

LSC Redbook

Analysis of the Executive Budget Proposal

Public Utilities Commission of Ohio

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READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Public Utilities Commission of Ohio (PUCO), which includes the following three sections.

1. **Overview:** Provides a brief description of PUCO and an overview of the provisions of the executive budget that affect PUCO, including major new initiatives proposed for PUCO.
2. **Analysis of Executive Proposal:** Provides a detailed analysis of the executive budget recommendations for PUCO, including funding for each appropriation line item. The line items for PUCO are organized into two categories.
3. **Attachments:** Includes the catalog of budget line items (COBLI) for PUCO, which briefly describes each line item, and the LSC budget spreadsheet for PUCO.

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Public Utilities Commission of Ohio

- Funded primarily by assessments on regulated utility companies; no GRF
- Executive proposal decreases appropriations for a fee for which administrative duties are being transferred to the Department of Taxation beginning in 2014

OVERVIEW

Agency Overview

The Public Utilities Commission of Ohio (PUCO) regulates investor-owned public utilities and commercial carriers in Ohio. PUCO monitors and regulates electric, natural gas and pipeline utilities, heating and cooling companies, local and long-distance telephone companies, waterworks and wastewater companies, water transportation, towing companies, hazardous materials carriers, other motor carriers, and the rail industry. However, PUCO does not regulate every aspect of these industries. Specifically, it does not regulate long-distance telephone rates, cellular phone rates, nor does it regulate utilities owned and operated by municipalities, cooperatives, or nonprofit entities.

Despite significant changes in PUCO's role over the last decade, its mission continues to be the following: "assure all residential and business customers access to adequate, safe, and reliable utility services at fair prices, and promote Ohio's economic growth."

PUCO does not receive budgetary resources from the General Revenue Fund (GRF). Instead, the agency receives funding through assessments on utilities, as well as fees generated by intrastate and interstate motor carriers' registrations, and federal grants.

PUCO is governed by five commissioners, including the chairman, who are appointed by the Governor for five-year terms. The Commission employed 339 staff members in addition to the five commissioners, as of December 27, 2012. Staff members include individuals from a variety of professional backgrounds such as accountants, auditors, inspectors, engineers, economists, investigators, and attorneys.

Appropriation Overview

According to PUCO, the requested budget will enable the Commission to "efficiently and economically implement appropriate regulatory safeguards to ensure a secure and reliable future for the State of Ohio." The executive proposal recommended a 3.7% reduction in FY 2014 appropriations from FY 2013 levels in the single largest funding source (Fund 5F60) of PUCO operations, followed by flat funding in FY 2015.

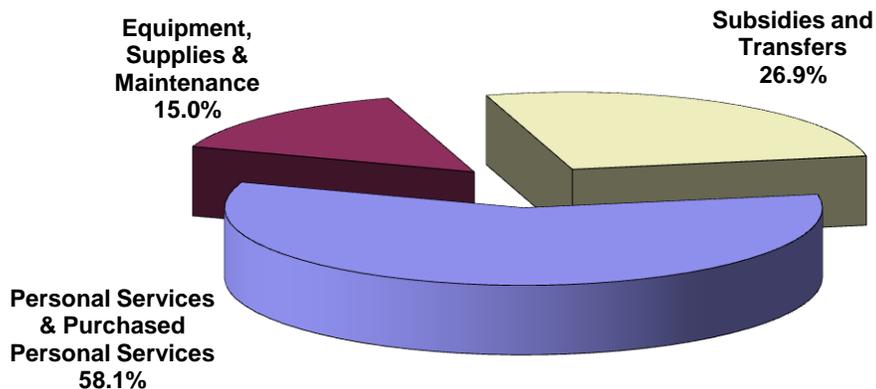
The overall decrease in recommended PUCO appropriations in FY 2014 and FY 2015 is primarily due to the Wireless 9-1-1 Administration appropriation item, which is reduced by approximately half in FY 2014 before being eliminated in FY 2015. This line item automatically allocates revenues received from a permanent user fee, which will be administered by the Department of Taxation beginning on January 1, 2014. This shift in responsibilities is due to changes enacted by Sub. H.B. 360 of the 129th General Assembly and Am. Sub. H.B. 472 of the 129th General Assembly. Additionally, appropriations for the agency's largest funding source for motor carrier enforcement, the Public Utilities Transportation Safety Fund (Fund 5LT0), are decreased by 16.4% in FY 2014, and decreased by 0.7% in FY 2015. Otherwise, all appropriation levels – except for those impacted by expiring federal grants – for the biennium are recommended to remain at 100% of FY 2013 estimated expenditures.

Table 1. Executive Budget Recommendations by Fund Group, FY 2014-FY 2015					
Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
General Services	\$72,322,431	\$53,739,708	-25.7%	\$35,704,708	-33.6%
State Special Revenue	\$10,982,897	\$9,549,062	-13.1%	\$9,500,201	-0.5%
Federal Special Revenue	\$9,408,439	\$8,357,532	-11.2%	\$8,049,619	-3.7%
TOTAL	\$92,713,767	\$71,646,302	-22.7%	\$53,254,528	-25.7%

*FY 2013 figures represent estimated expenditures according to the Office of Budget and Management.

The chart below itemizes by expense category the budget proposed by the Governor for the biennium.

Chart 1: Biennial Executive Budget Recommendations by Expense Category, FY 2014-FY 2015



Issues of Interest

Securitization of Electric Distribution Utilities' Deferred Assets

In October 2012, PUCO approved First Energy Corp.'s request to securitize up to \$555 million in costs that were previously authorized for future collection from customers. A new Phase-in Recovery Rider replaced the existing riders on customers' bills for deferred fuel and generation costs and all-electric homes. PUCO said it would save ratepayers an estimated \$104 million by December 2035.

Upon the enactment of Am. Sub. S.B. 221 by the 127th General Assembly, PUCO gained stronger regulatory authority over electric generation rates. Beginning January 1, 2009, electric distribution utilities (EDU) were required to provide standard service offers to consumers. During the rate-making process, PUCO has the authority to approve costs as recoverable, but if those costs are not collected through the established rates, they become known as deferred assets.

One provision of S.B. 221 permitted EDUs to arrange for the securitization of deferred assets, but no such securitizations occurred until after Am. Sub. H.B. 364 of the 129th General Assembly was enacted. H.B. 364 set standards for securitization arrangements; it permitted a utility company to apply to PUCO for a financing order authorizing the issuance of bonds to recover uncollected "phase-in costs" (and carrying charges) that had previously been approved by PUCO. In order to gain approval, the financing order must result in both cost savings to customers and mitigating rate impacts to customers as compared with traditional financing or traditional cost-recovery methods; such a result is possible when securitization results in lower borrowing costs than the utility can get in the market. The phase-in recovery charges on customers are nonbypassable as long as bonds are outstanding and phase-in costs and financing costs have not been recovered in full.

Alternative Energy Portfolio Standard Alterations

Am. Sub. S.B. 315 of the 129th General Assembly altered the alternative energy portfolio standard – *inclusive of both renewable energy and advanced energy* – created by S.B. 221. The 2008 law requires that by 2025, 25% of electricity sold by Ohio's electric distribution utilities or electric service companies must be generated from alternative energy sources. PUCO is in charge of certifying the renewable projects and allowing the use of Renewable Energy Credits, and approving of the Energy Efficiency (EE) projects and counting them towards the EE benchmarks created in S.B. 221. After the enactment of S.B. 315, certain Waste Energy Recovery (WER) systems are included in the definition of renewable energy sources along with power generated by solar, wind, biomass, and hydro. Moreover, S.B. 315 altered the EE standard by allowing certain Combined Heat and Power (CHP) generation to count toward a utility's EE standard.

