

Public Utilities Commission of Ohio

- Receives assessments, taxes & fees from the regulated companies
- Monitors evolving competitive utility markets
- 13 cases under review at Power Siting Board for another 8,026 MW of additional electric power
- No GRF funding

OVERVIEW

The role of the Public Utilities Commission (PUCO) is to assure all residential, business, and industrial consumers have access to adequate, safe, and reliable utility services at fair prices while facilitating an environment that provides competitive choices. The PUCO is governed by a chairman and four commissioners who are appointed for five-year terms. The Commission currently has 382.5 FTEs and 22 vacancies. Total funding is increased by \$8.1 million in FY 2002 (17.8% above FY 2001) from \$45,795,588 in FY 2001 to \$53,930,590. Funding is decreased in FY 2003 from \$53,930,590 to \$53,588,268 due the receipt of a federal grant for the CVISN system in FY 2000. PUCO receives no General Revenue Fund (GRF) revenue. Funding comes through assessments on utilities, as well as through fees generated by intrastate and interstate motor carriers registrations, and federal assistance.

PUCO Vision:

***Keeping Ohioans
Connected to Safe,
Efficient and
Competitive Utility
services.***

PUCO mission:

***To ensure adequate, safe, and
reasonably priced public utility
services including safe motor
carrier, pipeline, and railroad
services, while facilitating
competitive choices for Ohio
consumers***

PUCO Commitment:

***To ensure availability of services; regulate
rates and terms; foster competition;
monitor and enforce PUCO rules and laws;
protect consumers and the environment,
facilitate information and resolve disputes***

Many changes have come about in the utility industries in the past few years. Many aspects of the telephone, natural gas and electric industries have been opened up to competition in a process known as restructuring. One might consider this concept synonymous with deregulation. The restructuring effort was pursued because it was determined that competition would ultimately enhance the operation of the utilities, benefiting consumers statewide. Not all aspects of utility operation would be subject to competition, but restructuring will impact the non-competitive sectors, transmission and distribution, as

well. Specific issues related to restructuring of individual industries are covered in the “Facts and Figures”.

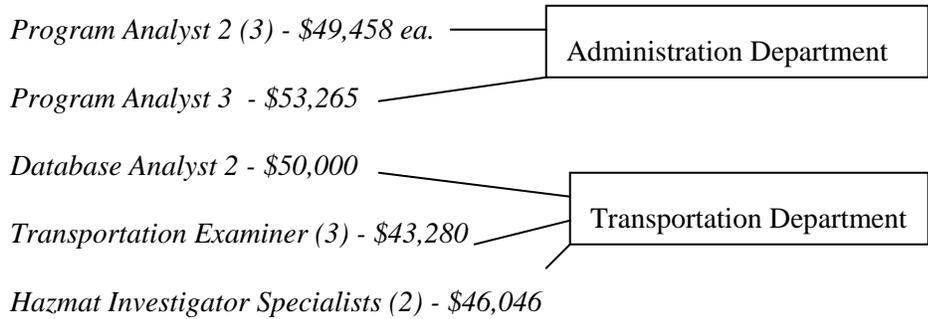
The executive recommends funding of \$53.9 million in FY 02 – an increase of 17.8% over estimated FY 01 spending – and \$53.6 million in FY 03. Much of the increase in FY 2002 is due to increased federal funding for motor transportation regulation.

In FY 2002 the PUCO will receive funds from the federal government for the Commercial Vehicle Information Systems & Networks (CVISN) and for the Motor Carrier Safety Assistance program. PUCO will receive a \$2.5 million in federal grant for CVISN to improve highway safety through electronic technologies. Funding for the Motor Carrier Assistance Program will enable PUCO to conduct safety audits and inspections of commercial motor carriers. The PUCO is the recipient and administrator of these funds, which are also utilized by the departments of Taxation, Public Safety (State Highway Patrol and Bureau of Motor Vehicles), Transportation, and the Ohio Trucking Association.

ADDITIONAL FACTS AND FIGURES

PUCO Staff

The Public Utilities Commission currently has 382.5 filled positions and 22 vacancies. The accompanying chart illustrates increases and decreases in staffing levels. The PUCO intends to hire the following 10 additional staff members in the coming biennium, 4 in the Administration Department and 6 in the Transportation Department.



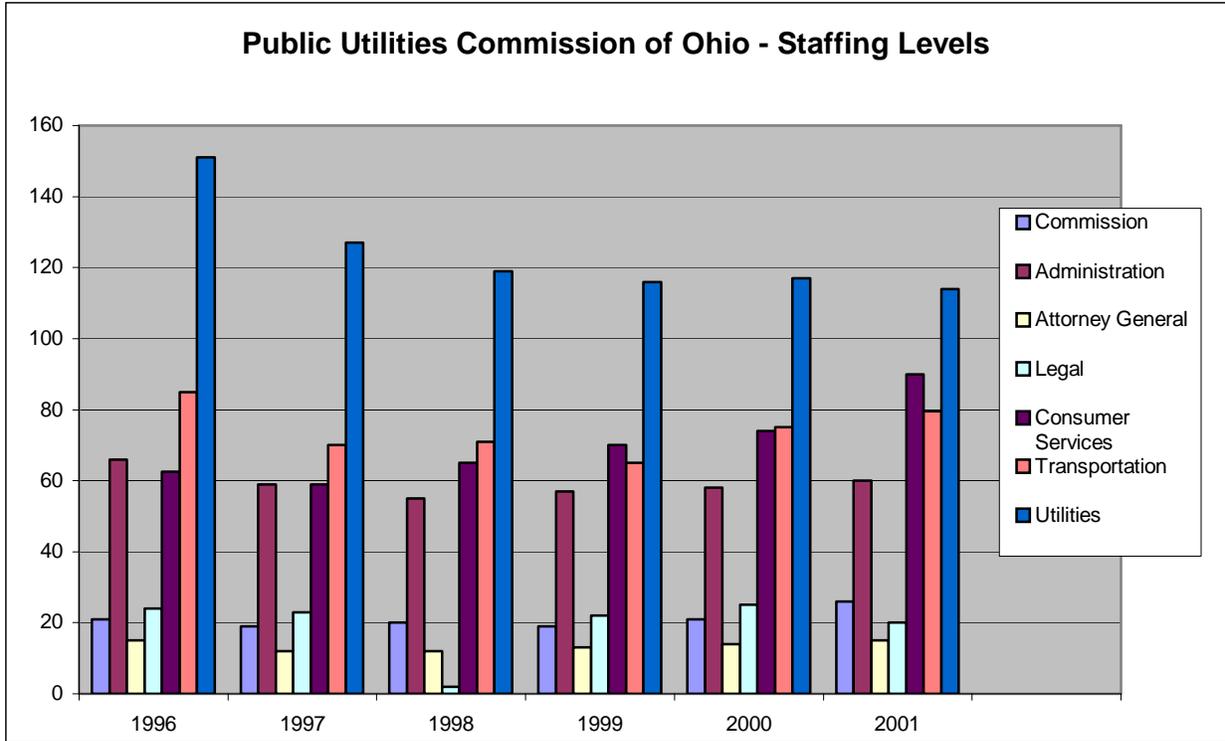
Public Utilities Commission of Ohio - Staffing Levels						
Program Series/Division	1996	1997	1998	1999	2000	2001
Commission	21	19	20	19	21	26
Administration	66	59	55	57	58	60
Attorney General	15	12	12	13	14	15
Legal	24	23	22	22	25	20
Consumer Services	62.5	59	65	70	74	90
Transportation	85	70	71	65	75	79.5
Utilities	151	127	119	116	117	114
Totals	424.5	369	364	362	384	404.5

(IT) Information Technology Analysts

Additional IT analysts will provide PUCO with the necessary support to successfully design, develop, and implement the PUCO Information Technology Plan.

- (3) Program Analyst 2 - \$49,458 each
- (1) Program Analyst 3 - \$53,265

Technological innovation and implementing technological solutions is one of the Governor's stated top priorities regarding Electronic Commerce in Ohio. Funding for the 4 FTEs will allow PUCO to implement systems that will increase data gathering techniques, monitoring capabilities, and enforcement of PUCO rules and state laws.



Agency Highlights

Division Changes

The former Consumer Services Department (CSD), Compliance Division has been renamed and is now the CSD Investigations and Inspections (I&I) Division, located in the Consumer Services department. The administration of the CSD I&I division was recently merged with the Transportation Department I&I Division. The CSD I&I Division has 22 employees and the Transportation I&I has 37 employees. Both divisions are under the leadership of one director. The divisions conduct investigations and audits of the gas, electric, telecommunications, water, railroad, and transportation carriers and work together to ensure compliance with the utility rules and regulations.

