770,088 | \$770,088 |

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/12/2008
Time: 12:07:59PM

Agency Code: 473 Agency: Public Utility Commission of Texas

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2006 - 2007 HUB Expenditure Information

| Statewide HUB Goals | Procurement Category | HUB Expenditures FY 2006 | | | Total Expenditures FY 2006 | HUB Expenditures FY 2007 | | | Total Expenditures FY 2007 |
|---------------------|---------------------------|--------------------------|--------------|------------------|----------------------------|--------------------------|--------------|------------------|----------------------------|
| | | % Goal | % Actual | Actual \$ | | % Goal | % Actual | Actual \$ | |
| 20.0% | Professional Services | 100.0 % | 100.0% | \$6,800 | \$6,800 | 100.0 % | 100.0% | \$6,800 | \$6,800 |
| 33.0% | Other Services | 20.0 % | 20.1% | \$392,799 | \$1,956,541 | 30.9 % | 30.9% | \$352,561 | \$1,140,098 |
| 12.6% | Commodities | 54.6 % | 54.6% | \$356,707 | \$652,895 | 52.7 % | 52.8% | \$278,620 | \$528,148 |
| | Total Expenditures | | 28.9% | \$756,306 | \$2,616,236 | | 38.1% | \$637,981 | \$1,675,046 |

B. Assessment of Fiscal Year 2006 - 2007 Efforts to Meet HUB Procurement Goals

Attainment:

The agency exceeded two of three, or 66%, of the applicable statewide HUB procurement goals in FY2006.
The agency exceeded two of three, or 66%, of the applicable statewide HUB procurement goals in FY2007.

Applicability:

The agency has no strategies, or programs, related to Heavy Construction, Building Construction, or Special Trade purchases. \$0 were spent by the agency under each of these categories.

Factors Affecting Attainment:

The Public Utility Commission contracts for Other Services. They are highly specialized in nature and few of the qualified vendors are certified as HUBs.

In both fiscal years 2006 and 2007, the goal for the "Other Services" category was not met. In both years, the PUC's low percentage in this category was negatively affected by the total dollar amount spent on larger projects. These larger projects increased the overall expenditures in this category, and even though the PUC paid subcontractors as part of its contracts, this consideration was not enough to bring the percentage up to the statewide goal.

"Good-Faith" Efforts:

The agency makes the following good-faith efforts to comply with the statewide HUB procurement goals per 1 TAC, Section 111.13(c):

- Participated with other local agencies in sponsoring HUB forums.
- Conducted outreach to non-certified vendors who could potentially become certified HUB vendors.
- Obtained the required minimum two HUB bids (minority-owned business from the state's HUB database) for purchases of commodities and/or services over \$5000—except when releasing from master contracts.
 - o For spot purchases below \$5000, which do not require bids, the agency routinely attempts to obtain bids from HUB vendors whenever possible. When competitive bids on spot purchases are not available, the agency routinely purchases from HUB vendors. This is particularly evident in office supplies and IT equipment and supplies.
 - o The PUC also includes the HUB Subcontracting Plan in every request for proposal, not just those with estimated value of \$100,000 or more, unless the proposal is exempted by the Texas Government Code.

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

DATE: 8/12/2008
TIME: 12:08:22PM

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **473**

Agency name: **Public Utility Commission of Texas**

| FUND/ACCOUNT | Act 2007 | Exp 2008 | Exp 2009 | Bud 2010 | Est 2011 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| 666 Appropriated Receipts | | | | | |
| Beginning Balance (Unencumbered): | \$0 | \$0 | \$0 | \$0 | \$0 |
| Estimated Revenue: | | | | | |
| 3603 Universal Srvc Fund Reimbursement | 412,483 | 610,000 | 400,000 | 400,000 | 400,000 |
| 3719 Fees/Copies or Filing of Records | 22,527 | 20,000 | 75,000 | 75,000 | 75,000 |
| Subtotal: Actual/Estimated Revenue | 435,010 | 630,000 | 475,000 | 475,000 | 475,000 |
| Total Available | \$435,010 | \$630,000 | \$475,000 | \$475,000 | \$475,000 |
| DEDUCTIONS: | | | | | |
| | 0 | 0 | 0 | 0 | 0 |
| TEXAS UNIVERSAL SERVICE FUND COSTS | (412,483) | (610,000) | (400,000) | (400,000) | (400,000) |
| ART. IX SALE OF PRINTED MATERIAL | (18,601) | (18,000) | (45,000) | (45,000) | (45,000) |
| RIDER 3, GAA 2006-7 PUC INTERCHANGE | (3,926) | (2,000) | (30,000) | 0 | 0 |
| RIDER 3, GAA 2008-9 PUC INTERCHANGE | 0 | 0 | 0 | (30,000) | (30,000) |
| Total, Deductions | \$(435,010) | \$(630,000) | \$(475,000) | \$(475,000) | \$(475,000) |
| Ending Fund/Account Balance | \$0 | \$0 | \$0 | \$0 | \$0 |

REVENUE ASSUMPTIONS:

CONTACT PERSON:

