

Wyoming Public Service Commission (WPSC)

2017-2018 Biennium Strategic Plan

Results Statement

- Wyoming state government is a responsible steward of State assets and effectively responds to the needs of residents and guests.
- Wyoming has a diverse economy that provides a livable income and ensures wage equality.
- Wyoming natural resources are managed to maximize the economic, environmental and social prosperity of current and future generations.
- Advanced technologies and a quality workforce allow Wyoming business and communities to adapt and thrive.

WPSC Contribution to Wyoming Quality of Life

- All residents have access to safe, reliable and adequate utility services at just and reasonable prices.
- Utilities have the opportunity to recover prudent expenses and earn a fair return on investment so they remain capable of providing adequate, safe, reliable utility service to residential, commercial and industrial consumers, thereby promoting economic stability and development.
- Facilitate advanced, economic and prudent utility infrastructure investment consistent with environmentally, technologically and economically sound practices for the benefit of Wyoming citizens and businesses.

Basic Facts:

Statutory Authority: The general statutory authority for the WPSC is found in Wyoming Statutes, Title 37, Chapters 1, 2, 3, 6, 12, 15, 16, & 17. The WPSC has the following three budgetary divisions to accomplish its statutory responsibilities:

[1] “Administration” includes the regulation of monopoly utility rates, services, geographic territory, safety, reliability, quality of service and financing. The purpose of the Administration Division is to ensure Wyoming utility customers have safe, adequate and reliable utility service at just and reasonable prices and Wyoming utility companies are provided the opportunity to recover prudently incurred expenses and earn a fair return on investment. The WPSC serves all residential, commercial and industrial customers of jurisdictional natural gas, electric, telecommunications, water, and pipeline companies in Wyoming.

[2] The Office of Consumer Advocate (OCA) is authorized by W.S. §37-2-401 through 404. The OCA is required to represent the interests of Wyoming citizens and all classes of utility customers in matters involving public utilities. In the exercise of its powers, the OCA is required to consider all relevant factors, including, but not limited to, the provision of safe, efficient and reliable utility services at just and reasonable prices.

[3] Administration and management of the Wyoming Universal Service Fund (WUSF) is authorized under W.S. § 37-15-501. All telecommunications companies must contribute to the WUSF and are entitled to receive distributions from the fund (to be credited to customers) to the extent local exchange service prices, after consideration of any contributions from the federal Universal Service Fund, exceed the \$30 imputed price benchmark or an optional method of fund

disbursements whereby a company can elect to receive WUSF support to the extent that its loop costs exceed the company's federal universal service funds receipts and annual local revenues.

Funding: The WPSC's 2017-2018 Biennium Budget appropriation request is anticipated to be approximately \$16,783,000, which provides for the operation of the agency (Administration - \$8,051,400 and Office of Consumer Advocate - \$2,038,800) and funding and administration of the Wyoming Universal Service Fund (\$6,693,000). Over 94% or \$6,324,000 of the WUSF budget are funds received by the fund manager and redistributed to the telecommunications carriers who provide service in high cost areas. Of the total agency appropriation, \$9,665,000 comes from an assessment (limited to 3 mills) on gross intrastate retail revenues from utility service and commodity providers; \$6,672,000 from the Wyoming Universal Service Fund assessment on retail sales of intrastate telecommunications services; and \$425,000 from federal grants to support the pipeline safety program.

The WPSC is authorized 37 full time positions, six of which are assigned to the OCA with the WUSF having the equivalent of one full time position.

Primary Functions:

Regulation	Exercise general and exclusive jurisdiction over public utilities, including oversight of rates and services; safety, reliability, service territories, and quality of service.
Public Outreach	Facilitate consumer participation in utility hearings, promote understanding of utility regulation, regulatory policies and maintain Commission awareness and understanding of utility issues confronting citizens throughout the State.
Administration	Management of Agency & Wyoming Universal Service Fund.
Advocacy	Represent Wyoming and its citizens at the regional and national levels.
Inspection	Safety aspects of Wyoming intrastate natural gas pipelines, gas distribution facilities and electrical facilities.