The Office of Public Affairs

The PUCO recently created the Office of Public Affairs in June 2000 through which legislative, media, educational and worldwide web initiatives are addressed. The goal of the Office of Public Affairs is to ensure that all external customers receive consistent, dependable information from PUCO that is reliable, objective, complete, timely and understandable. The office works internally with all areas of the PUCO and plays an important role for the PUCO by coordinating all external communication. Currently, the office consists of 10 full-time staff members.

The Market Monitoring Division

With utility restructuring market monitoring is becoming one of the primary responsibilities of PUCO. PUCO continues to be ever watchful of the evolving competitive markets to ensure against unfair, unsafe, and deceptive practices. Because of the vital nature of utility services PUCO plans to monitor the market

closely to reduce supply disruptions, anti-competitive tactics, and deceptive marketing practices. Members of this division research and monitor utility markets and make accurate recommendations and provide knowledgeable insight regarding supply and demand and market entry behavior. Currently the division consists of 16 full-time staff members.

The Division of Market Monitoring, in PUCO's Utilities department, is required by Rule 4901:1-25-02 of the Ohio Administrative Code to collect monthly information on a quarterly basis from the Electric Distribution Utilities (EDUs); Competitive Retail Electric Service Providers (certified electric utilities power marketers, power brokers, aggregators or independent power producers/distributed generators); Certified Competitive Electric Cooperatives; and Governmental Aggregators.

The purpose of these market monitoring requirements is to assist the PUCO in determining whether effective competition exists for a competitive retail electric service.

Monitoring Utility Company Performance

Monitoring the performance of individual utility companies is an ongoing activity that takes place across the entire organization of the PUCO and involves a range of approaches and methods. Ongoing performance, safety and operating regulations, and financial information from companies is received and reviewed by various PUCO divisions responsible for that utility sector. Other information is systematically derived from the results of individual audits and investigations. Data generated from inquires and complaints to the PUCO provide another way to access the performance of the companies. This methodology is particularly important in examining a company's ability to meet retail and service demands in an evolving competitive market. The overall utility is also monitored in many of the same ways. In addition to data provided from the individual companies, broader databases from trade groups, other governmental units, and research institutions are utilized in the monitoring of markets and company activities in the marketplace.

- Review of Company Goals & Objectives
- Financial & Safety Audits & Investigations
- Inquiry & Complaint Data
- Consumer Contact Database

PUCO Information Technology Plan

The Information Technology Plan is currently being implemented in the Information Systems Division, located in the Administration department. The division currently has 13 FTEs. PUCO plans to hire 4 additional analysts in FY 2002-2003 to facilitate the implementation of the plan. The goal of the plan is to increase agency efficiency and effectiveness. This is to be achieved by:

- Development of a new database to track consumer complaints, concerns and inquires
- Development of a system to track company services, prices and service areas
- Designing the system to allow companies and consumers to correspond with PUCO over long distances and minimizing travel to PUCO offices
- Implementing systems to allow companies to file data, forms, and documents with PUCO remotely, using the Internet

- Implementing systems for companies to pay registration fees, assessments, fines, etc., all electronically
- Implementing a program to update infrastructure by replacing outmoded and obsolete equipment

Consumer Contact Database

Development and implementation of a Consumer Contact Database will improve the ability of PUCO to monitor the performance of individual companies and utility markets in general. The Consumer Contact Database will receive and address consumer concerns, complaints, inquiries, and requests for information. This system will allow PUCO to enter and accept information from other state agencies or utility companies. Implementation of this system will involve working cooperatively with the Office of Consumers' Counsel and the utility industries.

Market Information System

Creation of this system will allow PUCO to track company services and prices offered, the territories served, and basic information about the companies. Furthermore, the system will maintain information about location and capacity of company facilities, which will allow PUCO to monitor the ability of a particular market to meet expected demand.

Electronic Filing System

This system will allow companies to file data, forms, and documents with PUCO remotely, via the Internet. Furthermore, the system will save PUCO time, money and reduce paperwork. PUCO will ensure adequate security, validation, and confidentiality. This system will avoid delays and logistical problems associated with physical delivery systems.

Electronic Payment System

By working with DAS and the Treasurer of State, PUCO plans to establish a method for companies to pay registration fees, assessments, fines, etc., electronically. This system will allow small sum credit card payments and electronic fund transfer payments of larger amounts.

CVISN - Commercial Vehicle Info. Systems & Networks

Ohio is the recipient of federal funding for a national effort to relieve traffic congestion and improve highway safety through the use of electronic technologies. PUCO involvement in the mandated CVISN and critical technology systems are in keeping with the Governor's E-commerce initiatives. CVISN will enable agencies, the trucking industry, and others to exchange information and conduct business electronically.

The Ohio CVISN project 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 by electronic means such as the Internet. This will substantially reduce delays and administrative costs inherent in these paper processes.

The Ohio CVISN project will also help enable the use of "electronic pre-clearance" at truck weigh stations. The system 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.

MCSAP

The Motor Carrier Safety Assistance Program (MCSAP) is a matching grant-in-aid program with the Federal Government providing no more than 80% of the costs of the state’s safety enforcement activities. The objective of MCSAP is to reduce the number and severity of accidents and hazardous materials incidents involving commercial motor vehicles. MCSAP seeks to accomplish this by substantially increasing the level of nationally uniform inspection and enforcement activity and the likelihood that safety defects, driver deficiencies and unsafe carrier practices will be detected and corrected.

MCSAP objective: reduce the number and severity of accidents and hazardous materials incidents involving commercial motor vehicles.

PUCO’s budget provides funding for 6 additional full-time positions in order to provide the PUCO with the necessary support to sufficiently perform safety audits and inspections of commercial motor carriers. These positions include:

- *Database Analyst 2 - \$50,000*
- *Transportation Examiner (3) - \$43,280*
- *Hazmat Investigator Specialists (2) - \$46,046*

Technological innovation and implementing technological solutions is one of the Governor’s stated top priorities regarding Electronic Commerce in Ohio. Funding for these positions will allow PUCO to implement systems that will increase data gathering techniques, monitoring capabilities, and enforcement of PUCO rules and state laws.

The Ohio Power Siting Board

The Ohio Power Siting Board (OPSB) issues certificates of environmental compatibility before construction of any major utility facility within the state of Ohio. Electric restructuring in Ohio has significantly increased the caseload of OPSB. This is apparent in the generation activity since the summers of 1998 and 1999. Since 1998, the OPSB has certified 10 new generation facilities totaling 5,025 MW of capacity. There are currently 13 cases under review or pending before the OPSB for another 8,026 MW of additional power. The OPSB has reviewed 113 cases in 1998, 1999, and 2000. Seventy-five of these cases have required formal action and approval. In 1998, 1999, and 2000, the OPSB approved 34, 18, and 23 cases, respectively. Ohio anticipates continued growth in electricity demand for the state and region and has been proactive in encouraging new supply to be built.

New electric generation in Ohio:

- *1,230 additional Megawatts since 1998*
- *1,330 Megawatts available Summer 2001.*

Telecommunications Industry

The telecommunications industry includes local telephone service, long distance telephone service, cellular/digital telephone service, paging service and Internet service. Most telecommunications service begins and ends with a local service provider. The local service provider maintains the local lines, handles service and safety concerns, and provides switches for interconnection with other telephone service providers. The Federal Telecommunications Act of 1996 encouraged and provided a framework for competition in local telephone service. The PUCO maintains jurisdiction over most of local telephone service, including quality of service.

Long distance telephone providers maintain or provide access to switches and lines between local exchange carriers and other long distance telephone providers. Long distance service has been competitive for many years. The Federal government and state government jointly regulate long distance service. PUCO has jurisdiction for calls placed within the state of Ohio, but if the call begins or ends outside of Ohio, PUCO does not have jurisdiction.

Cellular and digital systems are divided into geographical units called cells, which are assigned their own set of radio channels and are served by low powered transmitters and receivers that connect to the traditional landline telephone system. The PUCO certifies the providers of cellular or digital service to operate within Ohio.

Internet service utilizes the cellular/digital system, traditional landline service, and other systems such as cable to connect digital communications between global users. The PUCO has no jurisdiction over Internet service and Internet service providers.

The PUCO sees 3 main issues with local telephone competition. First, to stimulate competition, PUCO is working to eliminate barriers to entry. Though elimination of barriers may encourage competition, PUCO cannot guarantee competition. Secondly, PUCO feels that there should be alternative forms of regulation in telecommunications. For instance, PUCO would not regulate company earnings or new technological advances. Without regulation of company earnings, PUCO stresses the need for rules to be generated to ensure the availability and affordability of basic telephone service. Finally, PUCO is encouraging support regarding an agreement to deploy advanced services (high speed internet). PUCO feels every Ohioan should, and soon will, have high speed Internet to broaden the local knowledge and information access base.

