

GOVERNMENTAL OPERATIONS

Agency 215

Utilities and Transportation Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	166.2		53,057	53,057
Total Maintenance Level	165.7		60,232	60,232
Difference	(.5)		7,175	7,175
Percent Change from Current Biennium	(0.3)%		13.5%	13.5%
Performance Changes				
Federal Funding Rate Increase			960	960
Utility Damage Prevention Awareness			(1,250)	(1,250)
Increased Workload	2.0		2,000	2,000
Oil by Rail Safety *	8.0		2,488	2,488
CTS Rate Adjustment			(22)	(22)
Archives/Records Management			(1)	(1)
Legal Services			37	37
Office of Chief Information Officer			2	2
CTS Central Services			37	37
DES Central Services			5	5
Core Financial Systems Replacement			8	8
Fleet Program Rate Reduction			(4)	(4)
Time, Leave and Attendance System			11	11
State Public Employee Benefits Rate			71	71
WFSE General Government Master Agreement			1,026	1,026
General Wage Increase for State Employees			456	456
Subtotal	10.0		5,824	5,824
Total Proposed Budget	175.7		66,056	66,056
Difference	9.5		12,999	12,999
Percent Change from Current Biennium	5.7%		24.5%	24.5%
Total Proposed Budget by Activity				
Protect Customers of Utility and Transportation Companies	18.9		24,877	24,877
Site New Energy Facilities	14.1		534	534
Safety Regulation of Utility and Transportation Companies	70.6		14,193	14,193
Economic Regulation of Utility and Transportation Companies	72.1		26,452	26,452
Total Proposed Budget	175.7		66,056	66,056

GOVERNMENTAL OPERATIONS

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Federal Funding Rate Increase

The Federal Pipeline and Hazardous Liquids Safety Administration increased funding to state pipeline safety programs starting in 2010. The state did not qualify for an increase in funding until it certified a three-year average increase in expenditures to confirm program growth. The reimbursement rate will increase from 40 percent federal participation to approximately 60 percent federal participation for states that expanded their program. (Pipeline Safety Account-Federal)

Utility Damage Prevention Awareness

Excavation is the leading cause of damage to natural gas pipelines, accounting for 65 percent of damages. Each event poses a risk of explosion, damage to buildings and pipeline facilities, and injuries and death to workers and members of the public. The Utilities and Transportation Commission had a one-time expenditure from the pipeline safety fund for a campaign to increase awareness and use of the 811 one-call utility location service to protect Washington residents, infrastructure and property. This campaign was funded with accrued penalties paid by pipeline companies. Because these surplus penalties have been spent, the agency no longer needs the enhanced level of appropriation authority. (Pipeline Safety Account-State)

Increased Workload

Over the past two biennia the Utilities and Transportation Commission has assumed significant workload as a result of legislative action, absorbed increased costs for shared services and retirement buyouts, and experienced high vacancy rates in key job classes. This has impacted the Commission's ability to devote sufficient time and resources to address both core business and emerging issues in the energy sector, rail safety program, and general operations. Increased expenditure authority is provided to hire two additional FTE staff and increase the salaries of existing employees. (Public Service Revolving Account-State)

Oil by Rail Safety *

The Department of Ecology issued a draft study in December 2014 with findings and recommendations designed to improve the safety of oil transported across Washington land and waters by rail and new marine routes. Contingent on passage of Governor-request legislation, railroad safety inspectors will be hired to increase the number of inspections of railroad facilities. This will result in fewer violations of safety rules, prevent potentially unsafe railroad operations, and increase public safety. (Pipeline Safety Account-State)

CTS Rate Adjustment

Agency budgets are adjusted to reflect changes in Consolidated Technology Services (CTS) rates. Specific changes include a reduction in metered storage rates and elimination of tailored storage rates, elimination of redundant firewalls, reduction in long distance telephone rates, a general rate reduction to reflect administrative efficiencies within CTS, and enhancements to the identity management service.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

Legal Services

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a reduction in legal service charges. The Attorney General's Office (AGO) will work with client agencies to implement stricter policies and best practices regarding utilization of its services to achieve lower legal bills.

Office of Chief Information Officer

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect increased billing levels for software subscriptions and office relocation.

CTS Central Services

Agency budgets are adjusted to update each agency's allocated share of charges from Consolidated Technology Services (CTS) to reflect an increase in business continuity/disaster recovery costs and a new allocated charge for state data network costs.

DES Central Services

Agency budgets are adjusted to update each agency's allocated share of charges and to align with anticipated billing levels from the Department of Enterprise Services (DES) in the 2015-17 biennium, including changes to the enterprise systems fee, personnel services, and small agency financial services.

Core Financial Systems Replacement

Agency budgets are adjusted to align with anticipated billings from the Office of Financial Management in the 2015-17 biennium for core financial systems replacement planning through the One Washington project.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

Time, Leave and Attendance System

Agency budgets are adjusted to align with anticipated billings for the Time, Leave and Attendance system, including debt service and project completion costs.

State Public Employee Benefits Rate

Health insurance funding is provided for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. The insurance funding rate is \$913 per employee per month for Fiscal Year 2016 and \$947 per employee per month for Fiscal Year 2017. (General Fund-State, various other accounts)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (General Fund-State, various other accounts)

General Wage Increase for State Employees

Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn \$2,500 a month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a \$20 per month increase for employees who earn less than \$2,500 per month, effective July 1, 2016. This item includes both higher education and general government workers. (General Fund-State, various other accounts)

GOVERNMENTAL OPERATIONS

ACTIVITY DESCRIPTIONS

Protect Customers of Utility and Transportation Companies

The UTC's consumer specialists respond to more than a 1,000 calls each month from consumers. They provide information about utilities and transportation services and the companies that provide those services and investigate and resolve service complaints. If, after an investigation, staff determine a company exhibits a pattern of behavior that is fraudulent, misleading, deceptive or generally harmful to consumers, they may recommend the UTC issue a complaint against the company. This typically results in a financial penalty and a plan to come into compliance with the UTC's consumer rules.

Site New Energy Facilities

The UTC is home to the Energy Facility Site Evaluation Council which conducts environmental reviews related to the siting new energy facilities to ensure that significant environmental and socioeconomic impacts are understood before an energy facility is built and appropriately mitigated.

Safety Regulation of Utility and Transportation Companies

The UTC is the state agency responsible for pipeline and rail safety. It is also responsible for the safe operation of the private transportation companies it licenses. The work involved in this activity includes conducting inspections of equipment and facilities operated by regulated companies; auditing company records to ensure maintenance is completed timely, employees are qualified to do the work and that they are monitored for drug and alcohol use; and investigating accidents involving equipment or vehicles of regulated companies. The UTC also approves changes to railroad-highway grade crossings and inspects crossings to ensure they are safe. All UTC inspectors are federally certified to carry-out this work and apply state and federal rules.

Economic Regulation of Utility and Transportation Companies

The UTC sets the rates privately-owned utility and transportation companies may charge their customers, including gas and electric, telephone, water, solid-waste and bus companies. The UTC audits these companies' operations to ensure they provide reliable service to customers at reasonable rates, while allowing them the opportunity to earn a fair profit. As a part of this the UTC ensures the companies invest in new facilities to ensure it can provide reliable service now and in the future. The UTC strives to lighten regulation where consumers have a choice of service providers such as for telecommunications and bus companies.