

CITIZENS' UTILITY RATEPAYER BOARD

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

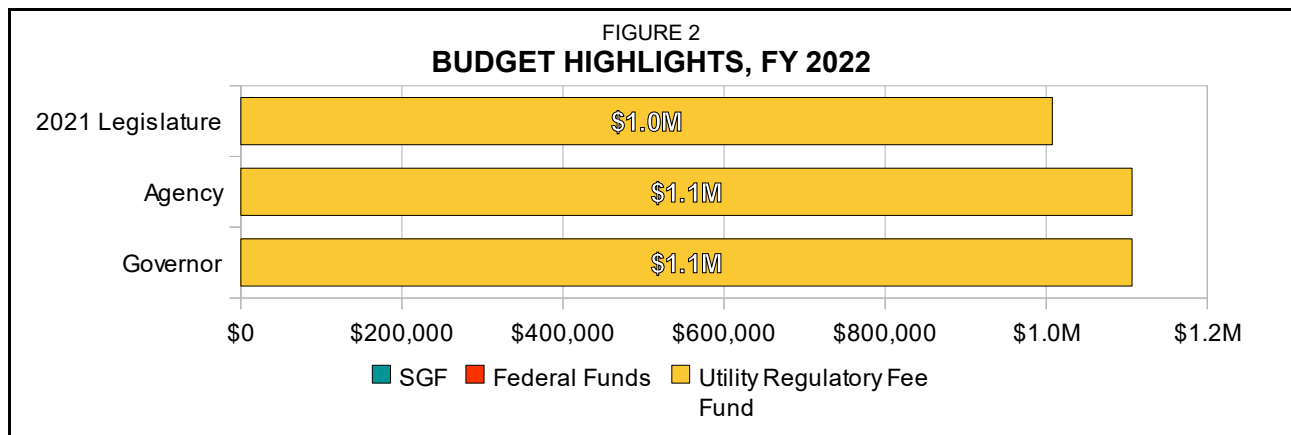
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	908,660	1,106,655	1,106,655	1,197,623	1,197,623
<i>Subtotal</i>	<i>\$ 908,660</i>	<i>\$ 1,106,655</i>	<i>\$ 1,106,655</i>	<i>\$ 1,197,623</i>	<i>\$ 1,197,623</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	2.2 %	21.8 %	21.8 %	8.2 %	8.2 %
FTE Positions	7.0	7.0	7.0	9.0	9.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The mission of the Citizens' Utility Ratepayer Board (CURB) is to protect the interests of residential and small commercial utility ratepayers in Kansas by providing them with competent, quality legal representation before the Kansas Corporation Commission (KCC), the Courts, and the Legislature. CURB is funded by assessments levied against the public utilities in whose cases CURB can intervene.