Electric Industry

The electric industry is broken up into three main components: generation, transmission and distribution. The Ohio General Assembly has passed legislation that allows Ohioans to choose the company that generates their electricity beginning January 1, 2001. The transmission and distribution of electricity, however, will not be competitive and will remain under the jurisdiction of the PUCO. Currently, most of the electricity generated in Ohio comes from coal-burning and nuclear facilities near Lake Erie and the Ohio River. Both types of power plants use steam-driven turbines to generate electrical current. Once the electricity has been generated, it travels through transmission lines atop tall metal towers. The transmission lines connect cities and regions in a "power grid." The power grid transmits the power to local electric companies' substations for distribution. After the electricity reaches the local electric company's substations, its voltage is reduced in order for the electricity to be transmitted through distribution lines. The distribution lines can be mounted on utility poles or buried underground. These lines are used to deliver the electricity to homes and business.

<u>Competitive:</u>
Generation
<u>Not Competitive:</u>
Distribution &
Transmission

The Commission has been actively involved in implementing legislation and developing rules to facilitate the 5 year transition (or market development period). New issues appear to arise daily – highlighted by the problems California has recently been experiencing. In Ohio, electric prices are currently capped, but will not be for 5 years from now. Hopefully, by that time Ohio will have sufficient electric supply and transmission facilities to avoid California’s current problems.

Transportation Industry

The PUCO Transportation Department oversight includes railroads, pipelines, motor carriers, ferry-boats, buses, household good movers, hazardous materials and waste, and radioactive materials. The PUCO takes a comprehensive view of the regulation of motor carriers as it does all utilities. PUCO regulatory efforts have been directed primarily to safety concerns in the railroad and motor carrier industries.

The department annually conducts safety inspections of approximately 1,209 railroad bridges, 6,400 railroad crossings, 4000 miles of track, and 15,000 railroad cars. Furthermore, PUCO annually inspects about 65,000 trucks and buses on Ohio highways (most are conducted by Ohio State Patrol under agreement with PUCO). These include over 7,000 vehicles carrying hazardous materials.

PUCO annually inspects:

1,209 railroad bridges

6,400 railroad crossings

4,000 miles of track

15,000 railroad cars.

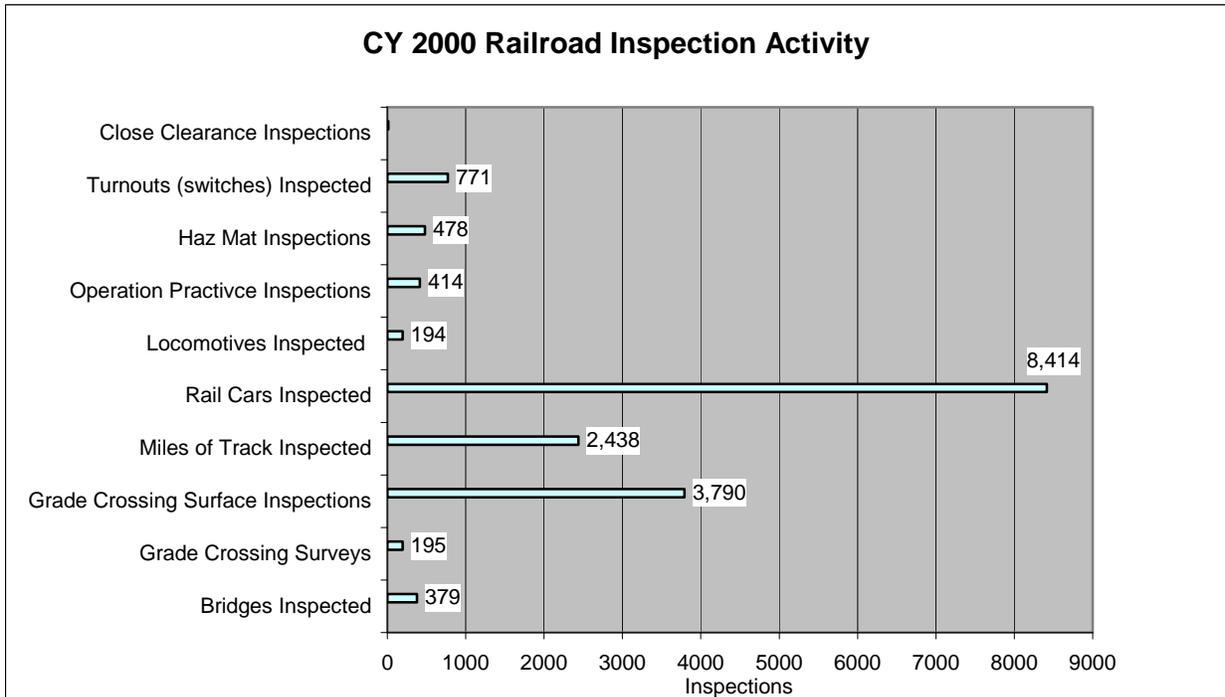
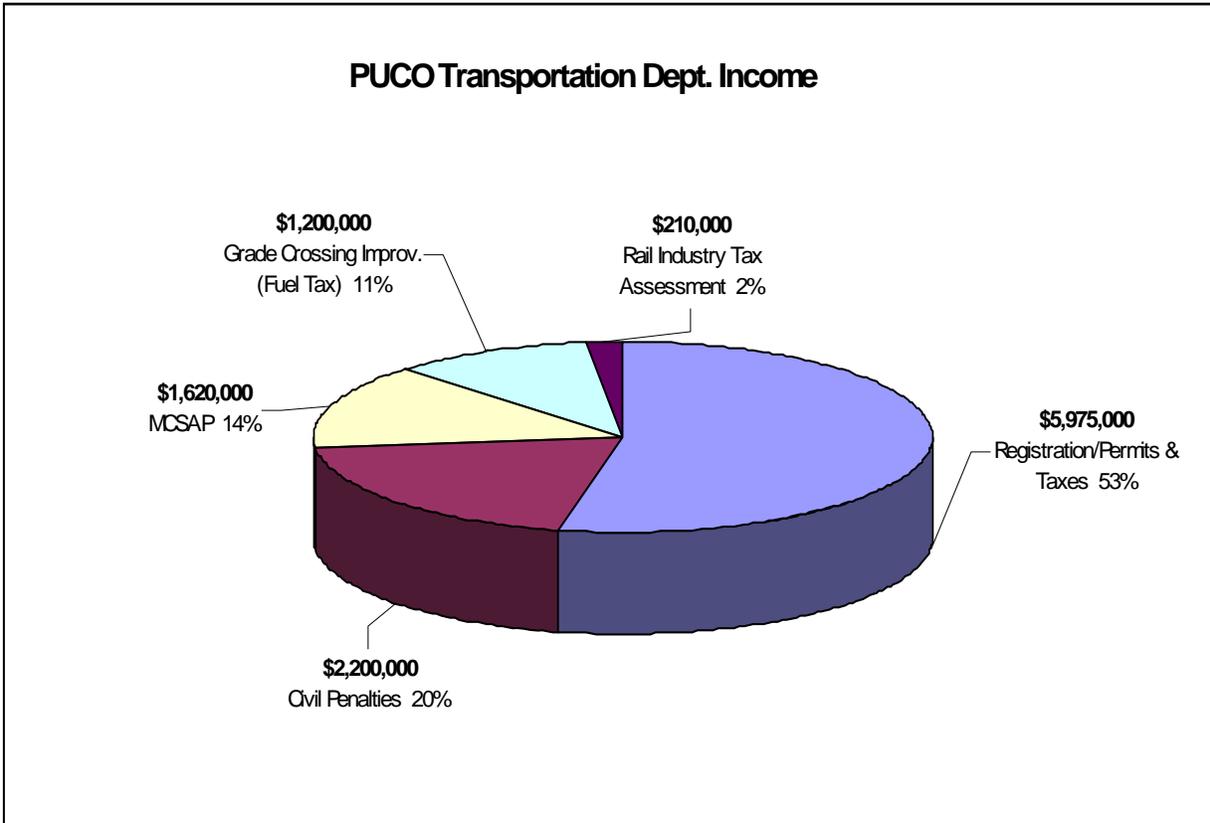
65,000 trucks and buses

PUCO gathers rail-crossing statistics and information, such as: daily average of train traffic and train speed; average motor vehicle traffic and highway speed; and regular inspections of grade crossing by railroad inspectors. In the past 10 years, grade crossing crash fatalities and injuries have been reduced by 70%.