Motor Carrier Enforcement

Am. Sub. H.B. 487 by the 129th General Assembly revised and reorganized regulations governing motor carriers, including changes to provisions in state law that had been cited by the Federal Motor Carrier Safety Administration as being out of compliance with federal requirements for federal funding under the Motor Carrier Safety Assistance Program. The bill clarified that motor carriers operated in connection with nonpublic utility entities are still subject to regulations that apply to public utilities and motor carriers. Upon the enactment of H.B. 487, private motor carriers or contract carriers by motor vehicle operating in Ohio are no longer subject to annual taxes.

Forthcoming Studies and Required Reports

S.B. 315 of the 129th General Assembly required PUCO to perform studies and publish reports on various subjects. The studies and reports include:

1. A study to examine whether certain aspects of electric service, including an evaluation of emerging technologies, would provide increased opportunities for customer choice. PUCO must initiate such study before March 2014, prepare a report of its findings, and make it available on its web site.
2. A review of the electric distribution infrastructure and transmission facilities to be conducted in consultation with electric distribution utilities and regional transmission organizations (RTOs) and entities that own or control transmission facilities.
3. An analysis, to be performed in conjunction with the Ohio Department of Transportation (ODOT), of the cost effectiveness of purchasing vehicles that operate on compressed natural gas (CNG) and the conversion of certain state motor vehicles to operate on CNG. ODOT and PUCO submitted a joint report¹ to legislative leaders and the Governor dated January 15, 2013.
4. An additional section within an annual report that PUCO already provided to the General Assembly regarding compliance with alternative energy portfolio standards. The new section must include a description of the average annual cost of renewable energy credits purchased by electric distribution utilities and electric service companies.

In addition to these required reports and studies, the bill allowed PUCO, in cooperation with ODOT, to work with other states to develop a multistate study on the development of CNG infrastructures for transportation.

Finally, Sub. S.B. 162 of the 128th General Assembly, which revised state policy objectives for the provision of telecommunications service, created the eight-member

¹ <http://www.cleanfuelsohio.org/wp-content/uploads/2013/01/Legislative-CNG-Report.pdf>.

Select Committee on Telecommunications Regulatory Reform to review the economic benefits of S.B. 162 and its impact on jobs, telephone company rates, telephone company quality of service, lifeline program customers, rural markets, rural broadband deployment, and carrier access to private property, and required the Committee to submit a written report of its findings and recommendations to the General Assembly and the Governor no later than September 2014, at which time the Committee will cease to exist. PUCO is required to cooperate with the Committee and provide any reports or other information requested by the Committee.

ANALYSIS OF EXECUTIVE PROPOSAL

Introduction

This section provides an analysis of the Governor's recommended funding for each appropriation item in PUCO's budget. In this analysis, PUCO's line items are grouped into two major categories. For each category a table is provided listing the recommended appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that is proposed by the Governor. If the appropriation is earmarked, the earmarks are listed and described. The two categories used in this analysis are as follows:

1. Utility Regulation
2. Transportation Regulation

To aid the reader in finding each item in the analysis, the following table shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget bill.

Categorization of PUCO's Appropriation Line Items for Analysis of Executive Proposal		
Fund	ALI and Name	Category
General Services Fund Group		
5BP0 870623	Wireless 9-1-1 Administration	1: Utility Regulation
5F60 870622	Utility and Railroad Regulation	1: Utility Regulation
5F60 870624	NARUC/NRRI Subsidy	1: Utility Regulation
5Q50 870626	Telecommunications Relay Service	1: Utility Regulation
Federal Special Revenue Fund Group		
3330 870601	Gas Pipeline Safety	1: Utility Regulation
3500 870608	Motor Carrier Safety	2: Transportation Regulation
3EA0 870630	Energy Assurance Planning	1: Utility Regulation
3ED0 870631	State Regulators Assistance	1: Utility Regulation
3V30 870604	Commercial Vehicle Information Systems/Networks	2: Transportation Regulation
State Special Revenue Fund Group		
4A30 870614	Grade Crossing Protection Devices – State	2: Transportation Regulation
4L80 870617	Pipeline Safety – State	1: Utility Regulation
5610 870606	Power Siting Board	1: Utility Regulation
5LT0 870640	Intrastate Registration	2: Transportation Regulation
5LT0 870641	Unified Carrier Registration	2: Transportation Regulation
5LT0 870642	Hazardous Materials Registration	2: Transportation Regulation
5LT0 870643	Nonhazardous Materials Civil Forfeiture	2: Transportation Regulation

Categorization of PUCO's Appropriation Line Items for Analysis of Executive Proposal			
Fund		ALI and Name	Category
5LTO	870644	Hazardous Materials Civil Forfeiture	2: Transportation Regulation
5LTO	870645	Motor Carrier Enforcement	2: Transportation Regulation

Utility Regulation

PUCO uses this category of appropriations to monitor and enforce compliance with utility regulations.

Governor's Recommended Amounts for Utility Regulation				
Fund		ALI and Name	FY 2014	FY 2015
General Services Fund Group				
5BP0	870623	Wireless 9-1-1 Administration	\$18,035,000	\$0
5F60	870622	Utility and Railroad Regulation	\$30,619,708	\$30,619,708
5F60	870624	NARUC/NRRI Subsidy	\$85,000	\$85,000
5Q50	870626	Telecommunications Relay Service	\$5,000,000	\$5,000,000
General Services Fund Group Subtotal			\$53,739,708	\$35,704,708
Federal Special Revenue Fund Group				
3330	870601	Gas Pipeline Safety	\$597,959	\$597,959
3EA0	870630	Energy Assurance Planning	\$192,001	\$0
3ED0	870631	State Regulators Assistance	\$115,912	\$0
Federal Special Revenue Fund Group Subtotal			\$905,872	\$597,959
State Special Revenue Fund Group				
4L80	870617	Pipeline Safety – State	\$331,992	\$331,992
5610	870606	Power Siting Board	\$581,618	\$581,618
State Special Revenue Fund Group Subtotal			\$913,610	\$913,610
Total Funding: Utility Regulation			\$55,559,190	\$37,216,277

Utility Market Monitoring and Oversight (870622, 870606, 870630, and 870631)

Commission jurisdiction over water, gas, electricity, and telephone service was established by the Ohio legislature in 1911. Today, PUCO provides economic oversight of private companies in these industries. The Commission's primary responsibility within the utility industry is to monitor utility markets and enforce utilities' compliance with state and federal rules and regulations that protect against unsafe utility practices.

Appropriation item 870622, Utility and Railroad Regulation, provides most of the funding for agency operations. More than 75% of total payroll expenditures are charged to this line item. The executive proposal funds this appropriation item at an annual level of \$30.6 million in each year of the biennium. The amount in the first year of the biennium is a 3.7% decrease relative to FY 2013 estimated expenditures. In anticipation

of recent state policy changes and operating budget funding, the agency developed a system to redistribute budgetary and staffing needs to other areas of the agency. According to PUCO, this allowed the agency to eliminate and create positions in direct response to changes in policy and legislative measures. Additionally, the agency saved more than \$364,000 per year in its most recent lease negotiations; PUCO consolidated office space and reduced over 23,000 square feet. All spending authority is supported by revenues to the Public Utilities Fund (Fund 5F60), which are derived from assessments against the intrastate revenues of the railroads and utilities regulated by PUCO. A credit is given back to the utilities for lapsed appropriation and revenue received above appropriations.

In FY 2012, PUCO's Service Monitoring and Enforcement Department saved customers more than \$1.2 million. These investigations, both formal and informal, are initiated after contact via PUCO call center. In regards to formal investigations, the PUCO docketing department processed 4,000 new docketed cases in FY 2012, up from 1,200 in 2009. The agency remarks that in its experience with telecommunications and natural gas markets, the transition to competitive choice has translated to more customer complaints, customer confusion, and opportunities for market abuse. For more than 30 years, PUCO has staffed a call center dedicated to resolving issues and complaints between residential and business customers as well as the utilities that serve them. According to PUCO, the majority of issues are resolved with informal investigations conducted by agency staff. However, when this method does not produce immediate results, PUCO initiates a formal investigation to resolve the issue.