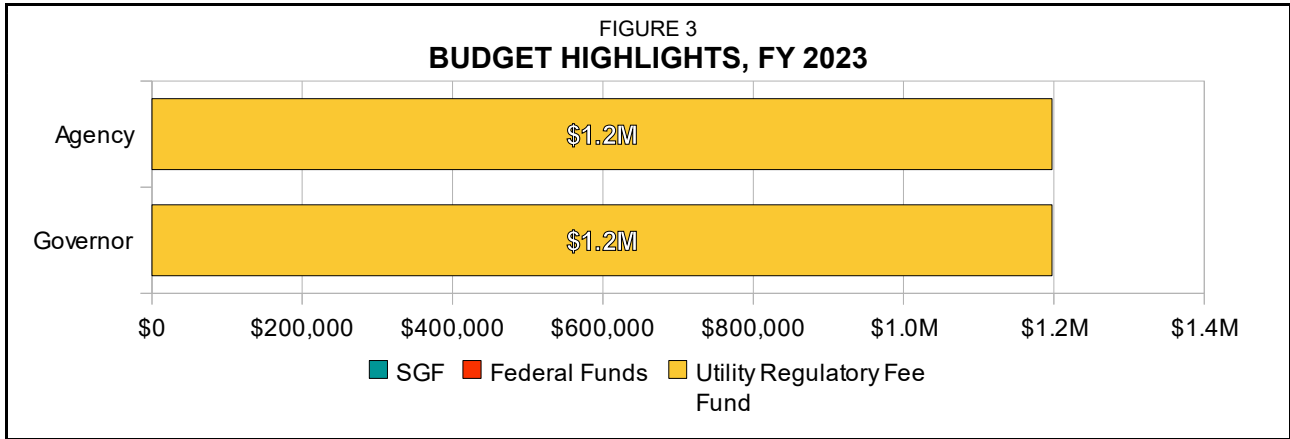
EXECUTIVE SUMMARY

One adjustment was made to the \$1.0 million appropriated to the Citizens' Utility Ratepayer Board for FY 2022. The agency is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases. In FY 2021, \$99,065 was unspent and will be carried over to FY 2022.



The **agency** estimates revised expenditures of \$1.1 million, all from special revenue funds, which is an increase of \$99,065, or 9.8 percent, above the FY 2022 approved amount. The agency is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases. In FY 2021, \$99,065 was unspent and will be carried over to FY 2022. This carry-over accounts for the entire increase of the approved budget.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, for FY 2023. This is an all funds increase of \$90,968, or 8.2 percent, above the FY 2022 revised estimate. This increase is primarily due to the agency's enhancement requests for an additional attorney position and an accountant position. The agency states that with the increased number of cases filed and increased complexity of those cases, there is a need for an additional attorney and an in-house accountant. This increase is partially offset by a decrease in carry-over funds that occurred in FY 2022.

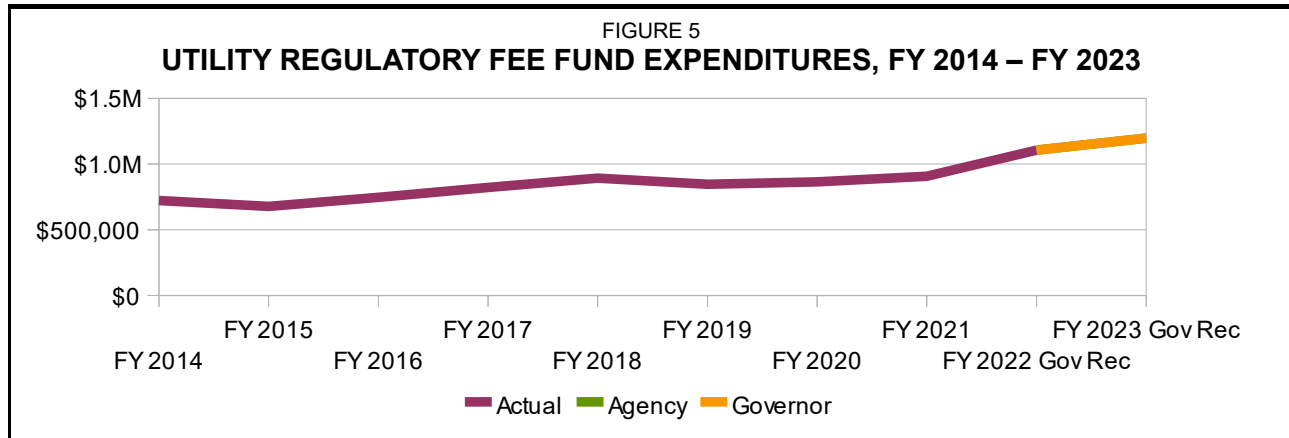
The **Governor** concurs with the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

