

Issues with #21 and #22, Interim Finance Committee Agenda Item F, 8-24-2017—Fred Voltz

1. Public Utilities Commission (PUCN) Budget Presentation to the 79<sup>th</sup> Legislature's Joint Finance Committee reflects a proposed \$20,300,000 in Personnel Services for the 2018-2019 Biennium. (Attachment #1)
2. PUCN June 14, 2017 Mill Tax Calculation and Commission approval for FY 2018 shows a \$2,234,451 increase in Personnel Services to \$11,621,385, or 24.1% from FY 2017 Actuals with no support materials. (Attachment #2)
3. Responses to FOIA records requests made to the PUCN on June 30, 2017 and again on August 14, 2017 indicate no readily-available documentation for the \$2,234,451 Personnel Services increase from FY 2017 to FY 2018. (Attachment #3)
4. Five-Year PUCN Projections submitted in Volume I of today's support materials show total Personnel Services for the 2018-2019 Biennium of \$22,789,794 vs. \$18,733,035 for the 2016-17 Biennium, or a 21.7% /\$4,056,759 increase. (Attachment #4)

Disconnect #1: An unexplained change between the original PUCN budget presentation to the 79<sup>th</sup> Legislature's Joint Finance Committee of \$20,300,000 for Personnel Services in the 2018-2019 Biennium and \$22,789,794 in today's submission represents a combined total discrepancy of \$2.49 million.

Disconnect #2: The Personnel Services' increases submitted with today's support materials justify only \$1,691,601 from FY 2017 to FY 2018 because of three pieces of legislation, but the PUCN's June 14, 2017 Mill Tax Calculation reflects Personnel Services' increases of \$2,234,451, or a discrepancy of \$542,850.

Disconnect #3: FY 2018 Personnel Services show up as \$10,992,846 on the Five-Year Personnel Services Projection submitted today vs. the June 14, 2017 Mill Tax Calculation of \$11,521,385, reflecting an unexplained variance of \$528,539.

5. Mill tax increases of 15.8% (2.35 to 2.71 mills) for FY 2018 and another 22.9% (2.71 to 3.33 mills) for FY 2019, with no provision for any increase in Personnel Services expenses in FY 2020 or FY 2021, not even potentially mandated COLA increases. The cumulative, two-year mill tax increase is 41.7% over FY 2017 levels. Sales taxes and property taxes are not increasing at these rates.

### Defective Underlying Rationales for Increases

Three pieces of legislation passed by the 79<sup>th</sup> Legislature (SB 145, SB 146 and SB 150) allegedly justify a permanent increase of 7 FTEs.

- A. SB 145—Takes existing energy efficiency program templates and adds a limited, five-year stipend of \$1 million annually targeted toward low-income Nevadans, plus continued electric vehicle-related subsidies already administered by the Governor’s Office of Energy. The regulatory construct does not need to be reinvented.
- B. SB 146—Distributed Resource Plans are created by utility companies and only reviewed by the Commission. This legislation gives the Commission longer to respond at critical junctures of the review process.
- C. SB 150—Energy Savings Programs and Targets—Regulated utilities create and propose programs for review and approval by the PUCN. It is the utility companies, not the Commission, which have the significant work burden, as with SB 146.

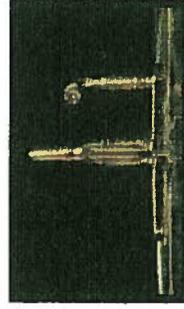
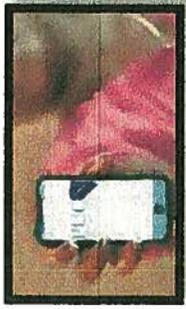
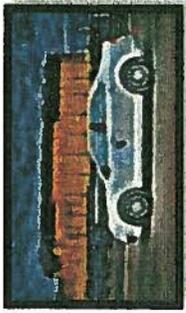
### Lack of Proactive Management at the Commission

Instead of reviewing its internal policies, procedures and practices for efficiencies and reforms before seeking new staff, the PUCN has done nothing visible in this regard since its current Executive Director arrived two years ago this month and the Chairman arrived 10 months ago.

As a few examples of the indifferent management, the public has given the PUCN guidance and solutions in three areas, which have been dismissively ignored:

- a. Pass review and approval of mobile home park trust fund distributions for utility system repairs to the Real Estate Division of Business and Industry responsible for every other aspect of mobile home oversight.
- b. Train appropriate PUCN financial staff in Depreciation calculations rather than repetitively hiring expensive outside consultants for each general rate case to do this routine work.
- c. Employ all available recruiting resources for securing railroad car safety inspectors which do not involve new expense rather than only posting positions on the state web site and hoping someone remotely qualified might see it and apply, then rationalizing the Commission “can’t find anyone” when no viable candidates surface.