Performance Objectives for FY2017-2020:

Objective 1: EPA Clean Power Plan – Clean Air Act - §111(d)

Story Behind the Objective

The EPA Clean Power Plan proposes to establish emission guidelines to reduce greenhouse gas emissions from existed fossil fuel-fired electric generation units. The EPA Clean Power Plan proposes to establish carbon dioxide emission performance rates for existing fossil steam generating units and stationary combustion turbines in Wyoming and other states. The EPA Clean Power Plan sets specific targets, guidelines and timelines to reduce carbon dioxide emissions in the United States through state specific or federal plans. Regulated electric utilities and other power producers in Wyoming are expected to be significantly affected by the EPA Clean Power Plan compliance requirements.

Performance Proposal for the Next Two Years

- Monitor and research EPA Clean Power Plan compliance effects on the utilities serving in Wyoming and other Wyoming power producers. The PSC will actively make recommendations as applicable and appropriate on the Clean Power Plan process.

- The WPSC will actively coordinate activities addressing the proposed clean power plan with Wyoming utilities and other state agencies.

Objective 2: Major Case Administration

Story Behind the Objective

To take formal action, the WPSC must review and analyze all applications and tariffs filed by jurisdictional utilities. These include applications to commence or discontinue utility operations; construct facilities; establish or revise rates; implement or revise service offerings and operating rules; revise or enlarge service territories; and issue securities or incur new debt (electric and natural gas utilities).

After considering staff analyses, public comments, and presentations by utilities and other interested parties at open meetings or in trial-type contested case proceedings, the Commission considers and rules on each application to ensure Wyoming ratepayers receive safe, adequate and reliable utility service at just, reasonable and nondiscriminatory rates while allowing the utilities to recover prudently incurred expenses, provide and maintain a safe, adequate and reliable system and have a reasonable -- but not guaranteed -- opportunity to earn a fair return on its infrastructure investment.

WPSC proceedings are conducted pursuant to the Wyoming Administrative Procedure Act, and each decision requires a written order applying utility law to the facts of the case. All WPSC decisions are subject to review by the courts. Decisions in contested cases with intervening parties normally require trial-type public hearings and an opportunity for public comment. Many of dockets going to a full contested case hearing must be completed and the order issued within a 10-month statutory time constraint.

Performance Proposal for the Next Two Years

- Continue to maintain and improve regular internal processes with respect to all complex utility applications, allowing the WPSC to issue public notices promptly, hold scheduling conferences within 45 days of initial applications, and ultimately, schedule and conduct all procedures, including the pre-hearing conferences and public hearings within eight months.
- Maintain the ability to provide cost-effective continuing education and training for agency professional staff on topics of regulatory concern to ensure their ability to conduct thorough, effective and timely analysis of all utility applications that come before the WPSC.

Objective 3: Wyoming Universal Service Fund

Story Behind the Objective

The Wyoming Universal Service Fund (WUSF) was created in 1995 by the Legislature to assist telecommunications customers in areas with high rates for basic local exchange service.

Telecommunications companies receive payments from the WUSF, after consideration of any contributions from the federal Universal Service Fund (FUSF), to ensure customers pay no more than the \$30 price benchmark imputed by W.S. §37-15-501(h). The 2015 revision to the 1995 Telecommunication Act maintained Wyoming Universal Service Fund (WUSF) support of high cost essential service lines. The new legislation established an optional new method of fund

disbursements under W.S. § 37-15-501(g), rather than subsection (d) of the same section. Under the new method, a telecommunications company may make a one-time, irrevocable election to receive WUSF support to the extent that its loop costs exceed the company's federal universal service funds receipts and annual local revenues. The WUSF complements the Federal Universal Service Fund; the Federal Communications Commission (FCC) is in the process of reviewing basic support options. The FCC created the Connect America Fund by order in 2012. The latest cost model (July 2015), issued by the FCC for this Order, suggests that a large portion of Wyoming may lose federal universal service support due to these areas being deemed too costly to service. This could potentially impact the WUSF. The revised Wyoming Telecommunications Act sunsets in 2019.

Performance Proposal for the Next Two Years

- Continue monitoring the federal universal service support each Wyoming Company receives, so federal support is properly accounted for and, if necessary, modify any commission rules as a result of legislative and FCC actions.
- Work with Joint Corporations Committee to provide a perspective on telecommunication needs in high cost rural areas with unserved or underserved essential basic telephone service and broadband availability and demand.
- Randomly audit WUSF assessments submitted by telecommunication companies for accuracy and consistency and conduct research to ensure all telecommunication companies that should be reporting WUSF assessments are.