JAMES O. ALBRIGHT

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

DATE: 8/12/2008
TIME: 12:08:29PM

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **473**

Agency name: **Public Utility Commission of Texas**

| FUND/ACCOUNT | Act 2007 | Exp 2008 | Exp 2009 | Bud 2010 | Est 2011 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 5100 System Benefit Account | | | | | |
| Beginning Balance (Unencumbered): | \$256,391,314 | \$394,293,392 | \$466,828,097 | \$533,924,652 | \$608,332,960 |
| Estimated Revenue: | | | | | |
| 3244 Non-Bypassable Utility Fee | 139,231,359 | 143,621,047 | 145,054,323 | 146,504,868 | 147,969,917 |
| 3857 Int on State Deposits/Treasury Inv | 16,327,289 | 19,610,996 | 18,299,927 | 20,857,912 | 23,530,509 |
| Subtotal: Actual/Estimated Revenue | 155,558,648 | 163,232,043 | 163,354,250 | 167,362,780 | 171,500,426 |
| Total Available | \$411,949,962 | \$557,525,435 | \$630,182,347 | \$701,287,432 | \$779,833,386 |
| DEDUCTIONS: | | | | | |
| PUC ADMINISTRATION | (947,759) | (1,587,592) | (975,032) | (1,004,472) | (1,004,472) |
| ELECTRIC MARKET MONITORING | (174,500) | (558,000) | (1,200,000) | (1,200,000) | (1,200,000) |
| CUSTOMER EDUCATION CAMPAIGN | (745,702) | (589,460) | (910,540) | (750,000) | (750,000) |
| LOW INCOME DISCOUNT PROGRAM | (15,788,609) | (87,962,286) | (96,249,105) | (90,000,000) | (91,000,000) |
| Total, Deductions | \$(17,656,570) | \$(90,697,338) | \$(99,334,677) | \$(92,954,472) | \$(93,954,472) |
| Ending Fund/Account Balance | \$394,293,392 | \$466,828,097 | \$530,847,670 | \$608,332,960 | \$685,878,914 |

REVENUE ASSUMPTIONS:

Revenue is derived from a non-bypassable fee of 65 cents per megawatt hour on customers' electric bills living in those areas of the state that are in market competition. Assumptions are made as to the amount of electricity consumed, the number of customers, the temperature in any given time period, the state of the economy and other information that may be derived from the companies.

CONTACT PERSON:

JAMES O. ALBRIGHT

6.G HOMELAND SECURITY FUNDING SCHEDULE - PART A TERRORISM

DATE: 8/12/2008
 TIME: 12:08:49PM

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **473** Agency name: **PUBLIC UTILITY COMM**

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|---------------------------------------|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| OBJECTS OF EXPENSE | | | | | | |
| 1001 | SALARIES AND WAGES | \$19,636 | \$34,301 | \$33,600 | \$34,000 | \$35,000 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$0 | \$864 | \$890 | \$910 | \$950 |
| 2004 | UTILITIES | \$0 | \$958 | \$990 | \$1,010 | \$1,060 |
| 2005 | TRAVEL | \$3,188 | \$2,537 | \$3,330 | \$3,330 | \$3,330 |
| 2007 | RENT - MACHINE AND OTHER | \$0 | \$975 | \$1,000 | \$1,020 | \$1,080 |
| 2009 | OTHER OPERATING EXPENSE | \$1,717 | \$232 | \$240 | \$240 | \$260 |
| TOTAL, OBJECTS OF EXPENSE | | \$24,541 | \$39,867 | \$40,050 | \$40,510 | \$41,680 |
| METHOD OF FINANCING | | | | | | |
| 1 | General Revenue Fund | \$24,541 | \$39,867 | \$40,050 | \$40,510 | \$41,680 |
| | Subtotal, MOF (General Revenue Funds) | \$24,541 | \$39,867 | \$40,050 | \$40,510 | \$41,680 |
| TOTAL, METHOD OF FINANCE | | \$24,541 | \$39,867 | \$40,050 | \$40,510 | \$41,680 |
| FULL-TIME-EQUIVALENT POSITIONS | | 0.3 | 0.5 | 0.5 | 0.5 | 0.5 |

USE OF HOMELAND SECURITY FUNDS

The Homeland Security Coordinator (HSC) for the Public Utility Commission of Texas (PUC) communicates with the divisions and the Commissioners and prepares a Business Continuity plan. The HSC works with the State Office of Risk Management and the Texas Facilities Commission to make sure that the state owned-building occupied by PUC is prepared for both terrorism and natural or man-made disasters. Since the PUC regulates the Telecommunications and Electric Utilities, the HSC travels/makes visits to telecommunications utilities and the electric generating facilities working in coordination with that utility's HSC. The HSC creates various reports for the Executive Director and the Commissioners. In addition, the HSC works with the State Operations Center to help coordinate restoration efforts after storms, hurricanes or terrorist events.

6.G HOMELAND SECURITY FUNDING SCHEDULE - PART A TERRORISM

Funds Passed through to Local Entities

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:08:55PM

Agency code: **473** Agency name: **PUBLIC UTILITY COMM**

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|

6.G HOMELAND SECURITY FUNDING SCHEDULE - PART A TERRORISM

Funds Passed through to State Agencies

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008

TIME: 12:08:55PM

Agency code: **473** Agency name: **PUBLIC UTILITY COMM**

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|

6.G HOMELAND SECURITY FUNDING SCHEDULE - PART B NATURAL OR MAN-MADE DISASTERS

DATE: 8/12/2008
 TIME: 12:08:55PM

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **473** Agency name: **PUBLIC UTILITY COMM**

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|---------------------------------------|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| OBJECTS OF EXPENSE | | | | | | |
| 1001 | SALARIES AND WAGES | \$19,636 | \$64,591 | \$67,200 | \$67,900 | \$69,900 |
| 2001 | PROFESSIONAL FEES AND SERVICES | \$0 | \$1,727 | \$1,780 | \$1,810 | \$1,900 |
| 2004 | UTILITIES | \$0 | \$1,916 | \$1,970 | \$2,010 | \$2,110 |
| 2005 | TRAVEL | \$3,188 | \$4,498 | \$6,670 | \$6,670 | \$6,670 |
| 2007 | RENT - MACHINE AND OTHER | \$0 | \$1,949 | \$2,010 | \$2,050 | \$2,150 |
| 2009 | OTHER OPERATING EXPENSE | \$1,717 | \$464 | \$480 | \$490 | \$510 |
| TOTAL, OBJECTS OF EXPENSE | | \$24,541 | \$75,145 | \$80,110 | \$80,930 | \$83,240 |
| METHOD OF FINANCING | | | | | | |
| 1 | General Revenue Fund | \$24,541 | \$75,145 | \$80,110 | \$80,930 | \$83,240 |
| | Subtotal, MOF (General Revenue Funds) | \$24,541 | \$75,145 | \$80,110 | \$80,930 | \$83,240 |
| TOTAL, METHOD OF FINANCE | | \$24,541 | \$75,145 | \$80,110 | \$80,930 | \$83,240 |
| FULL-TIME-EQUIVALENT POSITIONS | | 0.3 | 1.0 | 1.0 | 1.0 | 1.0 |

