

- No GRF funding
- Commercial Vehicle Information Systems and Networks (CVISN) program to be implemented during FY 2004-2005 biennium

Public Utilities Commission of Ohio

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ROLE

The Public Utilities Commission of Ohio (PUCO) regulates investor-owned public utilities and commercial carriers in Ohio. The public utilities regulated by PUCO today include electric, natural gas, and pipeline utilities, heating and cooling companies, local and long-distance telephone companies, and waterworks and wastewater companies.¹² The commercial carriers regulated by PUCO include railroad companies, commercial trucking companies, household moving companies, bus companies, and ferryboat operators. Despite significant changes in the PUCO's role in recent years, its mission continues to be "to assure all residential and business customers access to adequate, safe, and reliable utility and transportation services at fair prices, while facilitating an environment that provides competitive choices." It is governed by five commissioners, including the chairman, who are appointed by the Governor for five-year terms.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
413	\$56.1 million	\$54.9 million	\$0	\$0	Am. Sub. H.B. 95

*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

OVERVIEW


As the table indicates, the PUCO performs its role while receiving no budgetary resources from the General Revenue Fund (GRF). The agency receives funding through assessments on utilities, as well as through fees generated by intrastate and interstate motor carriers' registrations, and federal assistance. The amount of the total assessment on utilities must equal the appropriation for utility regulation; any unused funds are returned to the utilities according to statute. The total FY 2004 appropriation was increased by \$6.99 million, or 14.2%, as compared with actual spending in FY 2003. The FY 2005 appropriation was decreased by \$1.15 million, or 2.1%, compared with the FY 2004 appropriation.

¹² The PUCO regulates the quality of long-distance services, but does not regulate long-distance rates. Also, although the PUCO certifies cellular companies to operate in Ohio, it does not regulate cellular rates. The PUCO does not regulate utilities owned and operated by municipalities, cooperatives, or non-profit entities.

BUDGET ISSUES

The General Assembly made no changes to the Governor's proposed budget for PUCO. The agency spent just over \$4.5 million less than its appropriation in FY 2003. Therefore the total FY 2004 appropriations, which were 14.2% greater than FY 2003 spending, were just 4.6% greater than the total FY 2003 appropriations. The Commission's operations are funded primarily through just three line items, which taken together account for over 77% of its total biennial appropriations. The biggest single line item in the PUCO budget, number 870-622, Utility & Railroad Regulation, accounts for over 55% of the Commission's biennial budget all by itself. In this line item the appropriations for both FY 2004 and FY 2005 were kept at the same level as the FY 2003 appropriation. Similarly, the second-biggest line item in the budget, 870-608, Motor Carrier Safety, which is federally-funded, received appropriations in both FY 2004 and FY 2005 that were identical to the FY 2003 appropriation. In its third principle operating line, 870-625, Motor Transportation Regulation, the PUCO received an increase of \$550,000 as compared with the FY 2003 appropriation in each year of the biennium, an increase of 11.4% from FY 2003 to FY 2004.

Am. Sub. H.B. 95 did not establish any new line items in the Commission's budget. Public Utilities Commission officials report that plans for hiring new staff are limited to filling existing vacant staff positions. Increases in appropriations for individual PUCO budget lines are generally associated with homeland security. The bill increased funding to line item 870-601, Gas Pipeline Safety, by \$248,662 over the biennium, an increase of 26.3%, which was entirely paid for by an increase in a federal grant. It increased funding to line item 870-618, Hazardous Material Registration, by \$599,398 (an increase of nearly two-thirds) over the biennium, of which \$585,000 is to provide matching funds for a federal grant to fund the Commercial Vehicle Information Systems and Networks (CVISN) program (see below). And it increased funding for emergency response training (provided through line item 870-612, Hazardous Materials Transportation) in how to handle hazardous materials by \$200,000 (an increase of 12.5%) over the biennium.

The Public Utilities Commission's most recent new program is the CVISN program, a federally-mandated program. The Commercial Vehicle Information Systems and Networks program will allow Ohio trucking companies and those based elsewhere but traveling through Ohio to conduct many of their paperwork transactions (obtaining permits, proving insurance, licensing vehicles, etc.) with Ohio state government agencies (PUCO and the Departments of Public Safety, Transportation, and Taxation) by electronic means. This will substantially reduce delays and administrative costs inherent in these paper processes.¹³ States have until September 30, 2003 to achieve "Level I Compliance" or they may lose federal funding under the Motor Carrier Safety Assistance Program (MCSAP), from which Ohio receives approximately \$7 million per year. As of this writing, the Commission expects to achieve sufficient compliance with the CVISN project to avoid losing any MCSAP funding. Financing for this program is shared by the federal and state governments. The federal share is provided by a nearly \$1.6 million grant, which is distributed through line item 870-604, Commercial Vehicle Information Systems/Networks; the appropriations for that line item are \$870,000 in FY 2004 and \$300,000 in FY 2005. Am. Sub. H.B. 95 funds the state match for the grant equally from line items 870-618, Hazardous Material Registration, and 870-620, Civil Forfeitures. 

