



# Financial Status Report as of 6/30/2018



## **Administrative Services California Public Utilities Commission**



# August Update Administrative Services



## Transportation Programs State Operations

Fund / Program	Budget	Expenditure	Remaining	% Remain
0042 – Rail Crossing Safety Enforcement	5,360,000	5,247,000	113,000	2%
0046 – Rail Transit Safety Enforcement	7,774,000	6,080,000	1,694,000	22%
0412 – Transportation Licensing-Household Goods Movers	2,539,000	1,865,000	674,000	27%
0461 – Regulation of Transportation (Freight Rail and Passenger Carriers)	17,887,000	15,923,000	1,964,000	11%





# PUC Utilities Reimbursement Account (0462)

## State Operations

Fund/Program	Budget	Expenditure	Remaining	% Remain
0462 – Energy	89,481,000	73,991,000	15,490,000	17%
0462 – Water/Sewer	12,928,000	9,654,000	3,274,000	25%
0462 - Telecommunications	27,212,000	22,520,000	4,692,000	17%
0462-Reimbursements (Energy)	57,844,000	37,361,000	20,483,000	35%





# Federal Funds State Operations

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

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





# Public Purpose Programs

## State Operations

Fund / Program	Budget	Expenditure	Remaining	% Remain
0464 – High Cost Fund A	1,334,000	658,000	676,000	51%
0470 – High Cost Fund B	1,553,000	317,000	1,236,000	80%
0471 – California Lifeline	30,707,000	20,193,000	10,514,000	34%
0483 – Deaf & Disabled	64,218,000	54,812,000	9,406,000	15%
0493 – California Teleconnect	7,756,000	1,446,000	6,310,000	81%
3141 – California Advanced Services Fund	4,489,000	2,353,000	2,136,000	48%





## Local Assistance Programs by Fund Source

Fund / Program	Budget	Expenditure	Remaining	% Remain
<b>Public Purpose Programs</b>				
0464 – High Cost Fund A	47,913,000	39,498,000	8,415,000	18%
0470 – High Cost Fund B	20,777,000	11,722,000	9,055,000	44%
0471 – CA Lifeline	599,466,000	300,320,000	299,146,000	50%
0483 – Deaf and Disabled	210,000	139,000	71,000	34%
0493 – California Teleconnect	145,065,000	41,171,000	103,894,000	72%
3141 – CA Advanced Services	72,611,000	66,268,000	6,343,000	9%
<b>Gas Consumption Surcharge Fund</b>				
3015	562,057,000	456,215,000	105,842,000	19%

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





## 2017-18 Expenditures by Division

Division	Budget	Expenditure	Remaining	% Remain
<b>Administrative Services</b>	41,099,000	35,476,000	5,623,000	14%
<b>Administrative law Judge</b>	14,374,000	11,552,000	2,822,000	20%
<b>Communications</b>	113,926,000	82,839,000	31,087,000	27%
<b>CPED</b>	13,097,000	12,738,000	359,000	3%
<b>Energy</b>	24,137,000	21,461,000	2,676,000	11%
<b>Executive</b>	18,463,000	17,542,000	921,000	5%
<b>Legal</b>	17,305,000	15,434,000	1,871,000	11%
<b>Office of Safety Advocate</b>	1,558,000	605,000	953,000	61%
<b>Office of Ratepayer Advocates</b>	20,335,000	20,410,000	(75,000)	0%
<b>Policy and Planning</b>	1,736,000	2,060,000	(324,000)	-19%
<b>Safety and Enforcement</b>	32,206,000	28,901,000	3,305,000	10%
<b>Water</b>	2,930,000	2,849,000	81,000	3%
<b>Total</b>	<b>301,166,000</b>	<b>251,867,000</b>	<b>49,299,000</b>	





## Internal Budget Development for 2018-19

- The Executive Director and Administrative Services Director have reviewed the internal budget requests from divisions.
- The Budget Office will provide final budget allotments to all divisions in mid to late August.
- The Budget Office will upload budget allotments for each Division into FI\$Cal by late August/early September.
- If unplanned expenditures arise, Directors will need to work with the Budget Office.





## FI\$Cal Update

- Administrative Services units updating Business Processes to accommodate new system.
- Go Live Date was July 9, 2018.
- Possible impact to Commission, ASD Director has authorized overtime to staff to mitigate.
  - Payments have been delayed, but have begun processing slowly.
  - Will prioritize payments required by statute, payments needed to keep the “lights on,” and employee reimbursements.
  - Procurements also delayed. ESSR system will re-open this week and will be used for IT and non-IT contracts.





# Facilities

- 300 Capitol Mall Tenant Improvement project—Construction on the 4<sup>th</sup> floor should be completed by mid-August. CPUC employees will begin re-occupying the 4<sup>th</sup> floor on August 27. Remaining employee moves from Natomas and 770 L Street will occur from mid to late September.
- 505 Van Ness is back on Fire Watch status with 24/7 patrols due to a failure in the alarm system.
- CPUC staff and DGS are evaluating last Friday's fire drill in Los Angeles, identifying deficiencies, and improving the process.
- CHP completed a security audit of the building and the report, when ready, will be delivered to Dan Kim and Alice Stebbins directly.





## Appendix - Funding Sources for Each Division

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





## Appendix: State Funds

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





## Appendix: State Funds (Cont.)

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





## Appendix: State Funds (Cont.)

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





## Appendix: State Funds Cont.

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





## Appendix: State Funds Cont.

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





## Appendix: State Funds Cont.

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





**Thank you.**

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