USE OF HOMELAND SECURITY FUNDS

The Homeland Security Coordinator (HSC) for the Public Utility Commission of Texas (PUC) communicates with the divisions and the Commissioners and prepares a Business Continuity plan. The HSC works with the State Office of Risk Management and the Texas Facilities Commission to make sure that the state owned-building occupied by PUC is prepared for both terrorism and natural or man-made disasters. Since the PUC regulates the Telecommunications and Electric Utilities, the HSC travels/makes visits to telecommunications utilities and the electric generating facilities working in coordination with that utility's HSC. The HSC creates various reports for the Executive Director and the Commissioners. In addition, the HSC works with the State Operations Center to help coordinate restoration efforts after storms, hurricanes or terrorist events.

6.G HOMELAND SECURITY FUNDING SCHEDULE - PART B NATURAL OR MAN-MADE DISASTERS

Funds Passed through to Local Entities

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
TIME: 12:08:55PM

Agency code: **473** Agency name: **PUBLIC UTILITY COMM**

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|

6.G HOMELAND SECURITY FUNDING SCHEDULE - PART B NATURAL OR MAN-MADE DISASTERS

Funds Passed through to State Agencies

81st Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008

TIME: 12:08:55PM

Agency code: **473** Agency name: **PUBLIC UTILITY COMM**

| CODE | DESCRIPTION | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|
|-------------|--------------------|-----------------|-----------------|-----------------|----------------|----------------|

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Public Utility Commission

| | | |
|---|-----------|----------------------|
| ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2010-11 GAA BILL PATTERN | \$ | 1,027,384,866 |
|---|-----------|----------------------|

| Fund Name | |
|--|-------------------------|
| Estimated Beginning Balance in FY 2008 | \$ 224,647,211 |
| Estimated Revenues FY 2008 | \$ 547,800,000 |
| Estimated Revenues FY 2009 | \$ 416,160,000 |
| FY 2008-09 Total | \$ 1,188,607,211 |
| | |
| Estimated Beginning Balance in FY 2010 | \$ 169,928,802 |
| Estimated Revenues FY 2010 | \$ 424,483,200 |
| Estimated Revenues FY 2011 | \$ 432,972,864 |
| FY 2010-11 Total | \$ 1,027,384,866 |

Constitutional or Statutory Creation and Use of Funds:

The Public Utility Regulatory Act (PURA) Chapter 56 (Telecommunications Assistance and Universal Service Fund), Subchapter B. (Universal Service Fund) Sec. 56.021 (Universal Service Fund Established) requires the Commission to adopt and enforce rules requiring Local Exchange Telephone companies to establish a universal service fund. The fund may be used to (1) assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high cost rural areas; (2) reimburse the telecommunications carrier that provides the statewide telecommunications relay access service, Relay Texas, under Subchapter D; (3) finance the specialized telecommunications assistance program under Subchapter E; (4) reimburse the department of Health and Human Services, Texas Commission for the Deaf and Hard of Hearing, and the Public Utility Commission for costs incurred in implementing Chapter 56 and Chapter 57 of PURA; (5) reimburse telecommunication carriers that provide Lifeline telephone discount to low income customers as provided by 47 C.F.R. Part 54, Subpart E, as amended; (6) finance the implementation and administration of an integrated eligibility process created under Section 17.007 for Lifeline discounts , including outreach expenses the commission determines are reasonable and necessary; (7) reimburse a provider designated to serve an uncertificated area under Subchapter F; (8) reimburse a successor utility designated to serve under Subchapter G; and (9) finance the audio newspaper assistance program.

Method of Calculation and Revenue Assumptions:

PURA Sec. 56.022 requires that the Universal Service Fund be funded by a statewide uniform charge set by the Public Utility Commission. The fee is assessed on telecommunications receipts, and is charged to and paid by each telecommunications provider that has access to the customer base. The carriers are authorized to pass the charge on to the customer. The rate that is set by the PUC should be sufficient to cover all of the program costs and to maintain a fund balance reserve and is determined by projecting anticipated costs of the programs, anticipated revenues of the companies, and a reserve level all of which are affected by external factors.

This revenue assumption must take into consideration the disbursements that were made out of this fund . The entire \$1,027,384,866 is not available during the entire period. Disbursements were : FY 2008 estimated \$562,761,207; projected disbursements FY 2009 \$500,183,973; FY 2010 \$476,001,117; FY 2011 \$450,014,756. The fund balance after taking into consideration a reserve amount of approximately \$75,000,000 is estimated in FY 2008 to be \$166,859,786, projected in FY 2009 \$94,928,802; FY 2010 \$51,907,325; and FY 2011 \$41,210,800. The reduction in the fund balance is due to a reduction in the assessment rate from 4.4% to 3.4%.