The Ohio Power Siting Board (OPSB) reviews all applications for building electric generating facilities, and both electric and natural gas transmission facilities in Ohio. Since 1998, 19 new electric generating facilities have become operational adding 9,076 megawatts (MW) of generating capacity in Ohio. Most recently, S.B. 315 of the 129th General Assembly now enables OPSB to "modify and approve" certificate applications for major utility facilities whereas previously it could only approve or disapprove them. Moreover, the bill requires the Board to grant, deny, or modify an economically significant wind² farm's application for certification under the same process specified for major utility facilities. Separately, the bill requires the Board to adopt rules for an accelerated review, including automatic certification, of an application for construction for certain electric transmission lines, electric generating facilities using waste heat, and certain gas pipelines.

² OPSB has authority over any wind generation facility that can generate five or more megawatts; OPSB has approved nine wind projects in Ohio since S.B. 221 enacted alternative energy standards.

The executive proposal recommends appropriations at an annual level of \$581,618 in FY 2014 and FY 2015 for line item 870606, Power Siting Board. The spending authority draws upon revenues from the Power Siting Board Fund (Fund 5610), which collects the application fees submitted by companies seeking certificates to build or expand large electric generating plants or electric gas transmission lines.

Appropriation item 870630, Energy Assurance Planning, utilizes federal revenues deposited into Fund 3EA0. The American Recovery and Reinvestment Act of 2009 (ARRA) enabled the U.S. Department of Energy to issue the "Enhancing State Government Energy Assurance Capabilities and Planning for Smart Grid Resiliency" grant. In general, the purpose of the grant is to improve state emergency preparedness plans and ensure quick recovery and restoration from any energy supply disruptions. The funds are used to hire or retrain staff and expand state-level capacities to address challenges to the country's energy systems, which includes emergency situations such as blackouts, hurricanes, ice storms, and disruptions to heating supplies. The federal grant does not have a state match requirement nor does it entail a maintenance of effort requirement. PUCO requested \$192,001 for FY 2014 based upon estimated federal receipts, and the executive proposal recommended those amounts; no amounts were sought by PUCO for FY 2015.

Appropriation item 870631, State Regulators Assistance, utilizes federal revenues deposited into Fund 3ED0. ARRA included funding for electricity sector activities and initiatives that significantly affect utility investment in the electric power sector. PUCO has already seen a dramatic increase in the number of utility applications related to ARRA initiatives such as energy efficiency, renewable and advanced energy, and the Smart Grid. PUCO expects the number of applications submitted by utility companies to continue to increase. Federal revenues authorized by ARRA enable PUCO to ensure that the demands of an increased workload resulting from ARRA electricity-related applications and filings are met. The federal grant is awarded through the U.S. Department of Energy's National Energy Technology Laboratory, and no state match or maintenance of effort requirements accompany the grant. PUCO requested \$115,912 for FY 2014 based upon estimated expenditures and the executive recommendations endorsed the request; no amounts were sought by PUCO for FY 2015.

Gas Pipeline Safety (870601 and 870617)

Natural gas is the energy source most Ohioans use to heat their homes. Several separate and distinct industries produce, transport, and distribute gas throughout Ohio. These segments are production companies, transmission companies, distribution companies, and marketers. PUCO has regulatory authority over distribution companies and has some responsibility for marketers, but does not directly oversee other aspects of the industry.

Traditionally, users of natural gas have paid a local distribution company to purchase the commodity from producers, ensure it was transported through interstate pipelines to the local gas company, and then deliver it directly to homes and businesses. However, beginning in the 1970s, industrial customers were given the opportunity to purchase the commodity directly from suppliers.

In 1997, this choice was extended to certain residential and small commercial customers throughout the state in programs like the Columbia Gas of Ohio Customer Choice Program, the Duke Customer Choice Program, the Dominion Gas Energy Choice Program, and the Vectren Energy Delivery of Ohio Choice Advantage Program. Today, customers in these areas can choose their commodity supply from the offerings of gas marketers, while the local distribution company continues to guarantee delivery.

PUCO administers a gas pipeline safety program for natural gas delivery in Ohio. PUCO investigators inspect pipeline systems and review records and procedures implemented by local distribution companies. When violations are detected, PUCO orders corrective action to ensure that Ohio's pipeline systems continue to deliver natural gas safely and reliably. PUCO oversees more than 54,000 miles of distribution lines, which provide natural gas to individual users, as well as more than 6,000 miles of transmission lines.

The burgeoning shale gas industry was the impetus for new laws that clarified PUCO's role in gas pipeline safety. S.B. 315 of the 129th General Assembly modified the pre-existing definition of "gas gathering pipeline" to define the term mainly as a gathering line that is not federally regulated, but also redefined the term to include certain transmission and distribution activities. The bill created new definitions for "gas processing plant," "processing plant gas stub pipeline," "transmission quality gas," and "raw natural gas." Upon the enactment of S.B. 315 any person who plans to construct a gas gathering pipeline or a processing plant gas stub pipeline that is used to transport gas produced by a horizontal well is required to file a form with PUCO that specifies information about the project. It also requires the operator of those pipelines, once constructed, to file with PUCO an explanation of the constructed pipeline's route and operating information.

The executive proposal recommends an annual appropriation of \$331,992 for line item 870617, Pipeline Safety – State, which is 100% of FY 2013 estimated expenditures. The funding for this line item is derived from assessments against natural gas and natural gas pipeline operators. The resulting revenues are deposited into the Pipeline Safety Fund (Fund 4L80).

Appropriation item 870601, Gas Pipeline Safety, authorizes the expenditure of federal grant moneys for the Gas Pipeline Safety Program. The federal revenue serves as a supplement to the state funding, and PUCO may submit a reimbursement claim for a portion of the program's operating costs. The grant is awarded through the U.S.

Pipeline and Hazardous Materials Safety Administration. The award for the most recent federal fiscal year is \$1.2 million, of which 50% is reimbursable. The federal funds are deposited into the Gas Pipeline Safety Fund (Fund 3330) upon receipt while the state match will be borne by funds 4L80 and 5F60. The executive proposal recommends \$597,959 in each fiscal year of the biennium, which is 100% of the FY 2013 estimated expenditures.

Telecommunications Safety Services (870623 and 870626)

The Americans with Disabilities Act mandates an intrastate telecommunications relay service (TRS) for persons with communication disabilities. TRS enables persons with hearing or speech disabilities to communicate by phone in a manner functionally equivalent to someone without such a disability through the use of a text telephone yoke (TTY) or other similar telecom devices. PUCO is charged with administering the TRS Program. As of January 1, 2009, telecommunication companies operating in Ohio are assessed for the cost of providing TRS to the hearing impaired. The assessment will equal the TRS Program costs. The executive proposal recommends a \$5 million annual appropriation for line item 870626, Telecommunications Relay Service, which is equal to the amounts appropriated for FY 2013. TRS assessments paid by the service providers are deposited into the Telecommunications Relay Service Fund (Fund 5Q50).

PUCO is currently responsible for monitoring the development and implementation of 9-1-1 systems within individual Ohio counties. In 2005, the General Assembly passed legislation to provide funding for the local establishment of enhanced 9-1-1 service for wireless telephones. This service allows a mobile telephone to be located geographically using either a global positioning system built into the telephone itself or by utilizing the surrounding radio towers to triangulate the wireless telephone's position. H.B. 360 and H.B. 472 of the 129th General Assembly transfer, as of January 1, 2014, from PUCO to the Department of Public Safety (DPS) the existing authority to oversee the implementation and upgrades to county 9-1-1 systems, which is inclusive of public safety answering points. However, PUCO will continue to determine the rates for the wireline telephone network portion of a 9-1-1 system.