¹³ The CVISN will also help enable the use of "electronic pre-clearance" at truck weigh stations, i.e., it will allow participating truck companies which have good safety records to be electronically pre-screened and permitted to pass weigh stations without stopping. Also, CVISN will improve highway safety by arming authorized enforcement agencies with extensive, accurate data on all motor carriers, commercial vehicles, and commercial drivers.

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

Line Item Detail by Agency

FY 2001: FY 2002: FY 2003: FY 2004 % Change FY 2005 % Change
Appropriations: Appropriations: Appropriations: Appropriations: 2003 to 2004: Appropriations: 2004 to 2005:

Report For: Main Operating Appropriations Bill

Version: Enacted

PUC Public Utilities Commission of Ohio									
558	870-602	Salvage & Exchange	\$ 29,005	\$ 30,000	\$9,251	\$ 16,477	78.11%	\$ 4,000	-75.72%
5F6	870-622	Utility & Railroad Regulation	\$ 26,480,155	\$ 27,211,647	\$28,679,504	\$ 30,622,222	6.77%	\$ 30,622,222	0.00%
5F6	870-624	NARUC/NRRI Subsidy	\$ 167,233	\$ 167,233	\$167,233	\$ 167,233	0.00%	\$ 167,233	0.00%
5F6	870-625	Motor Transportation Regulation	\$ 4,161,380	\$ 3,972,160	\$4,179,324	\$ 5,361,239	28.28%	\$ 5,361,239	0.00%
General Services Fund Group Total			\$ 30,837,773	\$ 31,381,040	\$ 33,035,312	\$ 36,167,171	9.48%	\$ 36,154,694	-0.03%
333	870-601	Gas Pipeline Safety	\$ 391,377	\$ 365,285	\$403,461	\$ 597,957	48.21%	\$ 597,957	0.00%
3V3	870-604	Commercial Vehicle Information Syste	---	---	\$0	\$ 870,000	N/A	\$ 300,000	-65.52%
350	870-608	Motor Carrier Safety	\$ 3,977,680	\$ 5,037,708	\$6,790,583	\$ 7,027,712	3.49%	\$ 7,027,712	0.00%
Federal Special Revenue Fund Group Total			\$ 4,369,057	\$ 5,402,993	\$ 7,194,044	\$ 8,495,669	18.09%	\$ 7,925,669	-6.71%
559	870-605	Public Utilities Territorial Administration	---	---	\$0	\$ 4,000	N/A	\$ 4,000	0.00%
561	870-606	Power Siting Board	\$ 262,573	\$ 656,695	\$373,867	\$ 337,210	-9.80%	\$ 337,210	0.00%
560	870-607	Special Assessment	\$ 92,378	---	\$0	\$ 100,000	N/A	\$ 100,000	0.00%
638	870-611	Biomass Energy Program	\$ 18,707	\$ 24,978	\$24,515	\$ 40,000	63.17%	\$ 40,000	0.00%
661	870-612	Hazardous Materials Transportation	\$ 1,007,136	\$ 776,325	\$794,252	\$ 900,000	13.31%	\$ 900,000	0.00%
4A3	870-614	Grade Crossing Protection Devices-Sta	\$ 1,146,424	\$ 2,325,859	\$1,496,231	\$ 1,349,757	-9.79%	\$ 1,349,757	0.00%
4L8	870-617	Pipeline Safety-State	\$ 143,321	\$ 157,280	\$171,439	\$ 187,621	9.44%	\$ 187,621	0.00%
4S6	870-618	Hazardous Material Registration	\$ 319,363	\$ 347,865	\$402,399	\$ 899,325	123.49%	\$ 614,325	-31.69%
4U8	870-620	Civil Forfeitures	\$ 219,554	\$ 123,084	\$138,896	\$ 719,986	418.36%	\$ 434,986	-39.58%
4S6	870-621	Hazardous Materials Base State Regist	\$ 339,455	\$ 308,085	\$312,540	\$ 373,346	19.46%	\$ 373,346	0.00%
State Special Revenue Fund Group Total			\$ 3,548,911	\$ 4,720,171	\$ 3,714,139	\$ 4,911,245	32.23%	\$ 4,341,245	-11.61%
4G4	870-616	Base State Registration Program	\$ 5,884,925	\$ 5,332,183	\$5,136,757	\$ 6,500,000	26.54%	\$ 6,500,000	0.00%
Agency Fund Group Total			\$ 5,884,925	\$ 5,332,183	\$ 5,136,757	\$ 6,500,000	26.54%	\$ 6,500,000	0.00%
Public Utilities Commission of Ohio Total			\$ 44,640,665	\$ 46,836,387	\$ 49,080,252	\$ 56,074,085	14.25%	\$ 54,921,608	-2.06%