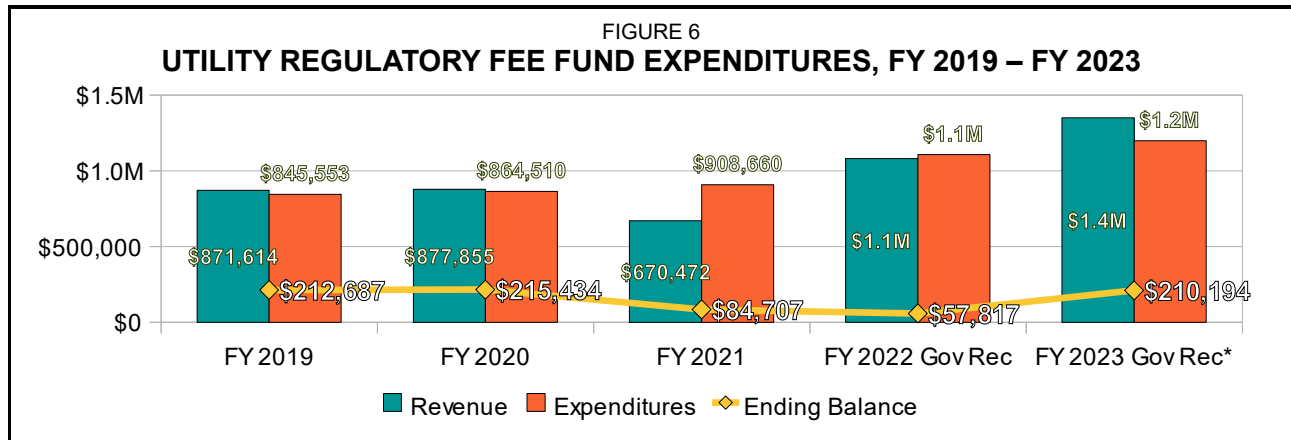
Category of Expenditure:	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Salaries and Wages	\$ 592,379	\$ 631,731	\$ 631,731	\$ 813,325	\$ 813,325
Contractual Services	303,237	445,232	445,232	358,778	358,778
Commodities	2,916	6,688	6,688	6,320	6,320
Capital Outlay	10,128	23,004	23,004	19,200	19,200
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 908,660</i>	<i>\$ 1,106,655</i>	<i>\$ 1,106,655</i>	<i>\$ 1,197,623</i>	<i>\$ 1,197,623</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 908,660</i>	<i>\$ 1,106,655</i>	<i>\$ 1,106,655</i>	<i>\$ 1,197,623</i>	<i>\$ 1,197,623</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
Utility Regulatory Fee Fund	908,660	1,106,655	1,106,655	1,197,623	1,197,623
TOTAL	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
FTE Positions	7.0	7.0	7.0	9.0	9.0

UTILITY REGULATORY FEE FUND



The Utility Regulatory Fee Fund is a statutory fee fund financed through quarterly assessments on gas, electric, and telephone companies in Kansas, as required by KSA 66-1502 and KSA 66-1503. One assessment is based on end-of-year expenditures plus anticipated increases for the ensuing year, which is then prorated among the utilities. That amount cannot exceed the greater of \$100 or 0.2 percent of a company's gross operating revenue derived from intrastate operations in the prior calendar year. Another assessment is made for actual costs incurred by CURB during an investigation of a particular public utility. This assessment cannot exceed three-fifths of 1.0 percent (*i.e.*, 0.6 percent) of the utility's gross operating revenue derived from intrastate operations in the prior calendar year.

UTILITY REGULATORY FEE FUND



* For FY 2023, the lowest month ending balance for the Utility Regulatory Fee Fund will occur in November, with a balance of \$200,000.

The ending balance of the Utility Regulatory Fee Fund remained steady across FY 2019 and FY 2020 with decreases in FY 2021 and FY 2022. Major changes are described below:

- FY 2020 to FY 2021.** The ending balance decrease in FY 2021 is caused by both a decrease in revenue and an increase in expenditures. The increase in expenditures is primarily due to increased expenditures on consultants such as accountants, attorneys, and economists for rate cases as well as the purchase of computer equipment.
- FY 2021 to FY 2022.** Although the agency saw a return to the normal level of revenue, increased expenditures in FY 2022 caused a decreased ending balance. The increased expenditures are primarily due to the \$99,065 in carry-over funds for consultant services as well as increased expenditures on information technology costs and travel. The agency also states it budgets 10.0 percent above actual expenditures in order to ensure adequate funds are available in the case of an increased number of rate cases.