Objective 4: Pipeline Safety Program & Utility Inspection Program

Story Behind the Objective

W.S. § 37-3-114 provides the WPSC authority to inspect electric utility facilities in Wyoming. Under W.S. § 37-2-131 the WPSC has safety jurisdiction over certain transmission lines associated with wind generation facilities located in Wyoming. The WPSC conducts natural gas safety inspections under W.S. § 37-2-128 and § 37-2-131 as an agent of the US Department of Transportation's Pipeline and Hazardous Material Safety Administration (PHMSA) under a Grant-in-Aid program. The inspection programs aid in ensuring Wyoming consumers of natural gas and electricity have access to safe, adequate and reliable service. Citations for noncompliance with the applicable laws, rules, codes and standards are issued to utilities and intrastate pipeline operators. The WPSC works with public utilities and pipeline operators to ensure general public safety and prompt correction of violations.

Performance Proposal for the Next Two Years

- Meet or exceed PHMSA's minimum inspection day requirement day for the Gas and Pipeline Safety Program each year (currently 176 inspection days) and the WPSC goal of 70 days per year of electric utility safety inspections.
- Score 90 or better on the annual PHMSA pipeline program audits.
- Utilize the Commission's Service Interruption Data Base to focus inspection activity more efficiently on areas with more urgent reliability or safety issues.

- Monitor Congressional action regarding reauthorizing the PIPES Act (Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006.) and review the One Call laws and to assist in any necessary revisions of Wyoming statutes and rules..
- Complete incorporation of wind generation facility related safety inspections into the current electric utility inspection program.

Objective 5: WPSC Participation in Organizations Affecting Consumers & Utility Customer Outreach

Story Behind the Objective

The WPSC actively participates in national and regional discussions of issues affecting Wyoming public utilities and their customers. Wyoming Commissioners serve on the National Association of Regulatory Utility Commissioners (NARUC) Electricity Committee, the NARUC Gas Committee, the NARUC Subcommittee on Pipeline Safety, the NARUC Energy Resources and the Environment Committee and the Western Electricity Coordinating Council (WECC). Commissioners and staff also participate in CREPC (Committee for Regional Electric Power Cooperation), NTTG (Northern Tier Transmission Group), and WIEB (Western Interstate Energy Board). Staff members serve on several NARUC subcommittees. One staff engineer serves on the WECC Council Standards Committee. The WPSC's Engineering Supervisor serves on the National Association of Pipeline Safety Representatives (NAPSR) Board of Directors and NAPSR's Legislative and Gathering Lines Committees, and its Control Room Management Task Group.

The WPSC assists consumers with complaints against utilities, some of which require public hearings. Over the past five fiscal years (FY2011 through 2015), the PSC processed an annual average of 416 complaints against utility companies, resolving over 99% each year through mediation without formal hearings. WPSC efforts resulted in consumer credits and refunds of over \$15,000 during FY2015.

Performance Proposal for the Next Two Years

- Continue processing of complaints with the goal of resolving 95% of informal complaints within 30 days of receipt.
- Ensure WPSC participation in regional and national forums on issues affecting Wyoming that concern utility regulation (electricity & natural gas) is done in a cost effective manner beneficial to Wyoming consumers. Actively participate in national and regional organizations that develop regulatory policy.
- The WPSC will take an active role in regional and national actions that strengthen Wyoming's utility infrastructure reliability and capabilities and add value to Wyoming's natural energy resources.
- Collaborate with other state utility commissions and stakeholders to ensure Wyoming consumers pay only their fair share of costs for utility service provided by multi-state utilities.
- Complete modernization of the Commission Hearing Room with its transition to an electronic, paperless environment. Enhance the agency's existing Docket Management System (DMS) to

include hearing documents for electronic display in the hearing room and increase agency capability to use electronic documents during hearings and other proceedings through use of tablets, a projector and electronic display technology for concurrent display of exhibits. These modifications and additions will increase efficiency and benefit ratepayers through increased opportunities for public participation in Commission proceedings.