

PUBLIC SERVICE COMMISSION OF UTAH

Supplemental Information

Business, Economic Development, and Labor Appropriations Subcommittee

Wednesday, February 6, 2019

Thad LeVar, Chair
David R. Clark, Commissioner
Jordan A. White, Commissioner

Public Service Commission of Utah
Website and Annual Report: PSC.UTAH.GOV

What We Do

- Public Utility Regulation: Our objective is to provide balanced regulation, promoting:
 - Just and reasonable rates;
 - Safe and reliable utility service; and
 - Financially healthy utilities that can attract capital.
- Utah Universal Service Fund (UUSF): The PSC distributes surcharges paid on Utah telephone lines to enable qualifying carriers of last resort to obtain specific, predictable, and sufficient funds to deploy and manage networks capable of providing access lines, connections, and broadband service.
- Relay Utah: Funded through the UUSF, this program provides telecommunications access and equipment to those who are deaf, hard of hearing, and speech-challenged.
- The PSC has a small staff of 16 full time employees in the main office, and 1 full time employee plus 3 part time employees for the Relay Utah program.
- During fiscal year 2018, the PSC conducted 355 dockets.

Budget Issues

- The PSC is not requesting additional funding, or any fee changes, for the 2019 General Session.
- PSC operations are funded through the Public Utilities Regulation Fee (U.C.A. § 54-5-1.5).
- The PSC does not receive any General Fund revenue.

Current and Recent Policy Issues

- The PSC continues to implement S.B. 130, Universal Service Fund Amendments (2017). Implementation of the legislation's requirements related to fund distributions are likely to require a surcharge increase, potentially raising the surcharge from \$0.36 per month per connection to \$0.60 per month per connection on May 1, 2019.
- The Legislature will consider during the 2019 General Session whether to extend or repeal a statutory sunset date related to cost recovery for PacifiCorp's Energy Balancing Account.
- During 2018 the PSC issued multiple orders involving customer rate decreases for both PacifiCorp and Dominion Energy Utah resulting from reductions in the federal corporate tax rate.
- Pursuant to a stipulation approved in September 2017 related to net metering from residential solar panels, the PSC is conducting a two-year process to address the remaining unsettled issue: the value of net metering export credits.
- In May 2018 the PSC approved PacifiCorp's request to repower approximately 1,000 MW of existing wind generation resources.
- In June 2018 the PSC approved PacifiCorp's application to construct 1,150 MW of new wind generation resources and a 138 mile transmission line.
- In October 2018 the PSC issued an order prohibiting certain solicitations to Utah natural gas customers advertising insurance products from an affiliate of Dominion Energy Utah. A rulemaking process on the issue is currently ongoing.
- In October 2018 the PSC issued a written order that denied Dominion Energy Utah's voluntary request for approval to construct an on-system liquefied natural gas storage facility.

FY 2018 Performance Measures

PSC Line Item:

- Electric or natural gas rate changes within a fiscal year not consistent or comparable with other states served by the same utility (Target = 0); 0
- Number of appellate court cases within a fiscal year modifying or reversing electricity or natural gas PSC decisions (Target = 0), 0
- Number, within a fiscal year, of financial sector analyses of Utah's public utility regulatory climate resulting in an unfavorable or unbalanced assessment (Target = 0); 0

Relay Utah Line Item:

- Total outreach activities and exhibits within a fiscal year (Target = 75); 58
- Number of times a change to the fund surcharge occurred more than once every three fiscal years (Target = 0); N/A – on July 1, 2017, the Relay Utah surcharge was rolled in to the UUSF surcharge pursuant to 2017 S.B. 130
- Total adoption and usage of Telecommunications Relay Service and Caption Telephone Service within a fiscal year (Target = 50,000); 115,808

UUSF Line Item:

- Number of months within a fiscal year during which the Fund did not maintain a balance equal to at least three months of fund payments (Target = 0); 0
- Number of appellate court cases within a fiscal year modifying or reversing cases involving fund disbursements (Target = 0); 0
- Number of times a change to the fund surcharge occurred more than once every three fiscal years (Target = 0); 1 surcharge change on 1/1/2018 that exceeded the Target. On October 1, 2016, the surcharge was changed from 1.00% of intrastate revenues to 1.65% of intrastate revenues. On January 1, 2018, pursuant to the analysis required by 2017 S.B. 130, the surcharge was changed to a flat \$0.36 per access line or connection.