6.I. 10 Percent Biennial Base Reduction Options Schedule

Approved Reduction Amount

\$21,086,315

| Agency Code: | | Agency Name: | | | | | | | | | |
|--|----------------|--|---|----------------------|-------------|-------------|--|-------------|---------------------|---|--------------|
| Rank | Reduction Item | | Biennial Application of 10% Percent Reduction | | | | FTE Reductions (FY 2010-11 Base Request Compared to Budgeted 2009) | | Revenue Impact? Y/N | Cumulative GR-related reduction as a % of Approved Base | |
| | Strat | Name | GR | GR-Dedicated | Federal | Other | All Funds | FY 08 | FY 09 | | |
| 1 | 1-1-1 | Foster and Monitor Market Competition | 625,817 | 154,483 | | | \$ 780,300 | 5.3 | 5.3 | N | 0.4% |
| 2 | 1-2-1 | Conduct Rate Cases for Regulated Tele. and Elec. Utilities | 521,514 | 128,736 | | | \$ 650,250 | 4.4 | 4.4 | N | 0.7% |
| 3 | 1-3-1 | Conduct Investigations and Initiate Enforcement Actions | 312,909 | 77,241 | | | \$ 390,150 | 2.6 | 2.6 | N | 0.9% |
| 4 | 2-1-1 | Provide Info. About Changes in Elec. & Telecom Industries | 187,745 | 47,203 | | | \$ 234,948 | 2.2 | 2.2 | N | 1.0% |
| 5 | 2-2-1 | Assist Customers in Resolving Disputes | 83,442 | 21,456 | | | \$ 104,898 | 1.1 | 1.1 | N | 1.0% |
| 6 | 3-1-1 | Energy Assistance. Nontransferable. | | 18,421,139 | | | \$ 18,421,139 | | | N | 9.8% |
| 7 | 3-1-2 | Customer Education. Nontransferable. | | 150,000 | | | \$ 150,000 | | | N | 9.8% |
| 8 | 4-1-1 | Central Administration | 229,466 | | | | \$ 229,466 | 1.6 | 1.6 | N | 9.9% |
| 9 | 4-1-2 | Information Resources | 104,303 | | | | \$ 104,303 | 0.8 | 0.8 | N | 10.0% |
| 10 | 4-1-3 | Other Support Services | 20,861 | | | | \$ 20,861 | 0.2 | 0.2 | N | 10.0% |
| 11 | | | | | | | \$ - | | | | 10.0% |
| 12 | | | | | | | \$ - | | | | 10.0% |
| Agency Biennial Total | | | \$ 2,086,057 | \$ 19,000,258 | \$ - | \$ - | \$ 21,086,315 | 18.2 | 18.2 | | 10.0% |
| Agency Biennial Total (GR + GR-D) | | | | \$ 21,086,315 | | | | | | | |

Rank / Name

Explanation of Impact to Programs and Revenue Collections

1 Foster and Monitor Market Competition

This reduction would require the PUC to defer or eliminate needed updates to rules, to decrease participation in ERCOT oversight activities, to decrease overall market oversight activities, and to reduce or eliminate staff participation in formal complaint cases filed by customers and market participants.

2 Conduct Rate Cases for Regulated Tele. and Elec. Utilities

This reduction would require the PUC to defer or eliminate needed updates to rules, to decrease scope of participation in rate and transmission line CCN cases, to eliminate formal earnings reviews, and to reduce or eliminate staff participation in formal complaint cases filed by customers and market participants.

3 Conduct Investigations and Initiate Enforcement Actions

This reduction would require the PUC to initiate fewer enforcement proceedings, which would negatively impact compliance with statutes, rules and orders.

4 Provide Info. About Changes in Elec. & Telecom Industries

This reduction would result in longer wait times for the Customer Protection Division call center, which would negatively affect customer service, and would require the PUC to produce fewer new and updated customer information products.

5 Assist Customers in Resolving Disputes

This reduction would result in longer processing times for informal complaint resolution, which would negatively affect customer service.

6 Energy Assistance. Nontransferable.

This reduction would result in a decrease in the rate reduction benefits for program participants.

Rank / Name

7 Customer Education. Nontransferable.

This reduction would require the PUC to produce and distribute fewer customer information products via third party contract.

8 Central Administration

This reduction could be accomplished by managing vacancies created by turnover, i.e. leaving nonkey positions open longer when employees leave. The impact on the agency would depend on the particular position left vacant.

9 Information Resources

This reduction could be accomplished by managing vacancies created by turnover, i.e. leaving nonkey positions open longer when employees leave. The impact on the agency would depend on the particular position left vacant.

10 Other Support Services

This reduction could be accomplished by managing vacancies created by turnover, i.e. leaving nonkey positions open longer when employees leave. The impact on the agency would depend on the particular position left vacant.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:09:29PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Strategy | | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|----------------------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 4-1-1 | Central Administration | | | | | |
| OBJECTS OF EXPENSE: | | | | | | |
| 1001 | SALARIES AND WAGES | \$ 1,036,885 | \$ 940,420 | \$ 1,052,087 | \$ 1,024,391 | \$ 1,031,431 |
| 1002 | OTHER PERSONNEL COSTS | 45,653 | 45,840 | 44,275 | 44,275 | 44,275 |
| 2001 | PROFESSIONAL FEES AND SERVICES | 57,516 | 66,464 | 67,586 | 45,376 | 43,593 |
| 2003 | CONSUMABLE SUPPLIES | 7,165 | 6,172 | 6,600 | 6,600 | 6,600 |
| 2004 | UTILITIES | 2,709 | 2,647 | 2,559 | 2,559 | 2,559 |
| 2005 | TRAVEL | 6,436 | 7,744 | 7,700 | 7,700 | 5,500 |
| 2006 | RENT - BUILDING | 1,871 | 1,180 | 1,100 | 1,100 | 1,100 |
| 2007 | RENT - MACHINE AND OTHER | 45,999 | 40,149 | 48,381 | 44,000 | 44,000 |
| 2009 | OTHER OPERATING EXPENSE | 81,082 | 59,607 | 70,957 | 60,822 | 57,765 |
| 5000 | CAPITAL EXPENDITURES | 2,290 | 0 | 0 | 0 | 0 |
| Total, Objects of Expense | | \$ 1,287,606 | \$ 1,170,223 | \$ 1,301,245 | \$ 1,236,823 | \$ 1,236,823 |