H.B. 360 and H.B. 472 also extended the wireless 9-1-1 charge applied to monthly cellular telephone bills. Whereas the charge was originally set to expire at the conclusion of calendar year 2012, the two bills made it permanent, and lowered the monthly fee to 25 cents per month from 28 cents per month. PUCO will transfer the administrative authority governing the wireless 9-1-1 charges to the Department of Taxation on January 1, 2014, and the FY 2014-FY 2015 executive budget reflects these forthcoming changes. For appropriation line item 870623, \$18.0 million is recommended for FY 2014, a 49.1% decrease from FY 2013 estimated expenditures; no funding is recommended for FY 2015. All of these revenues are deposited into the Wireless 9-1-1 Administration Fund (Fund 5BP0).

National Association Dues (870624)

Appropriation item 870624, NARUC/NRRI Subsidy, enables PUCO to participate in national associations. Founded in 1889, the National Association of Regulatory Utility Commissioners (NARUC) is a nonprofit organization dedicated to representing the state public service commissions who regulate the utilities that provide essential services such as energy, telecommunications, water, and transportation. NARUC's members include all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. Founded in 1976 by NARUC and housed at The Ohio State University through 2007, the National Regulatory Research Institute (NRRI) seeks to provide research products based on facts, objective analysis, and independence. NRRI is supported by state commission dues payments, and it envisions itself as an independent, nonprofit corporation. Because some state regulatory commissions are understaffed relative to their responsibilities, NRRI provides research that is both politically relevant and academically rigorous.

The executive proposal recommends an \$85,000 annual appropriation, which is consistent with PUCO's requested amounts. This level is 15% less than FY 2013 estimated expenditures. PUCO based their request on a review of the agency's expenditures, which lead to a consolidation of publications, memberships, and subscriptions. The funding for this line item is derived from the assessment on public utility companies and deposited into the Public Utilities Fund (Fund 5F60).

Transportation Regulation

PUCO uses these appropriations to safeguard the security of Ohio's regulated commercial vehicle and rail operations by means of inspections, mediation, training, monitoring, and education programs.

Governor's Recommended Amounts for Transportation Regulation				
Fund	ALI and Name		FY 2014	FY 2015
Federal Special Revenue Fund Group				
3500	870608	Motor Carrier Safety	\$7,351,660	\$7,351,660
3V30	870604	Commercial Vehicle Information Systems/Networks	\$100,000	\$100,000
Federal Special Revenue Fund Group Subtotal			\$7,451,660	\$7,451,660
State Special Revenue Fund Group				
4A30	870614	Grade Crossing Protection Devices – State	\$1,347,357	\$1,347,357
5LT0	870640	Intrastate Registration	\$180,000	\$180,000
5LT0	870641	Unified Carrier Registration	\$420,000	\$420,000
5LT0	870642	Hazardous Materials Registration	\$743,346	\$753,346
5LT0	870643	Nonhazardous Materials Civil Forfeiture	\$277,496	\$277,496
5LT0	870644	Hazardous Materials Civil Forfeiture	\$898,800	\$898,800
5LT0	870645	Motor Carrier Enforcement	\$4,768,453	\$4,709,592
State Special Revenue Fund Group Subtotal			\$8,635,452	\$8,586,591
Total Funding: Transportation Regulation			\$16,087,112	\$16,038,251

Motor Carrier Registration and Safety (870604, 870608, 870640, 870641, 870643, and 870645)

PUCO's comprehensive commercial vehicle safety program integrates carrier registration, driver/vehicle/shipper audits and inspections on both public and private property, civil forfeiture fines assessed for safety violations, safety grant funding, reviews of hazardous materials routes in Ohio, a mediation process for resolving disputes between household goods movers and consumers, and issuance of educational materials.

Commercial transportation companies in Ohio are public utilities under the jurisdiction of PUCO. These companies pay special fees and taxes in exchange for exemption from other taxes, such as sales tax on equipment. They are also exempt from many forms of local regulation. PUCO is committed to improving road safety and ensuring quality, equitable service for Ohioans and commercial motor and hazardous materials carriers. PUCO registers more than 58,000 general freight carriers, more than 1,000 towing companies, and more than 300 household goods movers in Ohio.

Household goods (movers) companies must register with PUCO for the purposes of state regulation. Consumers, when moving within the state of Ohio, have important rights guaranteed by state law and enforced by PUCO. As a result, PUCO has been active in educating household goods carriers on the law, educating the moving public through the issuance of brochures and other educational materials, and resolving customer complaints.

The Motor Carrier Safety Assistance Program (MCSAP) is a major grant program of the U.S. Department of Transportation for which PUCO has been designated a lead agency. This program is utilized by PUCO to develop a comprehensive approach to motor carrier safety in Ohio. Portions of this funding are also disbursed by PUCO to the Ohio State Highway Patrol to support commercial vehicle inspection programs.

The federal MCSAP funds supplement those generated by PUCO's program and help fund PUCO's audits of motor carrier safety records and programs, as well as PUCO's specialized inspections involving hazardous materials. During FY 2012, PUCO conducted 2,480 driver vehicle inspections with the majority targeting hazardous materials carriers, 455 compliance reviews, and 916 new entrant safety audits.

Appropriation item 870645, Motor Carrier Enforcement, supports the enforcement of statutes, rules, and regulations governing transportation companies. The line item also serves as the state match for the federal MCSAP funds. The federal grant is an 80/20 split with the 20% state match coming from ALI 870645 and other appropriations from the Public Utilities Transportation Safety Fund (Fund 5LT0). The executive proposal recommends \$4.8 million in FY 2014 and \$4.7 million in FY 2015. The FY 2014 appropriation constitutes a 12.0% reduction from FY 2013 estimated expenditures, and FY 2015 reflects a 1.2% decrease from the FY 2014 appropriation. Fund 5LT0 provides the necessary revenues for this line item by collecting annual fees and annual household goods transportation fees paid by motor carriers.

Appropriation item 870608, Motor Carrier Safety, provides PUCO with spending authority to administer MCSAP funds from the federal government. The executive budget recommends \$7.4 million annually, which represents no increase above FY 2013 estimated expenditures. Federal grants are deposited into the Motor Carrier Safety Fund (Fund 3500) upon receipt.

PUCO issued Ohio certificates of public convenience and necessity (CPCN) to 17,498 for-hire motor carriers, of which 1,616 operate solely in intrastate commerce, 9,134 operate in interstate commerce, and 6,748 operate in both interstate and intrastate commerce. For-hire motor carriers that operate solely in intrastate commerce pay annual taxes in addition to the fees required for the issuance of a CPCN. Motor carriers obtaining a CPCN must pay the unified carrier registration fee if authorized for interstate travel. All of these fees are deposited into Fund 5LT0, but some of the unified carrier registration receipts are remitted to other states per federal agreements. The

federal law reflects an agreement among participating states that carriers must pay annual fees to a "base-state," designated by the carrier usually as the state of its principal place of business.

The executive proposal recommends \$180,000 per year for appropriation item 870640, Intrastate Registration, which is equal to both FY 2013 estimated expenditures and PUCO's requested amount. Similarly, the executive budget recommends \$420,000 annually for appropriation item 870641, Unified Carrier Registration, which is 100% of FY 2013 estimated expenditures. Both line items are appropriated against the receipts in Fund 5LT0.

PUCO's primary mission in commercial vehicle safety is the prevention and reduction of accidents on Ohio roadways and highways; specifically, the protection of the traveling public in all areas of the state from commercial operations of large, heavy, or hazardous cargo-laden vehicles. According to PUCO, new carriers are often the largest contributing factor to unsafe roadways. The Commission administers a safety audit program targeted at new carriers.