FY 2022 ANALYSIS

FIGURE 7 SUMMARY OF BUDGET REQUEST, FY 2022					
	SGF	Special Revenue Funds	All Funds	FTE	
Legislative Approved:					
Amount Approved by 2021 Legislature	\$	-	\$ 1,007,590	\$ 1,007,590	7.0
1. No Changes		-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$	-	\$ 1,007,590	\$ 1,007,590	7.0
Agency Revised Estimate:					
2. Contractual Services Carry-over Funds	\$	-	\$ 99,065	\$ 99,065	--
<i>Subtotal—Agency Revised Estimate</i>	\$	-	\$ 1,106,655	\$ 1,106,655	7.0
Governor's Recommendation:					
3. No Changes	\$	-	\$ -	\$ -	--
TOTAL	\$	-	\$ 1,106,655	\$ 1,106,655	7.0

LEGISLATIVE APPROVED

1. No adjustments were made to the \$1.0 million appropriated to the Citizens' Utility Ratepayer Board for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$1.1 million, all from special revenue funds, which is an increase of \$99,065, or 9.8 percent, above the FY 2022 approved amount.

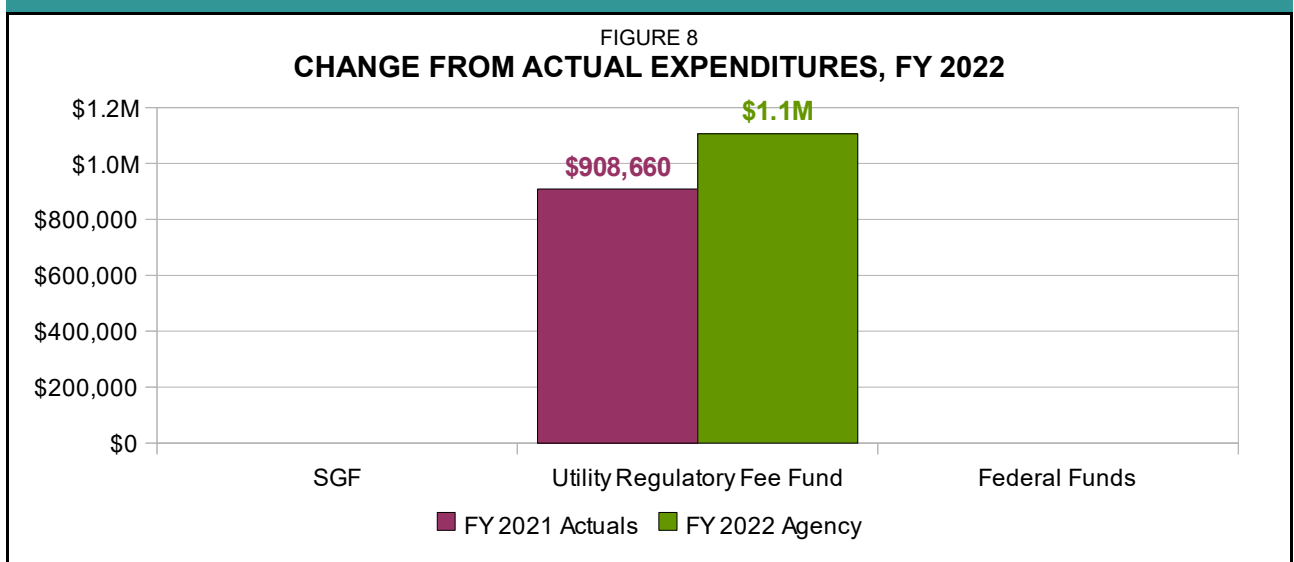
The **agency** estimate includes the following adjustments:

2. **Contractual Services Carry-over Funds.** The agency is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases. The agency utilizes different types of consultants to review large utility filings and advise and provide testimony before the KCC. Consultants include engineers, economists, and technical experts. In FY 2021, \$99,065 was unspent and will be carried over to FY 2022. This carry-over accounts for the entire increase of the approved budget.

GOVERNOR'S RECOMMENDATION

3. The **Governor** concurs with the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$1.1 million, all from the Utility Regulatory Fee Fund, in FY 2022. This is an increase of \$197,995, or 21.8 percent, above the FY 2021 actual expenditures. This increase is due to the carry-over funds for consultant services from FY 2021 as well as increased expenditures for travel and computer equipment and software. Additionally, the agency states it budgets 10.0 percent above actual expenditures to ensure that adequate funds are available in the occurrence of increased case filings.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 1,106,655	\$ 1,106,655	7.0
Agency Request:				
1. Enhancement– Attorney FTE	\$ -	\$ 98,966	\$ 98,966	1.0
2. Enhancement– Accountant FTE	-	90,091	90,091	1.0
3. Carry-over Funds	-	(99,065)	(99,065)	--
4. All Other Adjustments	-	976	976	--
<i>Subtotal–Agency Estimate</i>	\$ -	\$ 1,197,623	\$ 1,197,623	9.0
Governor’s Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,197,623	\$ 1,197,623	9.0