PUCO annually reviews motor carrier and railroad company safety records and administers programs for improving safety of railroad crossings (lights, gates, etc.), at more than 90 crossings annually, costing almost \$10 million in federal and state funds. Furthermore, PUCO “registers” thousands of “for hire” truck and bus carriers and hazardous materials carriers annually, verifies their insurance, and collects nearly \$12 million in fees and taxes from these companies (almost half is collected on behalf of other states and is passed on to them).

Total Motor Carriers Registered to Operate in Ohio

<i>Interstate For-Hire (All):</i>	51,989
<i>Intrastate For-Hire (Passengers):</i>	119
<i>Intrastate For-Hire (Property):</i>	5,975
<i>Intrastate Household Goods:</i>	255
<i>Hazmat (inter/intra):</i>	4,220



Natural Gas Industry

In Ohio, most natural gas comes from producers in the Gulf of Mexico area, although some gas is produced in the state. Producers operate in a competitive market, and the rates they charge the local utility for natural gas are not subject to PUCO regulation. Natural gas prices have been rising throughout the United States because the demand for gas is high and supplies are limited. There are two main reasons for higher natural gas bills this winter: (1) higher gas usage in homes and businesses and (2) production (gas supply) has lagged behind demand. The increase in demand is based on a robust economy, lack of energy conservation, and colder than normal winter weather. At the same time a production lag has developed due to past warm winters. This temporary lag between increased demand and production of natural gas has resulted in higher natural gas prices nationwide. The price for natural gas is likely to remain high for the foreseeable future until production catches up with demand.

There are two main reasons for higher natural gas bills this winter:

- *Higher gas usage in homes and businesses*
- *Production (gas supply) has lagged behind demand causing higher prices.*

One of PUCO's initiatives is to certify all Ohio natural gas suppliers. Some of PUCO's responsibilities regarding natural gas include: regulation of natural gas distribution (PUCO does not regulate the production of natural gas at the well-head), and assurance that the price that the utility supplier pays for natural gas is equivalent to the consumer price. PUCO also audits the natural gas distributor (acquiring the best price for well-head gas and ensuring best practices).

How the Natural Gas Industry Works

The three parts of the gas business are supply purchasing, transportation and distribution. Supply purchasing is the act of buying the gas commodity from the producers. Transportation refers to the part of the industry involving the large pipelines that deliver gas from where it is produced to the general area where it will be used. Distribution occurs when the local gas company takes the gas from the big pipelines and delivers it right to your home or business through its own pipeline system. The point at which the natural gas is brought out of the earth is called the "well head" and is owned by producers. Producers can sell their gas in a competitive market, charging whatever the market will bear. Natural gas is then transported from the producers through a pipeline system owned by pipeline companies. Local gas companies contract with the pipeline companies to reserve space on the pipeline for bringing gas to Ohio. Under the streets of cities or towns are pipes which take the gas from the pipeline and deliver it to homes. This network of pipes is the distribution portion of the industry. The pipes, meters and safety services are all the responsibility of the local gas company, which is regulated by the PUCO.

The three parts of the gas business are:

- *Supply purchasing*
- *Transportation*
- *Distribution*

ANALYSIS OF EXECUTIVE PROPOSAL

Utility Regulation Program Series

Program Series 1

Purpose To ensure present and future citizens of Ohio adequate utility service at a fair price.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
5F6	870-622	Utility and Railroad Regulation	29,104,298	30,622,222
5F6	870-624	NARUC/NRRI Subsidy	167,233	167,233
558	870-602	Salvage and exchange	32,474	33,285
333	870-601	Gas Pipeline Safety	461,920	485,332
4L8	870-617	Pipeline Safety-State	177,323	187,621
559	870-605	Public Utilities Territorial Administration	4,000	4,000
560	870-607	Special Assessment	100,000	100,000
4A3	870-614	Grade Crossing Protection Device-State	1,311,986	1,349,757
561	870-606	Power Siting Board	319,839	337,210
638	870-611	Biomass Energy Program	40,000	40,000
Total funding: Utility Regulation			\$31,719,073	\$33,326,660

Specific programs within the Utility Regulation program series that this analysis will focus on include:

- **Utility Economic Oversight**
- **Utility Safety and Service Standard Compliance**
- **Power Facility Siting**
- **Consumer Services**
- **Railroad Safety Compliance**
- **Railroad Grade Crossing Protective Devices Upgrade**

Utility Economic Oversight

Program Description: Commission jurisdiction over water, gas, electricity, and telephone service was established by the Ohio legislature in 1911. This program involves the traditional economic oversight of these agencies by the PUCO. The role of this program is to facilitate, monitor, and help develop the market place.

The program continues to carry out the core regulatory functions of the Commission, such as the establishment of prices to facilitate the “sharing” of networks between competing entities, and the regulation of the transmission and distribution functions of utilities. The program also utilizes PUCO staff expertise in policy making, such as developing codes of conduct and assessing the competitive merits of mergers involving public utilities.

Funding Source: GSF: The program is funded predominately by assessments against utilities, for either general or specific purposes.

Line Items: This program is funded out of lines 870-622, Utility & Railroad Regulation; 870-601, Gas Pipeline Safety; 870-607, Special Assessment; 870-605, Public Utilities Territorial Administration; and 870-602, Salvage & Exchange.

Implications of the Executive Recommendation: The executive proposal provides expanded funding to facilitate the expanded market monitoring activities of the Commission. The budget provides funding for 4 additional IT analysts to facilitate the implementation of the Information Technology Plan.

The executive budget supports increased levels of funding for 5F6 ALI 870-622 among all items (personal services, purchased services, maintenance and equipment) over and above the PUCO's original request. Total executive line item increases for FY 02 are \$1,203,252. Total executive line item increases for FY 03 are \$1,059,206. Total biennium line item increase for ALI 870-622 is \$2,262,458. The increases are due to the additional issues facing the agency since the time of its original budget submission. These include issues such as telecommunications rule-making due to the passage of S.B. 235, and concerns about natural gas prices and electricity restructuring matters, to name a few.

Temporary Law: Renaming of the Biofuels/Municipal Waste Technology Program fund (Fund 638) to the Biomass Energy Program Fund (Fund 638) to more accurately reflect the use of the fund.

Utility Safety and Service Standard Compliance Program

Description: The program ensures that electric, telephone, gas, water, and nuclear power operations provide safe and reliable service to all Ohioans. It involves the regular on-site inspection of utility plants and the issuance of rules and regulations regarding safety and service standards.

The Compliance Division in the Consumer Services Department is chiefly responsible for carrying out the program. The majority of staff are natural gas pipeline inspectors. Field inspectors are also involved in each of the electric, telephone, and water service areas. Compliance issues are growing as the number of companies involved in providing telephone and natural gas services are growing. The companies themselves are a major source of information about compliance issues, as they raise issues and complaints about each other's operations.

In FY 1998 the PUCO implemented new service standards for telephone and electric utilities to ensure that neither the implementation of competition nor the prospect of that implementation adversely affect the quality of service that utility consumers may expect. With the implementation of service standards comes the need to monitor compliance with respect to those standards. The increasing number of service providers increases the demands that this monitoring places on the compliance division.

Funding Source: Federal grant money, application fees, and assessments on utilities.

Line Items: The compliance activities involved with monitoring and ensuring compliance with the gas pipeline safety program are funded out of 870-601, Gas Pipeline Safety (a Federal Special Revenue fund), and 870-617, Pipeline Safety-State (a State Special Revenue fund). Other compliance activities are funded out of 870-622, Utility & Railroad Regulation.

Implication of the Executive Recommendation: The executive proposal provides sufficient funding to continue the program at its current level.

Power Facility Siting

Program Description: The PUCO received authority over power siting in 1985. The power siting board reviews all applications to build or significantly alter electric power facilities and electric and gas transmission facilities. The applications are reviewed with respect to the facilities' environmental and societal impact. With the passage of S.B. 3 the board's oversight of electric generation facilities is limited to environmental concerns. The number of power cases have grown and increased in complexity, increasing the number of billable hours and therefore the costs of the program. This trend is expected to increase.

Funding Source: SSR: application fees and assessments. A utility pays a fee when submitting an application to the power siting board. At the end of the application process the utility may be assessed additional amounts if the cost of the process exceeds the initial filing fee.

Line Items: This program is funded by 870-606, Power Siting Board.

Implication of the Executive Recommendation: The executive proposal provides sufficient funding to continue the program at its current level.

Consumer Services

Program Description: The consumer services division forms a link between utility customers and the PUCO. It is the fastest growing division of the PUCO. It serves all consumers of utility and transportation services in the state. It has had a particularly big role in the implementation of the gas choice program in the state. It also helped to develop the minimum service standards in electric and telephone service and codes of conduct in the natural gas industry.