Appropriation item 870604, Commercial Vehicle Information Systems/Networks, authorizes PUCO to spend the federal revenues on these audit and safety initiatives for commercial vehicles. The executive proposal recommends \$100,000 annually for the upcoming biennium, which is 87.9% less than FY 2013 estimated expenditures. The Commercial Vehicle Information Systems and Networks Fund (Fund 3V30) receives money from a federal grant originally authorized in September 2001. The grant was originally used to design a central database linking databases of four Ohio state agencies that provide information necessary to complete the audit and safety initiatives. The work has since been completed, and the program is now in maintenance phase. Expenditures were elevated in FY 2012-FY 2013 because PUCO received a separate grant to build additional databases concerning civil forfeitures, vehicle crashes, and vehicle permits.

In 1995, Ohio enacted a new civil forfeitures program applicable to general truck safety violations. All audits or inspections that contain serious violations are subject to the assessment of fines ranging from \$1,000 for a roadside inspection to a maximum of \$10,000 for compliance audits. According to PUCO, both the audit and inspection history contained in its database and the assessment of civil forfeiture fines provide direct financial incentives to carriers not in compliance to change their behavior and comply with existing regulations.

The executive budget proposal recommends annual funding of \$277,496 for line item 870643, Nonhazardous Materials Civil Forfeiture. The recommendations represent no change from FY 2013 estimated expenditures. Fines are initially deposited into Fund 5LT0 for the support of the line item. Once the fund receives nonhazardous materials forfeitures equivalent to the appropriation authority, all additional fines are deposited

in the GRF. In the last two years, over \$4.8 million of the civil forfeiture fines collected by PUCO went into the GRF.

Hazardous Materials Regulation (870642 and 870644)

PUCO registers more than 3,000 hazardous materials transporters each year and works to ensure carriers are safely transporting these commodities on Ohio's highways. Since the initiation of the hazardous materials registration program, approximately one-fourth of the applications to transport hazardous materials in Ohio were determined to be deficient for reasons such as improper credentials or inadequate training for the staff in handling hazardous materials. The agency inspects each shipment of high-level radioactive material that is transported from, to, or through Ohio. All PUCO hazardous materials (hazmat) specialists and the PUCO rail inspectors are trained and certified in radiological inspections.

Hazmat fines are generally paid by hazardous material carriers, shippers, and drivers. The resulting money is distributed for the purposes of emergency response planning as well as the training of safety, enforcement, and emergency services personnel for the management of hazardous materials releases that occur during transportation or otherwise. The Revised Code provides, among other things, that the first \$800,000 of hazmat fines collected in any fiscal year is credited to Fund 5LT0. Any hazmat fine receipts in excess of \$800,000 are deposited into the GRF. In accordance with a law enacted in 1994, the Cleveland State University hazardous materials training center receives \$400,000 each year to support their program that develops and provides training to government and private industry regarding the safe handling of hazardous materials. The next \$400,000 goes to a hazardous materials training grant program that distributes money to government entities. In the last two years, PUCO distributed nearly \$1 million in training grants to government entities located in 11 Ohio counties.

Appropriation item 870644, Hazardous Materials Civil Forfeiture, provides PUCO with authority to spend the revenues collected via fines and civil forfeitures assessed against hazardous materials transporters. The executive proposal recommends \$898,800 in each year of the biennium, which is equal to estimated expenditures for FY 2013. In addition to paying for training grants, this line item uses registration receipts to pay for radioactive waste transportation inspections, escorts, security, emergency management services, and accident response. Moreover, the appropriation authority may be used to purchase medical, safety, or emergency response equipment and supplies as well as to cover administrative costs of PUCO and other state and local entities.

Appropriation item 870642, Hazardous Materials Registration, is used to employ PUCO hazmat specialists. The executive proposal recommends \$743,346 for FY 2014, which is 9.8% less than FY 2013 estimated expenditures, and \$753,346 for FY 2015,

which is a 1.3% annual increase. All hazardous materials transporters must pay a unique registration fee that is predicated, in part, upon the amount of hazardous materials shipped by the registrant, and these receipts are deposited into Fund 5LT0 for the support of this line item. When an Ohio transporter registers with PUCO, the carrier can elect to register in other states at the same point in time. A portion of this spending authority is reserved for registration payments remitted to other states.

Railroad Safety (870614)

Ohio is a national leader in rail traffic with more than 5,200 miles of track running from every corner of the state, and 6,100 public rail-highway grade crossings. PUCO has the regulatory responsibility to inspect rail industry activities that include structures, operational practices, and worker safety issues. Additionally, PUCO enforces the regulations of the Federal Railroad Administration (FRA) and has FRA-certified inspectors in the disciplines of hazardous materials, rail tracks, locomotive power and equipment, operating practices, railroad grade crossing lights and gates, and numerous other areas of public concern.

As part of PUCO's regulatory function, it administers state and federal warning device programs for grade crossings and distributes funds for rail crossing improvements. In 2011, PUCO played a part in the installation of lights and gates at 12 grade crossings across the state. According to PUCO, these programs played an important role in reducing train-motor vehicle crashes from 326 in 1990 to 46 in 2011.

For appropriation item 870614, Grade Crossing Protection Devices – State, the executive recommends annual funding of \$1.3 million for FY 2014-FY 2015, which is an amount equal to FY 2013 estimated expenditures. Revenues from the state gasoline tax are deposited into the Grade Crossing Protection Fund (Fund 4A30), which supports this spending authority.

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Public Utilities Commission of Ohio

General Services Fund Group

5BP0 870623 Wireless 911 Administration

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$30,309,732	\$26,955,963	\$32,175,376	\$35,436,000	\$18,035,000	\$0
	-11.1%	19.4%	10.1%	-49.1%	-100%

Source: General Services Fund Group: Fees imposed on wireless service subscribers

Legal Basis: ORC 5507.42

Purpose: This line item provides funding for the compensation of the Ohio 9-1-1 Coordinator and for other expenses of operating the 9-1-1 Service Program. This program is responsible primarily for distributing fee revenue received from charges levied on wireless service subscribers to counties and other political subdivisions that operate wireless enhanced 9-1-1 service within the county. The fee imposed on wireless service subscribers is 25 cents per month, of which over 96% each year is distributed to counties. On January 1, 2014, the Tax Commissioner will take over disbursement duties from the Ohio 9-1-1 Coordinator. At that time, the 9-1-1 Service Program and the position of the Ohio 9-1-1 Coordinator will be terminated. The permanent fee will remain, and the subsidies to counties will continue. Sub. H.B. 360 of the 129th General Assembly replaced this item with two new appropriations, TAX GSF appropriation item 110639 and DPS GSF appropriation item 764609.

5F60 870622 Utility and Railroad Regulation

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$29,354,828	\$29,416,477	\$29,649,322	\$31,786,431	\$30,619,708	\$30,619,708
	0.2%	0.8%	7.2%	-3.7%	0.0%

Source: General Services Fund Group: 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 the agency's appropriation to this line item. If the agency's expenditures are less than its appropriation in a given year, the next year's assessment is reduced by the difference.

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

Purpose: This line item funds activities related to the regulation of investor-owned telephone, electric, gas, water and sewer utilities. The item also funds the Commission's regulation of railroads.

Public Utilities Commission of Ohio

5F60 870624 NARUC/NRRI Subsidy

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$85,000	\$85,000	\$46,500	\$100,000	\$85,000	\$85,000
	0.0%	-45.3%	115.1%	-15.0%	0.0%

Source: General Services Fund Group: Assessments against the intrastate revenues of the railroads and utilities regulated by the Public Utilities Commission

Legal Basis: Section 365.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.; in prior years these funds were deposited in the GRF to the credit of line item 870501, NARUC/NRRI Subsidy, which was originally created by the Controlling Board in 1982)

Purpose: This line item 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). The fee is based on a percentage of utilities' operating revenues by class of utility.

5F60 870625 Motor Transportation Regulation

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$4,251,043	\$4,309,374	\$4,418,369	\$0	\$0	\$0
	1.4%	2.5%	-100%	N/A	N/A

Source: General Services Fund Group: Revenues were 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: Discontinued line item (formerly ORC 4923.12, originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: Funds in this line item supported activities related to the enforcement of statutes, rules and regulations governing transportation companies (bus and motor carriers) operating within the state. This line item provided matching funds for federal grants funding line items 870604 and 870608. Beginning in FY 2000, this line also included \$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, which has been discontinued. Am. Sub. H.B. 487 of the 129th General Assembly replaced this item with three new PUCO appropriations, SSR appropriation items 870640, 870641, and 870645.