AGENCY REQUEST

The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, for FY 2023. This is an all funds increase of \$90,968, or 8.2 percent, above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

1. **ENHANCEMENT–ATTORNEY FTE POSITION.** The agency request includes an enhancement request of \$98,966 and 1.0 new FTE position for an additional attorney position. Of that amount, \$94,616 is budgeted for salary and wages and \$4,350 for the purchase of computer and office equipment. The agency's staff currently includes two attorneys. The agency states that with the increased number of cases filed and increased complexity of those cases, there is a need for an additional attorney. The agency also notes high turnover in that position due to competition with the private sector.
2. **ENHANCEMENT–ACCOUNTANT FTE POSITION.** The agency request includes an enhancement of \$90,091 and 1.0 new FTE position for an accountant position. Of that amount, \$85,741 is budgeted for salary and wages and \$4,350 to purchase computer and office equipment. The agency currently contracts its accounting services. The agency states that accountants play a significant role in rate cases with rate analysis; with the increased number of cases and increased complexity of those cases, there is a need for an in-house accountant.
3. **CARRY-OVER FUNDS.** As discussed in the FY 2022 analysis, the agency is authorized in the appropriations bill to carry over unspent consultant services funds. In FY 2022, \$99,065 was carried over. Currently, there are no carry-over funds budgeted for FY 2023, creating a decrease in contractual services expenditures.
4. **ALL OTHER ADJUSTMENTS.** The agency request includes a \$976 increase for miscellaneous operational changes and other adjustments. These changes include decreased expenditures for computer software, offset by small increases in rent and travel expenditures.

GOVERNOR’S RECOMMENDATION

5. The **Governor** concurs with the agency's FY 2023 request.

ENHANCEMENT REQUEST

REQUEST 1
ATTORNEY FTE POSITION

Salaries and Wages	\$94,616
Computer Equipment	\$1,050
Office Furniture	\$3,300
Total	\$98,966

The agency requests \$98,966 and 1.0 FTE position for FY 2023 to hire an additional attorney. Of that amount, \$94,616 is budgeted for salary and wages, \$1,050 to purchase computer equipment, and \$3,300 for office equipment. The agency's staff currently includes two attorneys. The agency states that with the increased number of cases filed and increased complexity of those cases, there is a need for an additional attorney. The agency also notes high turnover in that position due to competition with the private sector.

The Governor concurs with this request.

REQUEST 2
ACCOUNTANT FTE POSITION

Salary and Wages	\$85,741
Computer Equipment	\$1,050
Office Furniture	\$3,300
Total	\$90,091

The agency requests \$90,091 and 1.0 FTE position for FY 2023 to hire an accountant. Of that amount, \$85,741 is budgeted for salary and wages, \$1,050 to purchase computer equipment, and \$3,300 for office equipment. The agency currently contracts its accounting services. The agency states that accountants play a significant role in rate cases with rate analysis; with the increased number of cases and increased complexity of those cases, there is a need for an in-house accountant.

The Governor concurs with this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