The public interest center (PIC) maintains an 800-number “hot-line” to receive utility consumer inquiries and complaints. The center answers questions, provides information on programs, such as the percentage of income payment plan (PIPP) and the gas choice program, and helps to resolve complaints. While much of the increase was due to the gas choice program, the largest volume of calls still concerned telephone and telecommunications matters. Volume and type of calls also fluctuate with seasonal changes. The volume of calls is expected to continue to increase.

In the process of operating the hot-line, the center often receives information on compliance issues. This information, in turn, is provided to the compliance division where it is used to help determine how to most effectively allocate the division’s scarce investigation resources.

Funding Source: GSF, assessments against utilities operating in the state.

Line Items: This program is chiefly funded out of 870-622, Utility & Railroad Regulation.

Implication of the Executive Recommendation: The executive proposal provides sufficient funding to continue the program at its current level.

Railroad Safety Compliance

Program Description: The original title of the Public Utilities Commission was the Railroad Commission. The PUCO has had jurisdiction over railroad companies since 1867. The program inspects railroad track, signals, and rolling stock to ensure that they are well maintained and operated in a safe manner. Most of the 6,000 miles of railroad track in the state is inspected annually by state inspectors certified by the Federal Railroad Administration (FRA).

Funding Source: GSF: assessments against utilities and railroads.

Line Items: This program is funded out of 870-622, Utility & Railroad Regulation.

Implication of the Executive Recommendation: The executive proposal provides sufficient funding to continue the program at its current level.

Railroad Grade Crossing Protective Devices Upgrade

Program Description: The program works to eliminate accidents at railroad crossings within the state by inspecting, upgrading, and replacing dangerous crossings. The PUCO maintains a database of the 6,500 railroad crossings in the state. Commission staff inspect the crossings annually and rate them for degree of danger based on the number of trains per day, speed of the trains, and other factors. Each year the Commissioners determine the locations to receive upgrades – typically in the form of lights and gates.

At least 150 crossings are upgraded each year (over 50 percent of all crossings in Ohio now have some form of device). Certain crossings are eligible for federal funds. In such cases, the Commission orders the railroad company to upgrade the crossing. The costs are then submitted to the Department of Transportation and the railroads are reimbursed using federal funds. Other crossings that do not meet the standard for federal funds are upgraded using funds controlled by the Commission. The railroad typically pays 10 percent of the cost and the state and local government share the remainder. Since the Commission has received jurisdiction for the program it has reduced the average time taken to upgrade crossings.

The state has made substantial progress in increasing the safety of railroad crossings. Since 1990 the number of car-and-train accidents in the state has decreased from around 330 per year to around 140 per year. With the Conrail merger there was a concern that the increased traffic in the state would increase the number of fatal encounters between railroads and motor vehicles. The Commission was able to get the railroads to pay a larger share for some grade crossing improvements by modeling how the merger would affect the potential danger in certain locations.

Funding Source: GSF: each year the program receives \$1.2 million from the state gasoline tax.

Line Items: This program is funded out of 870-614, Grade Crossing Protection Device-State.

Implication of the Executive Recommendation: The executive proposal provides sufficient funding to continue the program at its current level.

Transportation Regulation Program Series

Program Series 2

Purpose To achieve safe commercial transportation on public highways, on railroads, and at transportation facilities.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
5F6	870-625	Motor Transportation Regulation	4,578,771	4,811,239
350	870-608	Motor Carrier Safety	6,749,153	7,027,712
4S6	870-618	Hazardous Material Registration	449,927	464,325
3V3	870-604	Comm. Vehicle Info Systems/Networks	2,500,000	0
4U8	870-620	Civil Forfeitures	269,426	284,986
661	870-612	Hazardous Materials Transportation	800,000	800,000
Total funding: Transportation			\$15,247,277	\$13,388,262

Specific programs within the Transportation program series that this analysis will focus on include:

- **Motor Carrier Registration and Insurance Certification**
- **Motor Carrier Safety and Service Standard Compliance**

Motor Carrier Registration and Insurance Certification

Program Description: This program oversees the registration of all motor transportation companies operating in the state. The registration program allows the Commission to monitor the operating practices of the motor carriers and to insure that the companies have adequate insurance coverage. The program also provides funds to support the hazardous material training program of Cleveland State University and to provide training grants to local fire departments and emergency assistance units.

PUCO was given jurisdiction over truck and bus companies in 1923. H.B. 647 of the 120th General Assembly added hazardous materials transporters to the list of motor carriers covered by the program, and S.B. 132 of the 122nd General Assembly added household movers.

Funding Source: Taxes, fees, fines and penalties

Line Items: This program is funded out of 870-625, Motor Transportation Regulation; 870-618, Hazardous Material Registration; 870-620, Civil Forfeitures; and 870-612 Hazardous Materials Transportation.

Implication of the Executive Recommendation: The executive proposal provides sufficient funding to continue the program at its current level.

Motor Carrier Safety and Service Standard Compliance

Program Description: The PUCO is the lead agency to accomplish the goal of commercial vehicle safety for the state of Ohio. It is the program manager for the Motor Carrier Safety Assistance Program (MCSAP) in the state. Commission staff conduct safety audits and compliance reviews. They also carry out random inspections, in conjunction with the State Highway Patrol. Inspectors from the highway patrol perform most of the roadside inspections; they may be joined by PUCO hazardous material (“hazmat”) inspectors. For the most part, however, the PUCO focuses its audit and inspection activities at the company level. Information regarding any violation is dealt with by the PUCO; the Commission holds hearings and may assess forfeitures from motor carriers found to be in violation of state and federal safety rules and regulations.

Some hazardous materials inspectors are trained to perform inspections of both railroads and motor carriers. A long-term goal of the Commission is to have as many hazmat inspectors as possible certified by the Federal Railroad Administration (FRA).

In FY 2002 the PUCO will receive funds from the federal government for the Commercial Vehicle Information Systems & Networks (CVISN) and for the Motor Carrier Safety Assistance program. PUCO will receive a \$2.5 million in federal grant for CVISN to improve highway safety through electronic technologies. Funding for the Motor Carrier Assistance Program will enable PUCO to conduct safety audits and inspections of commercial motor carriers. The PUCO is the administrator of these funds, which are also utilized by the departments of Taxation, Public Safety (State Highway Patrol and Bureau of Motor Vehicles), Transportation, and the Ohio Trucking Association.

Funding Source: Taxes and fees on motor carriers; federal grant money

Line Items: This program is funded out of 870-604, Comm. Vehicle Info Systems/Networks; 870-625, Motor Transportation Regulation; 870-608, Motor Carrier Safety; and 870-618, Hazardous Material Registration. When Hazmat inspectors carry out inspections of railroads they are funded out of the 870-622, Utility and Railroad Regulation line.

Implication of the Executive Recommendation: The executive proposal provides expanded funding to implement the new CVISN program in addition to carrying out other program activities at current levels. The budget also provides funding for 6 additional full-time positions to provide the PUCO with the necessary support to expand its safety and enforcement activities. (See MCSAP under “Additional Facts and Figures”).

Revenue Distribution Program Series

Program Series 3

Purpose Facilitates Ohio’s participation in uniform registration programs for motor carriers

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
4S6	870-621	Hazardous Materials Base State Registration	364,240	373,346
4G4	870-616	Base State Registration Program	6,500,000	6,500,000
Total funding: Registration			\$6,864,240	\$6,873,346

Specific programs within the Revenue Distribution program series include:

- **Base State Registration Program**
- **Hazardous Materials Base State Registration Program**

Base State Registration Program

Program Description: The program was initiated through Controlling Board action in 1991. It allows Ohio motor carriers to participate in the Single State Registration Program (formerly known as the Base State Registration Program). The program allows trucking companies based in participating states to register with the ICC from their base state, in order to operate in other participating states, as well. This fund receives those registration fees that are ultimately to be transferred to other states. (Those fees collected on behalf of the state of Ohio wherever collected are deposited in the Fund 5F6, Public Utility Fund, to support transportation regulation programs.)

Funding Source: Registration fees collected from Ohio motor carriers that are ultimately to be transferred to other states

Line Items: 870-616, Base State Registration Program

Implication of the Executive Recommendation: The executive proposal provides sufficient appropriation authority to continue the program at its current level.

Hazardous Materials Base State Registration Program

Program Description: The program was originally established by Am. Sub. H.B. 117 of the 121st G.A. It receives and disburses funds received under a base-state registration program for hazardous material carriers. Under this program, carriers who operate in more than one state can register for all states in their home state. This fund receives those registration fees that are ultimately to be transferred to other states. (Fees collected on behalf of the state of Ohio are deposited in the 870-618 - Hazardous Materials Registration - Fund 4S6.)