Public Utilities Commission of Ohio

5Q50 870626 Telecommunications Relay Service

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$3,301,225	\$4,326,894	\$3,866,922	\$5,000,000	\$5,000,000	\$5,000,000
	31.1%	-10.6%	29.3%	0.0%	0.0%

Source: General Services Fund Group: As of January 1, 2009, the PUCO collects an annual assessment from telecommunication service providers

Legal Basis: ORC 4905.84 (originally authorized by Am. Sub. H.B. 562 of the 127th G.A. Previously, ORC 4905.79 and 5727.44 allowed the relay provider a credit against its corporate franchise tax. Due to tax changes, this funding mechanism expired on January 1, 2008.)

Purpose: The Americans with Disabilities Act mandates an intrastate telecommunications relay service (TRS) for persons with communication disabilities. TRS enables persons with hearing or speech disabilities to communicate by phone in a manner functionally equivalent to someone without such a disability through the use of a text telephone yoke (TTY) or other similar devices. This line item reimburses the service vendor for the costs of providing the service.

Federal Special Revenue Fund Group

3330 870601 Gas Pipeline Safety

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$481,446	\$542,467	\$628,133	\$597,959	\$597,959	\$597,959
	12.7%	15.8%	-4.8%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 20.700, Pipeline Safety

Legal Basis: ORC 4905.91 (originally established by the Controlling Board in FY 1973)

Purpose: This line item 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 Inspection, Protection, Enforcement, and Safety (PIPES) Act of 2006. The line item receives reimbursements from the federal government amounting to 50% 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 line item 870622, Utility and Railroad Regulation. Prior to that time, the state's share came from the 871-499 State Match line item in the GRF.

Public Utilities Commission of Ohio

3330 870628 Underground Utility Protection

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$98,168	\$83,724	\$11,839	\$18,996	\$0	\$0
	-14.7%	-85.9%	60.4%	-100%	N/A

Source: Federal Special Revenue Fund Group: CFDA 20.721, Pipeline Safety Grant Program

Legal Basis: ORC 4905.91 (originally established by the Controlling Board in FY 2010)

Purpose: This line item contains operating funds to train state excavators on the use of the national Damage Information Reporting Tool (DIRT), which was related to the federal pipeline safety law authorized by the PIPES Act of 2006. Grants awarded to Ohio are intended to prevent third party excavation damage to natural gas pipelines, which is an important goal to ensure natural gas is delivered safely and reliably.

3500 870608 Motor Carrier Safety

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,745,925	\$6,282,356	\$7,681,767	\$7,351,660	\$7,351,660	\$7,351,660
	-6.9%	22.3%	-4.3%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 20.218, Motor Carrier Safety Assistance Program (Federal Motor Carrier Safety Administration)

Legal Basis: ORC 4921.21 (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 PUCO. 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% of the total costs and use the funds to enhance the program, not to support existing activities. In FY 1996, the PUCO's transportation enforcement division was transferred to the Department of Public Safety (DPS). As a result, much of these federal moneys are now directed to the Highway Safety Federal Reimbursement Fund (8310). Since, however, the PUCO is the primary recipient for the federal funds, this line item retains appropriation authority over the entire amount of the federal grant. The PUCO transfers the appropriate amount to the DPS to fund the Department's enforcement division. Federal funds were most recently authorized in 2005 by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU).

Public Utilities Commission of Ohio

3CU0 870627 Electric Market Modeling

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$249,100	\$91,183	\$0	\$0	\$0	\$0
	-63.4%	-100%	N/A	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 81.119, State Energy Program Special Projects

Legal Basis: Discontinued line item (originally established by the Controlling Board in FY 2009)

Purpose: These funds are used in partnership with the Ohio State University to evaluate Ohio electric companies' Standard Service Offers. The long-term objective of the partnership with Ohio State is to establish a university-based regional modeling center. By providing a sophisticated market model, the partnership will enable the PUCO to conduct an analysis of future market prices over the period of several years. Also, the line item is used to conduct a cost-benefit analysis of modern grid deployment in Ohio.

3EA0 870630 Energy Assurance Planning

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$49,249	\$168,714	\$154,427	\$384,000	\$192,001	\$0
	242.6%	-8.5%	148.7%	-50.0%	-100%

Source: Federal Special Revenue Fund Group: CFDA 81.122, Electricity Delivery and Energy Reliability, Research, Development and Analysis

Legal Basis: Section 365.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by the Controlling Board in FY 2010)

Purpose: This line item provides funding to improve state emergency preparedness plans and to ensure quick recovery and restoration from any energy supply disruptions. This entails electricity delivery and energy reliability activities to modernize the electric grid. Purposes for which the fund may be used include: purchases of demand responsive equipment; plans to enhance security and reliability of the energy infrastructure; energy storage research, development, demonstration and deployment; and to facilitate recovery from disruptions to the energy supply. These federal funds, authorized by the American Recovery and Reinvestment Act (ARRA), may also be used for implementation of smart grid programs authorized under Title XIII of the Energy Independence and Security Act of 2007.

Public Utilities Commission of Ohio

3ED0 870631 State Regulators Assistance

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$121,985	\$127,248	\$231,824	\$115,912	\$0
	N/A	4.3%	82.2%	-50.0%	-100%

Source: Federal Special Revenue Fund Group: CFDA 81.122, Electricity Delivery and Energy Reliability, Research, Development and Analysis

Legal Basis: Section 365.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by the Controlling Board in FY 2010)

Purpose: This line item provides funding to ensure the state utility commission can meet the increased demand caused by the increased workload required to fully address the electricity sector initiatives included in the American Recovery and Reinvestment Act (ARRA). The U.S. Department of Energy made this federal grant available to hire additional staff to ensure appropriate technical expertise is dedicated to regulatory activities pertaining to ARRA initiatives.

3V30 870604 Commercial Vehicle Information Systems/Networks

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$26,883	\$42,596	\$501,171	\$824,000	\$100,000	\$100,000
	58.4%	1,076.6%	64.4%	-87.9%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 20.205, Commercial Vehicle Information Systems/Networks (Federal Highway Administration, Highway Planning and Construction grants)

Legal Basis: Section 365.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: The Commercial Vehicle Information Systems and Networks (CVISN) Program is a key component of the Federal Motor Carrier Safety Administration's (FMCSA) drive to improve commercial motor vehicle safety. CVISN enables safety inspectors to target their resources on the highest risk carriers, drivers, and vehicles. These changes are expected to reduce the frequency and severity of accidents that involve commercial vehicles. CVISN enables government agencies, the motor carrier industry, and other parties engaged in commercial vehicle operations to exchange information and conduct business transactions electronically. The PUCO is the administrative lead in the business plan development for Ohio. The departments of Taxation, Public Safety, and Transportation, as well as the Ohio Trucking Association are participating in the project. Federal funds were most recently authorized in 2005 by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU).

Public Utilities Commission of Ohio

State Special Revenue Fund Group

4A30 870614 Grade Crossing Protection Devices-State

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$514,486	\$1,022,522	\$1,097,827	\$1,347,357	\$1,347,357	\$1,347,357
	98.7%	7.4%	22.7%	0.0%	0.0%

Source: State Special Revenue Fund Group: \$1.2 million per year from the state gasoline tax

Legal Basis: ORC 4907.471 (Am. Sub. H.B. 111 of the 118th G.A. transferred the legal basis from ORC 5523.31, and transferred the appropriation for 770750, 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 ORC 4907.471. 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.