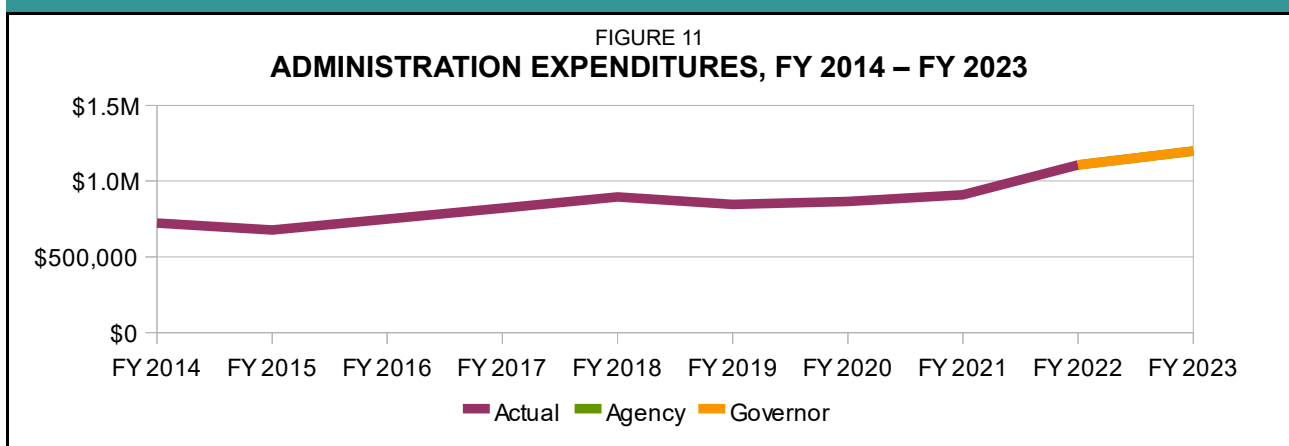
FIGURE 10
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
FTE Positions:					
Administration	7.0	7.0	7.0	9.0	9.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 66-1223(a)

PROGRAM GOALS:

- Represent CURB constituents in KCC rate cases.
- Intervene in KCC cases when necessary to protect CURB constituents from unreasonable utility business practices.
- Represent CURB constituents before the Kansas Legislature.
- Represent CURB constituents in complaint cases filed with the KCC.

The Administration Program is the agency's only budgetary program. The program can be further broken down into four sub-programs,

or areas of focus: KCC rate cases, other KCC cases, legislative work, and outreach work.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of Total Filed Rate Cases in Which CURB Intervened	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
2. Percentage of Total Filed Utility Practices Cases that CURB Analyzed and/or Intervened In	97.0 %	100.0 %	93.0 %	90.0 %	90.0 %
3. Percent of Rate Reduction Proposed by CURB in Utility Rate Cases*	99.0 %	0.0 %	68.0 %	75.0 %	75.0 %
4. Annual Savings Achieved from CURB Analysis and Involvement in Utility Cases vs. Cost of Outsourcing Representation*	\$ 142,000	\$ 531,000	\$ 336,500	\$ 200,000	\$ 250,000
Output Measure:					
5. Number of Constituents Contacting CURB with Whom CURB Interacted	38	57	40	45	45
6. Number of Utility-related Legislative Bills Analyzed and/or Testified to, on an Annual Basis*	8	16	12	10	10
7. Number of Utility Practice/Program Cases in Which CURB	31	54	40	40	40

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Intervened*					
8. Number of Filed Rate Cases in Which CURB Intervened Annually*	3	3	3	3	3
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	864,510	908,660		1,106,655	1,197,623
TOTAL	<u>\$ 864,510</u>	<u>\$ 908,660</u>		<u>\$ 1,106,655</u>	<u>\$ 1,197,623</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	2.2 %	5.1 %		21.8 %	8.2 %
FTE Positions	7.0	7.0		7.0	9.0

* The Governor's Office does not utilize this measure for evaluation purposes

PROGRAM DESCRIPTION

KCC RATE CASES

The agency notes that its statutory authority centers first on representation of residential and small commercial ratepayers before the KCC. The agency also states it has obtained millions of dollars of utility rate savings as well as prevented business practices sponsored by utilities that are adverse to consumer interests. Results of these efforts can be seen in performance measures relating to intervention in rates cases and rate reduction.

OTHER KCC CASES

The agency notes it not only intervenes in rate cases, but also other cases such as utilities. Similar measures relating to case intervention and cost savings track the agency's performance in this area.

LEGISLATIVE WORK

The agency notes its statutory authority centers second on the representation of residential and small commercial ratepayers before the Kansas Legislature. The agency states it provides testimony before and analysis for the House and Senate utilities committees.

OUTREACH WORK

The agency notes that it plays an integral role in advising consumers about their rights in utility complaint cases, both in the jurisdiction of the KCC and otherwise. The agency tracks the number of constituents it provides advice to and the savings gained from utilizing CURB's services rather than outsourcing representation.