METHOD OF FINANCING:

| | | | | | | |
|-----------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 1 | General Revenue Fund | 1,235,405 | 1,100,923 | 1,248,995 | 1,184,573 | 1,184,573 |
| 666 | Appropriated Receipts | 52,201 | 69,300 | 52,250 | 52,250 | 52,250 |
| Total, Method of Financing | | \$ 1,287,606 | \$ 1,170,223 | \$ 1,301,245 | \$ 1,236,823 | \$ 1,236,823 |

FULL TIME EQUIVALENT POSITIONS

| | | | | |
|-------------|-------------|-------------|-------------|-------------|
| 20.6 | 19.1 | 20.7 | 20.7 | 20.7 |
|-------------|-------------|-------------|-------------|-------------|

Method of Allocation

The Indirect Administrative and Support Costs are based on proportional salary costs of the members of the Administrative, Operations and Fund Management group to the total salaries of the agency. That percentage is in the range of 11% to 12% of agency salary costs. This method was chosen because salary represents over 85% of the total operating costs of the agency. The Central Administration costs are closely related to this method of calculation.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:09:59PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Strategy | | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|----------------------------------|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 4-1-2 | Information Resources | | | | | |
| OBJECTS OF EXPENSE: | | | | | | |
| 1001 | SALARIES AND WAGES | \$ 432,035 | \$ 427,464 | \$ 478,221 | \$ 465,632 | \$ 468,832 |
| 1002 | OTHER PERSONNEL COSTS | 19,022 | 20,836 | 20,125 | 20,125 | 20,125 |
| 2001 | PROFESSIONAL FEES AND SERVICES | 23,965 | 30,211 | 30,721 | 20,626 | 19,815 |
| 2003 | CONSUMABLE SUPPLIES | 2,986 | 2,806 | 3,000 | 3,000 | 3,000 |
| 2004 | UTILITIES | 1,129 | 1,203 | 1,163 | 1,163 | 1,163 |
| 2005 | TRAVEL | 2,682 | 3,520 | 3,500 | 3,500 | 2,500 |
| 2006 | RENT - BUILDING | 779 | 536 | 500 | 500 | 500 |
| 2007 | RENT - MACHINE AND OTHER | 19,166 | 18,249 | 21,992 | 20,000 | 20,000 |
| 2009 | OTHER OPERATING EXPENSE | 33,785 | 27,094 | 32,253 | 27,646 | 26,257 |
| 5000 | CAPITAL EXPENDITURES | 954 | 0 | 0 | 0 | 0 |
| Total, Objects of Expense | | \$ 536,503 | \$ 531,919 | \$ 591,475 | \$ 562,192 | \$ 562,192 |

METHOD OF FINANCING:

| | | | | | | |
|-----------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | General Revenue Fund | 514,752 | 500,419 | 567,725 | 538,442 | 538,442 |
| 666 | Appropriated Receipts | 21,751 | 31,500 | 23,750 | 23,750 | 23,750 |
| Total, Method of Financing | | \$ 536,503 | \$ 531,919 | \$ 591,475 | \$ 562,192 | \$ 562,192 |

FULL TIME EQUIVALENT POSITIONS

8.6 8.7 9.4 9.4 9.4

Method of Allocation

The Indirect Administrative and Support Costs are based on proportional salary costs of the members of the Information Resources group to the total salaries of the agency. That percentage is in the range of 5% of agency salary costs. This method was chosen because salary represents over 85% of the total operating costs of the agency. Information Resources costs are closely related to this method of calculation.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:09:59PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Strategy | | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|----------------------------------|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 4-1-3 | Other Support Services | | | | | |
| OBJECTS OF EXPENSE: | | | | | | |
| 1001 | SALARIES AND WAGES | \$ 86,407 | \$ 85,493 | \$ 95,644 | \$ 93,126 | \$ 93,766 |
| 1002 | OTHER PERSONNEL COSTS | 3,804 | 4,167 | 4,025 | 4,025 | 4,025 |
| 2001 | PROFESSIONAL FEES AND SERVICES | 4,793 | 6,042 | 6,144 | 4,125 | 3,963 |
| 2003 | CONSUMABLE SUPPLIES | 597 | 561 | 600 | 600 | 600 |
| 2004 | UTILITIES | 226 | 241 | 233 | 233 | 233 |
| 2005 | TRAVEL | 536 | 704 | 700 | 700 | 500 |
| 2006 | RENT - BUILDING | 156 | 107 | 100 | 100 | 100 |
| 2007 | RENT - MACHINE AND OTHER | 3,833 | 3,650 | 4,398 | 4,000 | 4,000 |
| 2009 | OTHER OPERATING EXPENSE | 6,757 | 5,419 | 6,451 | 5,529 | 5,251 |
| 5000 | CAPITAL EXPENDITURES | 191 | 0 | 0 | 0 | 0 |
| Total, Objects of Expense | | \$ 107,300 | \$ 106,384 | \$ 118,295 | \$ 112,438 | \$ 112,438 |

METHOD OF FINANCING:

| | | | | | | |
|-----------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | General Revenue Fund | 102,950 | 100,084 | 113,545 | 107,688 | 107,688 |
| 666 | Appropriated Receipts | 4,350 | 6,300 | 4,750 | 4,750 | 4,750 |
| Total, Method of Financing | | \$ 107,300 | \$ 106,384 | \$ 118,295 | \$ 112,438 | \$ 112,438 |

FULL TIME EQUIVALENT POSITIONS

| | | | | |
|-----|-----|-----|-----|-----|
| 1.7 | 1.7 | 1.9 | 1.9 | 1.9 |
|-----|-----|-----|-----|-----|

Method of Allocation

The Indirect Administrative and Support Costs are based on proportional salary costs of the members of the Other Support Services group (Librarian, Purchaser, Facilities & Mailroom) to the total salaries of the agency. That percentage is in the range of 1% of agency salary costs. This method was chosen because salary represents over 85% of the total operating costs of the agency. The Other Support Services costs are closely related to this method of calculation.