4L80 870617 Pipeline Safety-State

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$173,551	\$113,373	\$180,458	\$331,992	\$331,992	\$331,992
	-34.7%	59.2%	84.0%	0.0%	0.0%

Source: State Special Revenue Fund Group: 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: Moneys in this line item are used 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.

Public Utilities Commission of Ohio

4S60 870618 Hazardous Material Registration

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$249,419	\$247,231	\$339,030	\$0	\$0	\$0
	-0.9%	37.1%	-100%	N/A	N/A

Source: State Special Revenue Fund Group: 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: Discontinued line item (originally established in ORC 4905.80 by Sub. H.B. 647 of the 120th G.A.)

Purpose: Funds were used to enforce the Hazardous Materials Transportation Law (ORC 4905.80 through 4905.83). This program was devised in accordance with the Hazardous Materials Transportation Uniform Safety Act of 1990. The act called for the eventual establishment of a base-state-type system of registering hazardous materials transporters in the U.S. Am. Sub. H.B. 487 of the 129th General Assembly replaced this item with a new PUCO appropriation, SSR appropriation item 870642.

4S60 870621 Hazardous Materials Base State Registration

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$273,595	\$266,920	\$278,070	\$0	\$0	\$0
	-2.4%	4.2%	-100%	N/A	N/A

Source: State Special Revenue Fund Group: Registration fees of hazardous material carriers who register in the State of Ohio

Legal Basis: Discontinued line item (originally established in ORC 4905.80 by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item was used to receive and disburse 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 received those registration fees that were ultimately to be transferred to other states. Fees collected on behalf of the state of Ohio were credited to line item 870618, Hazardous Material Registration, in Fund 4S60. Am. Sub. H.B. 487 of the 129th General Assembly replaced this item with a new PUCO appropriation, SSR appropriation item 870642.

Public Utilities Commission of Ohio

4U80 870620 Civil Forfeitures

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$229,801	\$244,369	\$267,760	\$0	\$0	\$0
	6.3%	9.6%	-100%	N/A	N/A

Source: State Special Revenue Fund Group: Forfeitures

Legal Basis: Discontinued line item (originally established in ORC 4923.12 by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item funded the administrative costs of the civil forfeitures program created in Am. Sub. H.B. 117 of the 121st G.A. The program centralized 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 was deposited into Fund 4U80, Civil Forfeitures, to fund the costs of administering this program. Revenues in excess of the appropriation to the 870620 line item were deposited into the GRF. Am. Sub. H.B. 487 of the 129th General Assembly replaced this item with a new PUCO appropriation, SSR appropriation item 870643.

5610 870606 Power Siting Board

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$309,110	\$465,265	\$362,590	\$581,618	\$581,618	\$581,618
	50.5%	-22.1%	60.4%	0.0%	0.0%

Source: State Special Revenue Fund Group: 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: This line item 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. The Board is empowered to approve or disapprove applications for such a certificate.

Public Utilities Commission of Ohio

5HD0 870629 Radioactive Waste Transportation

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$4,564	\$0	\$0	\$0	\$0
	N/A	-100%	N/A	N/A	N/A

Source: State Special Revenue Fund Group: Fees imposed on the transportation of radioactive materials

Legal Basis: Discontinued line item (originally established by Controlling Board on August 24, 2009)

Purpose: This line item provided funding for radioactive waste transportation inspections, escorts, security, emergency management services and accident response. Am. Sub. H.B. 114 of the 129th G.A. repealed the statute authorizing the collection of these fees.

5KE0 870632 Community - Voicemail Service

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$38,044	\$0	\$0	\$0
	N/A	N/A	-100%	N/A	N/A

Source: State Special Revenue Fund Group: An assessment on each telephone company that is a local exchange carrier in Ohio

Legal Basis: Discontinued line item (Section 6 of Sub. S.B. 162 of the 128th G.A.)

Purpose: The line item funded a Community Voicemail Service Pilot Program, which was to last for two years, for individuals who are in a state of transition and have no access to traditional telephone exchange service or readily available alternatives, including the homeless, clients of battered-spouse programs, and displaced and returning veterans. The program was to be implemented in at least one urban area and one rural area in Ohio. Section 365.10 of Am. Sub. H.B. 153 of the 129th G.A. terminated the program and required PUCO to refund collected assessment funds.

Public Utilities Commission of Ohio

5LT0 870640 Intrastate Registration

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$180,000	\$180,000	\$180,000
	N/A	N/A	N/A	0.0%	0.0%

Source: State Special Revenue Fund Group: Fees paid by for-hire motor carriers operating solely in Ohio

Legal Basis: ORC 4921.19; Section 601.40 of the Am. Sub. H.B. 487 of the 129th G.A.

Purpose: The fund receives fees paid by motor carriers operating solely in Ohio. Ohio adopted and enforces the Federal Motor Carrier Safety Regulations for motor carriers operating intrastate. Each tractor or truck pulling trailer, tow truck, or bus pays \$30 per year, and each straight truck, van, and car pays \$20 per year. In previous budgets, these PUCO activities were funded by GSF appropriation item 870625.

5LT0 870641 Unified Carrier Registration

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$420,000	\$420,000	\$420,000
	N/A	N/A	N/A	0.0%	0.0%

Source: State Special Revenue Fund Group: Fees for unified carrier registration

Legal Basis: ORC 4921.11 and 4921.19; Section 601.40 of the Am. Sub. H.B. 487 of the 129th G.A.

Purpose: The fund receives fees for unified carrier registration. The Revised Code requires that annual fee amounts levied by PUCO be identical to those established by the Unified Carrier Registration Agreement (UCRA) Board of Directors as approved by the Federal Motor Carrier Safety Administration. Federal law mandates that all motor carriers required to register with the U.S. Department of Transportation (including private, for-hire, and exempt carriers, as well as brokers, freight forwarders, and leasing companies) pay the fees. Purely intrastate motor carriers are not subject to unified carrier registration fees. In previous budgets, these PUCO activities were funded by GSF appropriation item 870625.

Public Utilities Commission of Ohio

5LT0 870642 Hazardous Materials Registration

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$823,741	\$743,346	\$753,346
	N/A	N/A	N/A	-9.8%	1.3%

Source: State Special Revenue Fund Group: Fees collected for the uniform registration and permitting of persons engaged in the highway transportation of hazardous materials in Ohio

Legal Basis: ORC 4921.15; Section 601.40 of the Am. Sub. H.B. 487 of the 129th G.A.

Purpose: Funds are used to enforce the Hazardous Materials Transportation Law. This line item 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. Consequently, some funds are disbursed to other states for those registration fees that are ultimately transferred out of Ohio. In previous budgets, these PUCO activities were funded by SSR appropriation items 870618 and 870621.

5LT0 870643 Nonhazardous Materials Civil Forfeiture

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$277,496	\$277,496	\$277,496
	N/A	N/A	N/A	0.0%	0.0%

Source: State Special Revenue Fund Group: Forfeitures paid by for-hire motor carriers, private motor carriers, or persons subject to the laws governing the transportation of persons or property

Legal Basis: ORC 4923.99 and 4921.21; Section 601.40 of the Am. Sub. H.B. 487 of the 129th G.A.

Purpose: This line item funds the administrative costs of the civil forfeitures program, and centralizes collection of civil forfeitures from for-hire motor carriers, private motor carriers, or persons subject to the laws governing the transportation of persons or property. The Revised Code requires that the forfeitures be deposited into the Public Utilities Transportation Safety Fund (Fund 5LT0) until a point of parity is reached when the amount in the fund equals the total amount appropriated from the fund for the fiscal year. Once the point is reached, additional forfeitures must be deposited into the GRF. In previous budgets, these PUCO activities were funded by SSR appropriation item 870620.

Public Utilities Commission of Ohio

5LT0 870644 Hazardous Materials Civil Forfeiture

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$1,603,819	\$898,800	\$898,800
	N/A	N/A	N/A	-44.0%	0.0%

Source: State Special Revenue Fund Group: Forfeitures paid by motor carriers and persons who transport hazardous materials

Legal Basis: ORC 4923.99 and 4921.21; Section 601.40 of the Am. Sub. H.B. 487 of the 129th G.A.