Funding Source: Registration fees of hazardous material carriers who register in Ohio

Line Item: 870-621, Hazardous Materials Base State Registration Program

Implication of the Executive Recommendation: The executive proposal provides sufficient appropriation authority to continue the program at its current level.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Permanent Law Provisions

There are no permanent law provisions affecting this agency

Temporary Law Provisions

The bill renames the Biofuels/Municipal Waste Technology Program fund (Fund 638) to the Biomass Energy Program Fund (Fund 638) to more accurately reflect the use of the fund.

REQUESTS NOT FUNDED

The Public Utilities Commission of Ohio budget request was fully funded.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund ALI ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
<i>PUC Public Utilities Commission of Ohio</i>							
558 870-602 Salvage & Exchange	\$31,775	\$ 32,474	\$ 32,474	2.2%	\$ 33,285	\$ 33,285	2.5%
5F6 870-622 Utility & Railroad Regulation	\$25,869,295	\$ 29,104,298	\$ 29,104,298	12.5%	\$ 30,622,222	\$ 30,622,222	5.2%
5F6 870-624 NARUC/NRRI Subsidy	\$167,233	\$ 167,233	\$ 167,233	0.0%	\$ 167,233	\$ 167,233	0.0%
5F6 870-625 Motor Transportation Regulation	\$4,237,947	\$ 4,578,771	\$ 4,578,771	8.0%	\$ 4,811,239	\$ 4,811,239	5.1%
General Services Fund Group Total	\$ 30,306,250	\$ 33,882,776	\$ 33,882,776	11.8%	\$ 35,633,979	\$ 35,633,979	5.2%
333 870-601 Gas Pipeline Safety	\$454,898	\$ 461,920	\$ 461,920	1.5%	\$ 485,332	\$ 485,332	5.1%
350 870-608 Motor Carrier Safety	\$4,089,335	\$ 6,749,153	\$ 6,749,153	65.0%	\$ 7,027,712	\$ 7,027,712	4.1%
3V3 870-604 Comm Vehicle Info Systems/Networks	\$0	\$ 2,500,000	\$ 2,500,000	N/A	\$ 0	\$ 0	-100.0%
Federal Special Revenue Fund Group Total	\$ 4,544,233	\$ 9,711,073	\$ 9,711,073	113.7%	\$ 7,513,044	\$ 7,513,044	-22.6%
4A3 870-614 Grade Crossng Protectn Device-State	\$1,275,759	\$ 1,311,986	\$ 1,311,986	2.8%	\$ 1,349,757	\$ 1,349,757	2.9%
4L8 870-617 Pipeline Safety-State	\$164,085	\$ 177,323	\$ 177,323	8.1%	\$ 187,621	\$ 187,621	5.8%
4S6 870-618 Hazardous Material Registration	\$626,809	\$ 449,927	\$ 449,927	-28.2%	\$ 464,325	\$ 464,325	3.2%
4S6 870-621 Hazardous Materials Base State Reg	\$356,399	\$ 364,240	\$ 364,240	2.2%	\$ 373,346	\$ 373,346	2.5%
4U8 870-620 Civil Forfeitures	\$249,451	\$ 269,426	\$ 269,426	8.0%	\$ 284,986	\$ 284,986	5.8%
559 870-605 Public Utilities Territorial Admin	\$4,801	\$ 4,000	\$ 4,000	-16.7%	\$ 4,000	\$ 4,000	0.0%
560 870-607 Special Assessment	\$100,000	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	\$ 100,000	0.0%
561 870-606 Power Siting Board	\$297,893	\$ 319,839	\$ 319,839	7.4%	\$ 337,210	\$ 337,210	5.4%
587 870-609 Utility Forecasting	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
638 870-611 Biomass Energy Program	\$61,818	\$ 40,000	\$ 40,000	-35.3%	\$ 40,000	\$ 40,000	0.0%
661 870-612 Hazardous Materials Transportation	\$800,000	\$ 800,000	\$ 800,000	0.0%	\$ 800,000	\$ 800,000	0.0%
State Special Revenue Fund Group Total	\$ 3,937,015	\$ 3,836,741	\$ 3,836,741	-2.5%	\$ 3,941,245	\$ 3,941,245	2.7%
4G4 870-616 Base State Registration Program	\$7,000,000	\$ 6,500,000	\$ 6,500,000	-7.1%	\$ 6,500,000	\$ 6,500,000	0.0%
Agency Fund Group Total	\$ 7,000,000	\$ 6,500,000	\$ 6,500,000	-7.1%	\$ 6,500,000	\$ 6,500,000	0.0%
Total All Budget Fund Groups	\$ 45,787,498	\$ 53,930,590	\$ 53,930,590	17.8%	\$ 53,588,268	\$ 53,588,268	-0.6%

General Revenue Fund

GRF 871-321 Utility Regulation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,406,025	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF assessments against the intrastate revenues of the railroads and utilities regulated by the Public Utilities Commission (the total assessment in any year is equal to that year's appropriation minus any lapses from the previous year)

Legal Basis: ORC 4905.10 (originally established by Am. Sub. H.B. 204 of the 113th G.A.)

Purpose: Funds activities related to the regulation of investor-owned telephone, electric, gas, water and sewer utilities. Also funds the commission's regulation of railroads. Since FY 1998, the assessments have been deposited into Fund 5F6, Public Utilities Fund, a state general services fund, and appropriations for these activities have been made from Utility & Railroad Regulation, 870-622.

GRF 871-499 State Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$909	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF assessments against the intrastate revenues of the railroads and utilities regulated by the Public Utilities Commission (the total assessment in any year is equal to that year's appropriation minus any lapses from the previous year)

Legal Basis: ORC 4905.10 (originally established by Am. Sub. H.B. 204 of the 113th G.A.; prior to its creation, state funds for these projects were appropriated to the commission's operating line items)

Purpose: Provides the state's matching share of the operating costs for federal projects (currently, the Gas Pipeline Safety Program). Funds in the line item and the federal funds they match are spent for personnel, training, equipment and other project expenses. (See the 870-601, Gas Pipeline Safety, line item description under the Federal Special Revenue Fund Group.)
Since FY 1998, the state's match has been funded out of Utility & Railroad Regulation, 870-622.

GRF 872-321 Transportation Regulation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$202,722	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF (revenues are derived from fees of motor carriers registering to operate within the state via the Base State Motor Carrier registration program)

Legal Basis: Originally established by Am. Sub. H.B. 204 of the 113th G.A.

Purpose: Funds in this line item support activities related to the enforcement of statutes, rules and regulations governing transportation companies (bus and motor carriers) operating within the state.
 Since FY 1998, these revenues have been deposited in Fund 5F6, Public Utilities Fund, a state general services fund, and these activities are funded via Motor Transportation Regulation, 870-625.

GRF 872-498 State Transportation Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,646	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 171 of the 117th G.A. (prior to FY 1988, state matching funds for this program were taken from line item 872-321, Motor Transportation Regulation)

Purpose: Provides the state match for federal funds available from the U.S. Department of Transportation under Section 402 of the Surface Transportation Act of 1982 (the Motor Carrier Safety Assistance Program). Since FY 1998, the state match has been funded out of Motor Transportation Regulation, 870-625.

General Services Fund Group

558 870-602 Salvage & Exchange

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$72,773	\$33,992	\$0	\$31,775	\$32,474	\$33,285
	-53.3%	-100.0%	N/A	2.2%	2.5%

Source: GSF: proceeds from the sale of photocopies, publications, agenda subscriptions, recycled paper, salvaged furniture, automobiles and equipment, and employee parking

Legal Basis: Originally established by the Controlling Board in 1972

Purpose: Funds are used to purchase equipment and to produce publications for both the utilities regulation division and the transportation division.

5F6 870-622 Utility & Railroad Regulation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$21,922,881	\$22,400,458	\$25,293,634	\$25,869,295	\$29,104,298	\$30,622,222
	2.2%	12.9%	2.3%	12.5%	5.2%

Source: GSF: assessments against the intrastate revenues of the railroads and utilities regulated by the Public Utilities Commission (the total assessment in any year is equal to that year's appropriation minus any lapses from the previous year)

Legal Basis: ORC 4905.10 (established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: Funds activities related to the regulation of investor-owned telephone, electric, gas, water and sewer utilities. Also funds the commission's regulation of railroads.