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:09:59PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| GRAND TOTALS | | | | | |
| Objects of Expense | | | | | |
| 1001 SALARIES AND WAGES | \$1,555,327 | \$1,453,377 | \$1,625,952 | \$1,583,149 | \$1,594,029 |
| 1002 OTHER PERSONNEL COSTS | \$68,479 | \$70,843 | \$68,425 | \$68,425 | \$68,425 |
| 2001 PROFESSIONAL FEES AND SERVICES | \$86,274 | \$102,717 | \$104,451 | \$70,127 | \$67,371 |
| 2003 CONSUMABLE SUPPLIES | \$10,748 | \$9,539 | \$10,200 | \$10,200 | \$10,200 |
| 2004 UTILITIES | \$4,064 | \$4,091 | \$3,955 | \$3,955 | \$3,955 |
| 2005 TRAVEL | \$9,654 | \$11,968 | \$11,900 | \$11,900 | \$8,500 |
| 2006 RENT - BUILDING | \$2,806 | \$1,823 | \$1,700 | \$1,700 | \$1,700 |
| 2007 RENT - MACHINE AND OTHER | \$68,998 | \$62,048 | \$74,771 | \$68,000 | \$68,000 |
| 2009 OTHER OPERATING EXPENSE | \$121,624 | \$92,120 | \$109,661 | \$93,997 | \$89,273 |
| 5000 CAPITAL EXPENDITURES | \$3,435 | \$0 | \$0 | \$0 | \$0 |
| Total, Objects of Expense | \$1,931,409 | \$1,808,526 | \$2,011,015 | \$1,911,453 | \$1,911,453 |
| Method of Financing | | | | | |
| 1 General Revenue Fund | \$1,853,107 | \$1,701,426 | \$1,930,265 | \$1,830,703 | \$1,830,703 |
| 666 Appropriated Receipts | \$78,302 | \$107,100 | \$80,750 | \$80,750 | \$80,750 |
| Total, Method of Financing | \$1,931,409 | \$1,808,526 | \$2,011,015 | \$1,911,453 | \$1,911,453 |
| Full-Time-Equivalent Positions (FTE) | 30.9 | 29.5 | 32.0 | 32.0 | 32.0 |

7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:10:16PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Strategy | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1-1-1 Foster and Monitor Market Competition | | | | | |
| OBJECTS OF EXPENSE: | | | | | |
| 1001 SALARIES AND WAGES | \$ 276,503 | \$ 359,069 | \$ 344,319 | \$ 331,334 | \$ 335,402 |
| 1002 OTHER PERSONNEL COSTS | 12,174 | 17,503 | 14,490 | 14,490 | 14,490 |
| 2001 PROFESSIONAL FEES AND SERVICES | 15,338 | 25,377 | 22,119 | 18,771 | 16,424 |
| 2003 CONSUMABLE SUPPLIES | 1,911 | 2,357 | 2,160 | 2,160 | 2,160 |
| 2004 UTILITIES | 722 | 1,011 | 837 | 837 | 837 |
| 2005 TRAVEL | 1,716 | 2,957 | 2,520 | 2,520 | 1,800 |
| 2006 RENT - BUILDING | 499 | 450 | 360 | 360 | 360 |
| 2007 RENT - MACHINE AND OTHER | 12,267 | 15,329 | 15,834 | 14,400 | 14,400 |
| 2009 OTHER OPERATING EXPENSE | 21,622 | 22,759 | 23,222 | 19,905 | 18,905 |
| 5000 CAPITAL EXPENDITURES | 611 | 0 | 0 | 0 | 0 |
| Total, Objects of Expense | \$ 343,363 | \$ 446,812 | \$ 425,861 | \$ 404,777 | \$ 404,778 |
| METHOD OF FINANCING: | | | | | |
| 1 General Revenue Fund | 329,443 | 420,352 | 408,761 | 387,677 | 387,678 |
| 666 Appropriated Receipts | 13,920 | 26,460 | 17,100 | 17,100 | 17,100 |
| Total, Method of Financing | \$ 343,363 | \$ 446,812 | \$ 425,861 | \$ 404,777 | \$ 404,778 |
| FULL-TIME-EQUIVALENT POSITIONS (FTE): | 9.9 | 10.4 | 11.3 | 11.3 | 11.3 |
| DESCRIPTION | | | | | |

The Direct Administrative and Support Costs are based on proportional salary costs of administrative and support employees whose time is spent on this Strategy to the total salaries of this Strategy. The percentage is generally in the range of 12% to 15% of Strategy salary costs. This method was chosen because salary represents over 85% of the total operating costs of the agency. The other costs are closely related to this method of salary calculation.