Purpose: Moneys credited to this line item fund emergency response training and other hazardous materials training programs throughout the state. According to law, 50% must go to Cleveland State University for its training program for public safety and emergency services personnel, and 45% must be distributed to other educational institutions, state agencies, regional planning commissions, and political subdivisions. The remaining 5% must be retained by PUCO for administering the law. In the event that the fund receives less than \$400,000, the Cleveland State University program would receive no less than \$200,000. In previous budgets, these PUCO activities were funded by SSR appropriation item 870612.

5LT0 870645 Motor Carrier Enforcement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$5,416,874	\$4,768,453	\$4,709,592
	N/A	N/A	N/A	-12.0%	-1.2%

Source: State Special Revenue Fund Group: Revenues are derived from annual taxes on for-hire motor carriers subject to PUCO regulation

Legal Basis: ORC 4921.13 and 4921.19; Section 601.40 of the Am. Sub. H.B. 487 of the 129th G.A.

Purpose: Funds in this line item support activities related to the enforcement of statutes, rules and regulations governing for-hire motor carriers, which are a public utility in Ohio. PUCO ensures that these regulated motor carriers adhere to state and federal safety standards. This line item provided matching funds for federal grants funding line items 870604 and 870608. In previous budgets, these PUCO activities were funded by GSF appropriation item 870625 and SSR appropriation item 870629.

Public Utilities Commission of Ohio

6380 870611 Biofuels/Municipal Waste Technology

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,043	\$0	\$554	\$0	\$0	\$0
	-100%	N/A	-100%	N/A	N/A

Source: State Special Revenue Fund Group: 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: Discontinued line item (originally established by Controlling Board on January 11, 1988)

Purpose: This line item funds the Ohio Biomass Energy Program which promotes the use of biofuels and municipal waste for energy development and substitution for fossil fuels. The Biomass Energy grant expired and no additional revenue will be generated from the U.S. Department of Energy; PUCO spent the remaining cash balances in the Biofuels and Municipal Waste Technology Fund (Fund 6380) in FY 2012.

6610 870612 Hazardous Materials Transportation

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$863,243	\$733,273	\$869,902	\$0	\$0	\$0
	-15.1%	18.6%	-100%	N/A	N/A

Source: State Special Revenue Fund Group: 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 continue to be deposited into the GRF)

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

Purpose: Moneys credited to this line item funded emergency response training and other hazardous materials training programs throughout the state. In the past, 50% has gone to Cleveland State University for its training program for public safety and emergency services personnel, and 50% has been allocated to other educational institutions, state agencies, and political subdivisions for similar programs. Am. Sub. H.B. 283 of the 123rd G.A. revised the percentage going to "other purposes." It allocated 5% of the total to the PUCO for administration and training, with the remaining 45% going to other programs. The Cleveland State University program would still receive \$400,000 a year, or 50% of the total (but no less than \$200,000). Am. Sub. H.B. 487 of the 129th General Assembly replaced this item with a new PUCO appropriation, SSR appropriation item 870644.

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
PUC Public Utilities Commission of Ohio								
5BP0	870623	Wireless 911 Administration	\$ 32,175,376	\$ 35,436,000	\$ 18,035,000	-49.11%	\$ 0	-100.00%
5F60	870622	Utility and Railroad Regulation	\$ 29,649,322	\$ 31,786,431	\$ 30,619,708	-3.67%	\$ 30,619,708	0.00%
5F60	870624	NARUC/NRRI Subsidy	\$ 46,500	\$ 100,000	\$ 85,000	-15.00%	\$ 85,000	0.00%
5F60	870625	Motor Transportation Regulation	\$ 4,418,369	\$ 0	\$ 0	N/A	\$ 0	N/A
5Q50	870626	Telecommunications Relay Service	\$ 3,866,922	\$ 5,000,000	\$ 5,000,000	0.00%	\$ 5,000,000	0.00%
General Services Fund Group Total			\$ 70,156,490	\$ 72,322,431	\$ 53,739,708	-25.69%	\$ 35,704,708	-33.56%
3330	870601	Gas Pipeline Safety	\$ 628,133	\$ 597,959	\$ 597,959	0.00%	\$ 597,959	0.00%
3330	870628	Underground Utility Protection	\$ 11,839	\$ 18,996	\$ 0	-100.00%	\$ 0	N/A
3500	870608	Motor Carrier Safety	\$ 7,681,767	\$ 7,351,660	\$ 7,351,660	0.00%	\$ 7,351,660	0.00%
3EA0	870630	Energy Assurance Planning	\$ 154,427	\$ 384,000	\$ 192,001	-50.00%	\$ 0	-100.00%
3ED0	870631	State Regulators Assistance	\$ 127,248	\$ 231,824	\$ 115,912	-50.00%	\$ 0	-100.00%
3V30	870604	Commercial Vehicle Information Systems/Networks	\$ 501,171	\$ 824,000	\$ 100,000	-87.86%	\$ 100,000	0.00%
Federal Special Revenue Fund Group Total			\$ 9,104,585	\$ 9,408,439	\$ 8,357,532	-11.17%	\$ 8,049,619	-3.68%
4A30	870614	Grade Crossing Protection Devices-State	\$ 1,097,827	\$ 1,347,357	\$ 1,347,357	0.00%	\$ 1,347,357	0.00%
4L80	870617	Pipeline Safety-State	\$ 180,458	\$ 331,992	\$ 331,992	0.00%	\$ 331,992	0.00%
4S60	870618	Hazardous Material Registration	\$ 339,030	\$ 0	\$ 0	N/A	\$ 0	N/A
4S60	870621	Hazardous Materials Base State Registration	\$ 278,070	\$ 0	\$ 0	N/A	\$ 0	N/A
4U80	870620	Civil Forfeitures	\$ 267,760	\$ 0	\$ 0	N/A	\$ 0	N/A
5610	870606	Power Siting Board	\$ 362,590	\$ 581,618	\$ 581,618	0.00%	\$ 581,618	0.00%
5KE0	870632	Community - Voicemail Service	\$ 38,044	\$ 0	\$ 0	N/A	\$ 0	N/A
5LT0	870640	Intrastate Registration	\$ 0	\$ 180,000	\$ 180,000	0.00%	\$ 180,000	0.00%
5LT0	870641	Unified Carrier Registration	\$ 0	\$ 420,000	\$ 420,000	0.00%	\$ 420,000	0.00%
5LT0	870642	Hazardous Materials Registration	\$ 0	\$ 823,741	\$ 743,346	-9.76%	\$ 753,346	1.35%
5LT0	870643	Nonhazardous Materials Civil Forfeiture	\$ 0	\$ 277,496	\$ 277,496	0.00%	\$ 277,496	0.00%
5LT0	870644	Hazardous Materials Civil Forfeiture	\$ 0	\$ 1,603,819	\$ 898,800	-43.96%	\$ 898,800	0.00%
5LT0	870645	Motor Carrier Enforcement	\$ 0	\$ 5,416,874	\$ 4,768,453	-11.97%	\$ 4,709,592	-1.23%
6380	870611	Biofuels/Municipal Waste Technology	\$ 554	\$ 0	\$ 0	N/A	\$ 0	N/A
6610	870612	Hazardous Materials Transportation	\$ 869,902	\$ 0	\$ 0	N/A	\$ 0	N/A

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency	FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
PUC Public Utilities Commission of Ohio						
State Special Revenue Fund Group Total	\$ 3,434,236	\$ 10,982,897	\$ 9,549,062	-13.06%	\$ 9,500,201	-0.51%
Public Utilities Commission of Ohio Total	\$ 82,695,310	\$ 92,713,767	\$ 71,646,302	-22.72%	\$ 53,254,528	-25.67%