5F6 870-624 NARUC/NRRI Subsidy

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$158,515	\$158,515	\$167,233	\$167,233	\$167,233	\$167,233
	0.0%	5.5%	0.0%	0.0%	0.0%

Source: GSF: Assessments against the intrastate revenues of the railroads and utilities regulated by the Public Utilities Commission

Legal Basis: Established by Sub. H.B. 215 of the 122nd General Assembly. In prior years these funds were deposited in the GRF to the credit of line item 870-501, NARUC/NRRI Subsidy, which was originally created by Controlling Board in 1982.

Purpose: Funds PUCO's share of an assessment levied by the National Association of Regulatory Utility Commissioners (NARUC) to support the National Regulatory Research Institute (NRRI) at The Ohio State University. The fee is based on a percentage of utilities' operating revenues by class of utility.

5F6 870-625 Motor Transportation Regulation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,611,309	\$3,281,479	\$3,776,082	\$4,237,947	\$4,578,771	\$4,811,239
	-9.1%	15.1%	12.2%	8.0%	5.1%

Source: GSF: Revenues are derived from taxes on intrastate motor carriers and fees of motor carriers registering to operate within the state via the Base State Motor Carrier registration program

Legal Basis: ORC 4923.12 (established by Am. Sub. H.B. 215)

Purpose: Funds in this line item support activities related to the enforcement of statutes, rules and regulations governing transportation companies (bus and motor carriers) operating within the state. Beginning in FY 2000 this line also includes \$200,000 per year in "transfer and other" appropriation authority to handle motor carrier registration fees whose disposition is uncertain at the time of their receipt. Such funds were formerly deposited in Fund R20 and appropriated via line item 870-610, Motor Carrier Refunds. That line has been discontinued.

Federal Special Revenue Fund Group

333 870-601 Gas Pipeline Safety

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$282,925	\$250,041	\$387,776	\$454,898	\$461,920	\$485,332
	-11.6%	55.1%	17.3%	1.5%	5.1%

Source: FED: CFDA 20-700, Pipeline Safety

Legal Basis: Originally established by Controlling Board in FY 1973

Purpose: Contains operating funds for the Gas Pipeline Safety program. The program was originally authorized by the Natural Gas Pipeline Safety Act of 1968 and more recently by the Pipeline Safety Act of 1992. The line item receives reimbursements from the federal government amounting to 50 percent of the costs of operating the program. In order to remain eligible for the funds, the state must maintain a previously established level of effort. Since FY 1998, the state's share of expenses has come from 870-622, Utility and Railroad Regulation, a state general services line created by H.B. 215. Prior to that time, the state's share came from the 871-499 State Match line item in the GRF. In FY 1998 a grant to support the "one-call program" was added to this line. The one-call program educates the public about the dangers of digging near utility lines. The Commission received a grant of \$44,000 for this purpose in FY 1998.

350 870-608 Motor Carrier Safety

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,702,288	\$4,201,868	\$3,376,533	\$4,089,335	\$6,749,153	\$7,027,712
	55.5%	-19.6%	21.1%	65.0%	4.1%

Source: FED: CDFA 20-218, Motor Carrier Safety Assistance Program (Federal Highway Administration)

Legal Basis: Originally established by Controlling Board in 1984

Purpose: Funds are used to administer the Motor Carrier Safety Assistance Program (MCSAP) involving the safe operation of commercial motor vehicles. The program, originally authorized by the Surface Transportation Act of 1982, began as an inspection program by the Public Utilities Commission. However, with the passage of the Intermodal Surface Transportation Act of 1991, it was expanded to deal with drug interdiction and other matters under the purview of the State Highway Patrol. To receive the grant, the state must contribute 20 percent of total costs and use the funds to enhance the program, not to support existing activities. In FY 1996, PUCO's transportation enforcement division was transferred to the Department of Public Safety. As a result, much of these federal moneys are now directed to Transportation Enforcement Federal, 764-659, Fund 831. Since, however, the PUCO is the primary recipient for the federal funds, this line retains appropriation authority over the entire amount of the federal grant. The PUCO transfers the appropriate amount to the Department of Public Safety to fund the operations of the department's enforcement division.

3V3 870-604 Comm Vehicle Info Systems/Networks

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$2,500,000	\$0
	N/A	N/A	N/A	N/A	-100.0%

Source: FED: CDFA 20-205, Commercial Vehicle Information Systems/Networks (Highway Planning and Construction)

Legal Basis: Created by H.B. 95 of the 124th General Assembly

Purpose: Funds will be used to improve highway safety through electronic technologies. Funding will allow PUCO to conduct safety audits and inspections of commercial motor carriers. CVISN is essentially information system elements that support commercial vehicle operations (CVO). This includes information systems owned and operated by governments, motor carriers, and other stakeholders. CVISN is not a new information system, but rather a way for existing systems to exchange information through the use of standards and the use of commercially available communications infrastructure. CVISN will enable government agencies, the motor carrier industry, and other parties engaged in CVO safety and regulation to exchange information and conduct business transactions electronically. PUCO is the administrative lead agency in the business plan development effort. The departments of Taxation, Public Safety (Bureau of Motor Vehicles and State Highway Patrol), Transportation, and the Ohio Trucking Association are participating in the project.

State Special Revenue Fund Group

4A3 870-614 Grade Crossng Protectn Device-State

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,983,841	\$900,957	\$520,640	\$1,275,759	\$1,311,986	\$1,349,757
	-54.6%	-42.2%	145.0%	2.8%	2.9%

Source: SSR: \$1.2 million per year from the state gasoline tax

Legal Basis: ORC 5523.31 (originally established by Am. Sub. H.B. 111 of the 118th G.A., which transferred the appropriation for 770-750, Grade Crossing Protection Devices - State, from the Department of Transportation to this Public Utilities Commission line)

Purpose: The funds in this line item are used to provide warning devices at rail-highway crossings, pursuant to section 5523.31 of the Revised Code. These devices include flasher lights and gates. This line receives \$1.2 million each year from the state gasoline tax, to provide preliminary funding for upgrades or funding for which federal funds cannot be used (such as, to cover preliminary engineering costs). The upgrades are undertaken by the railroads, and the PUCO reimburses them for the expenditure when the project is complete. Expenditures in excess of \$1.2 million in any year may be incurred as projects begun in prior years are completed, and the railroads are reimbursed for the expenses.

4L8 870-617 Pipeline Safety-State

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$134,774	\$140,589	\$146,098	\$164,085	\$177,323	\$187,621
	4.3%	3.9%	12.3%	8.1%	5.8%

Source: SSR: assessments against gas and natural gas pipeline operators and deposited into the Pipeline Safety Fund (individual assessments are based on the total amount of gas supplied during the calendar year preceding the assessment; assessments are made in October of each year and the total amount assessed depends on the appropriation level received by the PUCO in order to administer the program)

Legal Basis: ORC 4905.92 (originally established by Am. Sub. H.B. 365 of the 119th G.A.)

Purpose: To administer the pipeline safety code for all gas and natural gas pipeline operators in the state and to finance PUCO's duties and responsibilities under the program. All of the moneys deposited in the fund are to be used exclusively for the administration and enforcement of the pipeline safety code.

4S6 870-618 Hazardous Material Registration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$258,009	\$499,058	\$385,578	\$626,809	\$449,927	\$464,325
	93.4%	-22.7%	62.6%	-28.2%	3.2%

Source: SSR: fees collected under the program for the uniform registration and permitting of persons engaged in the highway transportation of hazardous materials in Ohio - (1) a \$50 per-carrier processing fee and (2) an apportioned per-truck registration fee (in the first year, FY 1995, the operations were funded by the \$50 per-carrier fee and a federal grant of \$40,000)

Legal Basis: ORC 4905.80 (originally established by Sub. H.B. 647 of the 120th G.A.)

Purpose: To enforce the Hazardous Materials Transportation Law (sections 4905.80 through 4905.83 of the Revised Code.) This program was devised in accordance with the Hazardous Materials Transportation Uniform Safety Act of 1990. The act calls for the eventual establishment of a base-state-type system of registering hazardous materials transporters in the U.S.

4S6 870-621 Hazardous Materials Base State Reg

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$263,860	\$298,845	\$257,745	\$356,399	\$364,240	\$373,346
	13.3%	-13.8%	38.3%	2.2%	2.5%

Source: SSR: registration fees of hazardous material carriers who register in the State of Ohio

Legal Basis: Originally established by Am. Sub. H.B. 117 of the 121st G.A.

Purpose: Receives and disburses funds received under a base-state registration program for hazardous material carriers. Under this type of program, carriers who operate in more than one state can register for all states in their home state. This fund receives those registration fees that are ultimately to be transferred to other states. (Fees collected on behalf of the state of Ohio are deposited in the 870-618 - Hazardous Materials Registration - Fund 4S6).