7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:10:25PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Strategy | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1-2-1 Conduct Rate Cases for Regulated Telephone and Electric Utilities | | | | | |
| OBJECTS OF EXPENSE: | | | | | |
| 1001 SALARIES AND WAGES | \$ 279,959 | \$ 347,100 | \$ 310,844 | \$ 299,121 | \$ 302,794 |
| 1002 OTHER PERSONNEL COSTS | 12,326 | 16,919 | 13,081 | 13,081 | 13,081 |
| 2001 PROFESSIONAL FEES AND SERVICES | 15,529 | 24,531 | 19,969 | 16,946 | 14,827 |
| 2003 CONSUMABLE SUPPLIES | 1,935 | 2,278 | 1,950 | 1,950 | 1,950 |
| 2004 UTILITIES | 731 | 977 | 756 | 756 | 756 |
| 2005 TRAVEL | 1,738 | 2,858 | 2,275 | 2,275 | 1,625 |
| 2006 RENT - BUILDING | 505 | 435 | 325 | 325 | 325 |
| 2007 RENT - MACHINE AND OTHER | 12,420 | 14,818 | 14,295 | 13,000 | 13,000 |
| 2009 OTHER OPERATING EXPENSE | 21,892 | 22,000 | 20,965 | 17,970 | 17,067 |
| 5000 CAPITAL EXPENDITURES | 618 | 0 | 0 | 0 | 0 |
| Total, Objects of Expense | \$ 347,653 | \$ 431,916 | \$ 384,460 | \$ 365,424 | \$ 365,425 |

METHOD OF FINANCING:

| | | | | | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 General Revenue Fund | 333,559 | 406,338 | 369,022 | 349,986 | 349,987 |
| 666 Appropriated Receipts | 14,094 | 25,578 | 15,438 | 15,438 | 15,438 |
| Total, Method of Financing | \$ 347,653 | \$ 431,916 | \$ 384,460 | \$ 365,424 | \$ 365,425 |

FULL-TIME-EQUIVALENT POSITIONS (FTE):

| | | | | |
|------------|-------------|------------|------------|------------|
| 9.3 | 10.6 | 9.9 | 9.9 | 9.9 |
|------------|-------------|------------|------------|------------|

DESCRIPTION

The Direct Administrative and Support Costs are based on proportional salary costs of administrative and support employees whose time is spent on this Strategy to the total salaries of this Strategy. The percentage is generally in the range of 12% to 15% of Strategy salary costs. This method was chosen because salary represents over 85% of the total operating costs of the agency. The other costs are closely related to this method of salary calculation.

7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:10:25PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Strategy | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1-3-1 Conduct Investigations and Initiate Enforcement Actions | | | | | |
| OBJECTS OF EXPENSE: | | | | | |
| 1001 SALARIES AND WAGES | \$ 138,251 | \$ 141,063 | \$ 172,160 | \$ 165,667 | \$ 167,701 |
| 1002 OTHER PERSONNEL COSTS | 6,087 | 6,876 | 7,245 | 7,245 | 7,245 |
| 2001 PROFESSIONAL FEES AND SERVICES | 7,669 | 9,970 | 11,060 | 9,386 | 8,212 |
| 2003 CONSUMABLE SUPPLIES | 955 | 926 | 1,080 | 1,080 | 1,080 |
| 2004 UTILITIES | 361 | 397 | 419 | 419 | 419 |
| 2005 TRAVEL | 858 | 1,162 | 1,260 | 1,260 | 900 |
| 2006 RENT - BUILDING | 249 | 177 | 180 | 180 | 180 |
| 2007 RENT - MACHINE AND OTHER | 6,133 | 6,022 | 7,917 | 7,200 | 7,200 |
| 2009 OTHER OPERATING EXPENSE | 10,811 | 8,941 | 11,611 | 9,953 | 9,453 |
| 5000 CAPITAL EXPENDITURES | 305 | 0 | 0 | 0 | 0 |
| Total, Objects of Expense | \$ 171,679 | \$ 175,534 | \$ 212,932 | \$ 202,390 | \$ 202,390 |

METHOD OF FINANCING:

| | | | | | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 General Revenue Fund | 164,719 | 165,139 | 204,382 | 193,840 | 193,840 |
| 666 Appropriated Receipts | 6,960 | 10,395 | 8,550 | 8,550 | 8,550 |
| Total, Method of Financing | \$ 171,679 | \$ 175,534 | \$ 212,932 | \$ 202,390 | \$ 202,390 |

FULL-TIME-EQUIVALENT POSITIONS (FTE):

| | | | | | |
|--|------------|------------|------------|------------|------------|
| | 4.5 | 4.2 | 5.9 | 5.9 | 5.9 |
|--|------------|------------|------------|------------|------------|

DESCRIPTION

The Direct Administrative and Support Costs are based on proportional salary costs of administrative and support employees whose time is spent on this Strategy to the total salaries of this Strategy. The percentage is generally in the range of 12% to 15% of Strategy salary costs. This method was chosen because salary represents over 85% of the total operating costs of the agency. The other costs are closely related to this method of salary calculation.

7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:10:25PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Strategy | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2-1-1 Provide Information about Changes in Electric and Telecom Industries | | | | | |
| OBJECTS OF EXPENSE: | | | | | |
| 1001 SALARIES AND WAGES | \$ 120,970 | \$ 107,721 | \$ 120,512 | \$ 115,967 | \$ 117,391 |
| 1002 OTHER PERSONNEL COSTS | 5,326 | 5,251 | 5,072 | 5,072 | 5,072 |
| 2001 PROFESSIONAL FEES AND SERVICES | 6,710 | 7,613 | 7,742 | 6,570 | 5,748 |
| 2003 CONSUMABLE SUPPLIES | 836 | 707 | 756 | 756 | 756 |
| 2004 UTILITIES | 316 | 303 | 293 | 293 | 293 |
| 2005 TRAVEL | 751 | 887 | 882 | 882 | 630 |
| 2006 RENT - BUILDING | 218 | 135 | 126 | 126 | 126 |
| 2007 RENT - MACHINE AND OTHER | 5,367 | 4,599 | 5,542 | 5,040 | 5,040 |
| 2009 OTHER OPERATING EXPENSE | 9,460 | 6,828 | 8,128 | 6,967 | 6,617 |
| 5000 CAPITAL EXPENDITURES | 267 | 0 | 0 | 0 | 0 |
| Total, Objects of Expense | \$ 150,221 | \$ 134,044 | \$ 149,053 | \$ 141,673 | \$ 141,673 |