4U8 870-620 Civil Forfeitures

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$188,804	\$168,674	\$192,055	\$249,451	\$269,426	\$284,986
	-10.7%	13.9%	29.9%	8.0%	5.8%

Source: SSR: forfeitures

Legal Basis: Originally established by Am. Sub. H.B. 117 of the 121st G.A.

Purpose: Funds the administrative costs of the civil forfeitures program created in Am Sub. H.B. 117 of the 121st General Assembly. The program centralizes with the PUCO the collection of civil forfeitures from motor carriers found to be in violation of state and federal safety rules and regulations. A portion of the forfeitures is deposited into Fund 4U8, Transportation Enforcement, to fund the costs of administering this program. Revenues in excess of the appropriation to the 870-620 line item are deposited into the GRF.

559 870-605 Public Utilities Territorial Admin

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$4,801	\$4,000	\$4,000
	N/A	N/A	N/A	-16.7%	0.0%

Source: SSR: assessments paid by electric companies to cover expenses incurred in resolving boundary disputes

Legal Basis: ORC 4933.89 (originally established by Controlling Board during FY 1981, through Am. H.B. 577 of the 112th G.A.)

Purpose: Funds the costs incurred by the commission in drawing and mapping service boundary lines. Revenues are received only when the Commission is required to settle a boundary dispute between electric companies. It is difficult to predict when that might occur. There have been no such disputes since FY 1990.

560 870-607 Special Assessment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$26,188	\$11,710	\$100,000	\$100,000	\$100,000
	N/A	-55.3%	754.0%	0.0%	0.0%

Source: SSR: a special assessment levied upon the utility or utilities under investigation (assessment is set at such a level as to cover the cost of investigation). As the costs in an investigation are incurred, the PUCO usually seeks reimbursement on a monthly basis.

Legal Basis: ORC 4903.24

Purpose: Funds in this line item are used to conduct large-scale investigations of a public utility when the investigation or the results of the investigation apply to a specific company.

561 870-606 Power Siting Board

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$193,802	\$89,656	\$265,923	\$297,893	\$319,839	\$337,210
	-53.7%	196.6%	12.0%	7.4%	5.4%

Source: SSR: fees submitted with applications for a certificate of environmental compatibility and public need plus expenses incurred in processing applications. Utilities are billed annually for expenses incurred in the prior year.

Legal Basis: ORC 4906.06 (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: Provides operating funds for the Power Siting Board. Am. Sub H.B. 694 of the 114th G.A transferred the board to the PUCO in FY 1982. It had previously functioned as an independent agency. The line item receives fees submitted with applications for a certificate of environmental compatibility and public need. A public utility must have such a certificate before constructing or expanding major utility facilities. Since the enactment of S.B. 3 of the 123rd General Assembly, electric generation facilities are no longer required to obtain a certificate of environmental compatibility. Large electric and natural gas transmission facilities are still required to obtain both.

587 870-609 Utility Forecasting

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$942,941	\$991,477	\$95	\$0	\$0	\$0
	5.1%	-100.0%	-100.0%	N/A	N/A

Source: SSR: assessments levied on electric and natural gas utilities that operate in Ohio

Legal Basis: ORC 4933.04

Purpose: Supports the commission's long-term demand forecasting activities. Ohio electric and natural gas utilities are required to file 10-year forecasts with the Commission. Each report details the utility's long-term forecast of demand and its supply plans to meet that demand. The long-term forecasting unit of the PUCO analyzes the forecasts prepared by the utilities to evaluate their ability to meet future energy needs. The unit also uses historical data to project Ohio's energy needs in the next 5, 10, and 20 years. H.B. 283 of the 123rd General Assembly discontinues this line item and transfers any encumbrances to Fund 5F6, Public Utilities Fund. Any general expenses related to utility forecasting will be funded out of Utilities and Railroad Regulation, 870-622. However, special case-specific forecasting expenses could be funded via Special Assessment, 870-607.

638 870-611 Biomass Energy Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$20,643	\$54,696	\$48,358	\$61,818	\$40,000	\$40,000
	165.0%	-11.6%	27.8%	-35.3%	0.0%

Source: SSR: grant moneys from the Council of Great Lake Governors, Inc., a Minnesota-based nonprofit corporation which operates a seven-state biomass energy program in the Great Lakes region for the U.S. Department of Energy

Legal Basis: Originally established by Controlling Board on January 11, 1988

Purpose: Funds the Ohio Biomass Energy Program which promotes the use of biofuels and municipal waste for energy development and substitution for fossil fuels. In FY 1999 the PUCO received an additional grant from the Council, so expenditures in FY 1999-2001 are expected to increase. Before H.B. 95 of the 124th General Assembly, this line was named "Biofuels/Municipal Waste Technology Program". The name was changed to more accurately reflect the use of the fund.

661 870-612 Hazardous Materials Transportation

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$684,177	\$548,085	\$994,810	\$800,000	\$800,000	\$800,000
	-19.9%	81.5%	-19.6%	0.0%	0.0%

Source: SSR: up to \$800,000 annually in fines and civil forfeitures assessed against hazardous materials transporters (prior to the passage of H.B. 647 of the 120th G.A., these funds were deposited in the GRF; amounts in excess of \$800,000 will continue to be deposited into the GRF)

Legal Basis: ORC 4905.80 (originally established by Am. Sub. H.B. 428 of the 117th G.A., substantially amended by H.B. 647 of the 120th G.A.)

Purpose: Funds emergency response training and other hazardous materials training programs throughout the state. In the past 50 percent has gone to Cleveland State University for its training program for public safety and emergency services personnel and 50 percent has been allocated to other educational institutions, state agencies, and political subdivisions for similar programs. H.B. 283 of the 123rd General Assembly revised the percentage going to "other purposes." It allocates 5 percent of the total to the PUCO for administration and training, with the remaining 45 percent going to other programs. The Cleveland State University program would still receive \$400,000 a year or 50 percent of the total (but no less than \$200,000).

664 870-613 Radiological Preparedness Board

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$37,824	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: SSR: annual assessments against nuclear electric utilities in the state (any assessments deposited into this line item that are not expended each year must be credited to each nuclear electric utility that paid them)

Legal Basis: ORC 4937.05 (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: This line item provides funding to the six members of the Utility Radiological Safety Board (URSB): (1) PUCO; (2) the Emergency Management Agency; (3) the Department of Health; (4) the Department of Agriculture; (5) the Environmental Protection Agency; and (6) the Department of Commerce. The URSB supports various activities intended to ensure that nuclear power plants are operated safely and that contingency plans are prepared in the event of a nuclear accident. Am. Sub. H.B. 215 of the 122nd General Assembly ended PUCO's involvement with the funding of this program.

Agency Fund Group

4G4 870-616 Base State Registration Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$6,228,084	\$5,989,159	\$6,026,204	\$7,000,000	\$6,500,000	\$6,500,000
	-3.8%	0.6%	16.2%	-7.1%	0.0%

Source: AGY: registration fees that are ultimately to be transferred to other states

Legal Basis: ORC 4923.12 (originally established by Controlling Board in October 1991, pursuant to Sub. H.B. 715 of the 120th G.A.)

Purpose: Allows Ohio to participate in the Single State Registration Program (formerly known as the Base State Registration Program). The program allows trucking companies based in participating states to register with the Interstate Commerce Commission (ICC) from their base state, in order to operate in other states as well. This fund receives those registration fees that are ultimately to be transferred to other states. (Those fees collected on behalf of the state of Ohio, wherever collected, are deposited in the Fund 5F6, Public Utility Fund.) Currently, 38 states (including Ohio) participate in the program.

Holding Account Redistribution Fund Group

R20 870-610 Motor Carrier Refunds

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$46,890	\$34,088	\$0	\$0	\$0	\$0
	-27.3%	-100.0%	N/A	N/A	N/A

Source: 090: motor company registration fees

Legal Basis: Originally established by Am. Sub. H.B. 201 of the 116th G.A.

Purpose: The account receives those trucking company registration fees whose disposition is uncertain at the time of receipt. The moneys are held in the fund until their proper disposition is determined. H.B. 283 discontinues this line item. The moneys are to be deposited in Fund 5F6. Appropriations to line item 870-625, Motor Transportation Regulation, have been increased by \$200,000 per year in the FY 2000-2001 biennium to reflect this new disposition.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Biomass Energy Program

Section: 87

ALI: 870-611

Specifies that the Biomass Energy Program Fund created by section 4905.87 of the Revised Code is the same fund, with a new name, as the Biofuels/Municipal Waste Technology Fund created by the Controlling Board in January 1988.

Section: 89

No change.