METHOD OF FINANCING:

| | | | | | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 General Revenue Fund | 144,131 | 126,106 | 143,068 | 135,688 | 135,688 |
| 666 Appropriated Receipts | 6,090 | 7,938 | 5,985 | 5,985 | 5,985 |
| Total, Method of Financing | \$ 150,221 | \$ 134,044 | \$ 149,053 | \$ 141,673 | \$ 141,673 |

FULL-TIME-EQUIVALENT POSITIONS (FTE):

| | | | | | |
|--|------------|------------|------------|------------|------------|
| | 3.1 | 2.8 | 3.1 | 3.1 | 3.1 |
|--|------------|------------|------------|------------|------------|

DESCRIPTION

The Direct Administrative and Support Costs are based on proportional salary costs of administrative and support employees whose time is spent on this Strategy to the total salaries of this Strategy. The percentage is generally in the range of 12% to 15% of Strategy salary costs. This method was chosen because salary represents over 85% of the total operating costs of the agency. The other costs are closely related to this method of salary calculation.

7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS

81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:10:25PM

Agency code: 473

Agency name: Public Utility Commission of Texas

| Strategy | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|---|------------------|------------------|------------------|------------------|------------------|
| 2-2-1 Assist Customers in Resolving Disputes | | | | | |
| OBJECTS OF EXPENSE: | | | | | |
| 1001 SALARIES AND WAGES | \$ 17,281 | \$ 13,679 | \$ 15,303 | \$ 14,726 | \$ 14,907 |
| 1002 OTHER PERSONNEL COSTS | 761 | 667 | 644 | 644 | 644 |
| 2001 PROFESSIONAL FEES AND SERVICES | 959 | 967 | 983 | 834 | 730 |
| 2003 CONSUMABLE SUPPLIES | 119 | 90 | 96 | 96 | 96 |
| 2004 UTILITIES | 45 | 39 | 37 | 37 | 37 |
| 2005 TRAVEL | 107 | 113 | 112 | 112 | 80 |
| 2006 RENT - BUILDING | 31 | 17 | 16 | 16 | 16 |
| 2007 RENT - MACHINE AND OTHER | 767 | 584 | 704 | 640 | 640 |
| 2009 OTHER OPERATING EXPENSE | 1,351 | 867 | 1,032 | 885 | 840 |
| 5000 CAPITAL EXPENDITURES | 38 | 0 | 0 | 0 | 0 |
| Total, Objects of Expense | \$ 21,459 | \$ 17,023 | \$ 18,927 | \$ 17,990 | \$ 17,990 |

METHOD OF FINANCING:

| | | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| 1 General Revenue Fund | 20,589 | 16,015 | 18,167 | 17,230 | 17,230 |
| 666 Appropriated Receipts | 870 | 1,008 | 760 | 760 | 760 |
| Total, Method of Financing | \$ 21,459 | \$ 17,023 | \$ 18,927 | \$ 17,990 | \$ 17,990 |

FULL-TIME-EQUIVALENT POSITIONS (FTE):

0.4 0.3 0.4 0.4 0.4

DESCRIPTION

The Direct Administrative and Support Costs are based on proportional salary costs of administrative and support employees whose time is spent on this Strategy to the total salaries of this Strategy. The percentage is generally in the range of 12% to 15% of Strategy salary costs. This method was chosen because salary represents over 85% of the total operating costs of the agency. The other costs are closely related to this method of salary calculation.

7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS
 81st Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/12/2008
 TIME : 12:10:25PM

Agency code: 473

Agency name: **Public Utility Commission of Texas**

| | Exp 2007 | Est 2008 | Bud 2009 | BL 2010 | BL 2011 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| GRAND TOTALS | | | | | |
| Objects of Expense | | | | | |
| 1001 SALARIES AND WAGES | \$832,964 | \$968,632 | \$963,138 | \$926,815 | \$938,195 |
| 1002 OTHER PERSONNEL COSTS | \$36,674 | \$47,216 | \$40,532 | \$40,532 | \$40,532 |
| 2001 PROFESSIONAL FEES AND SERVICES | \$46,205 | \$68,458 | \$61,873 | \$52,507 | \$45,941 |
| 2003 CONSUMABLE SUPPLIES | \$5,756 | \$6,358 | \$6,042 | \$6,042 | \$6,042 |
| 2004 UTILITIES | \$2,175 | \$2,727 | \$2,342 | \$2,342 | \$2,342 |
| 2005 TRAVEL | \$5,170 | \$7,977 | \$7,049 | \$7,049 | \$5,035 |
| 2006 RENT - BUILDING | \$1,502 | \$1,214 | \$1,007 | \$1,007 | \$1,007 |
| 2007 RENT - MACHINE AND OTHER | \$36,954 | \$41,352 | \$44,292 | \$40,280 | \$40,280 |
| 2009 OTHER OPERATING EXPENSE | \$65,136 | \$61,395 | \$64,958 | \$55,680 | \$52,882 |
| 5000 CAPITAL EXPENDITURES | \$1,839 | \$0 | \$0 | \$0 | \$0 |
| Total, Objects of Expense | \$1,034,375 | \$1,205,329 | \$1,191,233 | \$1,132,254 | \$1,132,256 |
| Method of Financing | | | | | |
| 1 General Revenue Fund | \$992,441 | \$1,133,950 | \$1,143,400 | \$1,084,421 | \$1,084,423 |
| 666 Appropriated Receipts | \$41,934 | \$71,379 | \$47,833 | \$47,833 | \$47,833 |
| Total, Method of Financing | \$1,034,375 | \$1,205,329 | \$1,191,233 | \$1,132,254 | \$1,132,256 |
| Full-Time-Equivalent Positions (FTE) | 27.2 | 28.3 | 30.6 | 30.6 | 30.6 |