# Public Utilities Commission



## 2017-2019 Biennium Budget Request (FY 18-19) Budget Account 3920

Joseph C. Reynolds, Chairman  
Paul A. Thomsen, Commissioner  
Ann C. Pongracz, Commissioner  
Stephanie Mullen, Executive Director

ATTACHMENT  
#1

# Public Utilities Commission

## EXPENDITURES:

- Personnel Services
  - \$20.3 million for the biennium ✓
  - **Budget Amendment to Personnel Services**
- Out-of-State Travel
  - \$48,404 for the biennium
- In-State Travel
  - \$326,900 for the biennium
- Operating
  - \$2.4 million for the biennium



BRIAN SANDOVAL  
Governor

STATE OF NEVADA

PUBLIC UTILITIES COMMISSION

#2

JOSEPH C. REYNOLDS  
Chairman

ANN C. PONGRACZ  
Commissioner

STEPHANIE MULLEN  
Executive Director

MEMORANDUM

DATE: June 14, 2017  
TO: Members of the Commission *SM*  
FROM: Stephanie Mullen, Executive Director  
SUBJECT: Annual Assessment – Fiscal Year 2018

RECEIVED  
PUBLIC UTILITIES COMMISSION  
OF NEVADA CARSON CITY  
2017 JUN -9 PM 2:15

I am recommending the Commission increase the annual assessment ("mill assessment") from 2.34 to 2.71 for fiscal year 2018, which may have an anticipated total ratepayer impact, across all combined utility services, of approximately five cents per customer per month, for the reasons set forth below.

+ 15.8%

By way of background, the PUCN's budget is funded primarily through the mill assessment levied on utilities and other service providers. Pursuant to NRS 704.033, the PUCN is required to provide notice of the mill assessment to the assessed entities by June 15th of each year for the following fiscal year. The statutory maximum assessment for the PUCN is 3.5 mills.

I am recommending increasing the mill assessment for the following reasons: 1) this Legislative session produced a large number of new laws that will affect the PUCN, and the PUCN needs adequate staffing resources to carry out the new legislative mandates; 2) an increase in PUCN personnel requires an increase in the PUCN's funding; and 3) the utilities assessable gross intrastate revenues from last fiscal year were lower than projected due to low fuel and purchased power costs and declining telecom revenues.

The PUCN is looking forward to carrying out legislative policies and mandates. The Legislature has tasked the PUCN with new and expanded directives for Nevada's energy future. To carry out these new directives, the PUCN is required to expand its staffing. Along with more staff comes a required increased reserve amount to ensure proper funding for the agency. The PUCN's optimal reserve range has increased for the upcoming fiscal year and will now be between \$2.9 and \$3.4 million. The PUCN's projected fiscal year-end 2017 reserve balance is \$3.7 million.

Included in this informational packet is the supporting documentation for the recommended mill assessment. Attachment A is a spreadsheet showing the projected revenues, expenditures, and reserve balance projected to the end of fiscal year 2017, as well as the legislatively approved budget amounts for fiscal year 2018.

I am available to respond to questions the Commission may have regarding this recommendation. Thank you for your consideration.

**Attachments**

**PUBLIC UTILITIES COMMISSION 224-3920**  
**Fiscal Year 2018 Financial Information**  
**Recommendation for Setting Annual Assessment**

		<b>Projected Actuals FY 2017</b>	<b>Legislatively Approved * FY 2018</b>
<b><u>REVENUES</u></b>			
2511	Balance Forward from Previous FY	\$3,725,558	\$3,764,322
2512	Balance Forward to Next FY	-	-
2520	Fed Funds from Previous Year Pipeline	49,163	-
2521	Fed Funds to Next Year Pipeline	-	-
3305	Assessment for Universal Energy Charge	44,203	60,369
3315	Regulatory Assessment	9,925,903	10,258,706 <sup>(1)</sup>
3420	Federal Gas Pipeline Safety	675,343	573,953
3716	Inspection Fees - Rail Assessment	345,641	390,590
3717	Application Fees	17,500	20,270
3818	Photocopy Services	10	1,817
3853	Returned Check Fees	-	-
4252	Excess Property Sales	21,949 <sup>(2)</sup>	-
4254	Miscellaneous Revenue	1,857	948
4355	Reimbursement of Expense	-	-
4673	Transfer from EPA	178,755	181,082
<b>TOTAL REVENUES</b>		<b><u>\$ 14,985,882</u></b>	<b><u>\$ 15,252,057</u></b>
<b><u>EXPENDITURES</u></b>			
01	Personnel Services	\$ 9,286,934	\$ 11,521,385
02	Out-of-State Travel	32,480	24,202
03	In-State Travel	175,468	165,898
04	Operating Expenses	1,281,624	1,176,120
05	Equipment	-	-
09	Expert Consultants	59,782	187,500
10	Out-of-State Audits	-	-
16	Vehicle Operation	-	-
26	Information Services	225,423	273,538
30	Training	105,053	101,604
86	Reserve	3,764,322	1,740,163
87	Purchasing Assessment	3,165	5,680
88	Statewide Cost Allocation	51,478	55,967
89	Attorney General Cost Allocation	153	-
<b>SubTotal Expenditures (including Reserve)</b>		<b><u>\$ 14,985,882</u></b>	<b><u>\$ 15,252,057</u></b>
<b>LESS RESERVE</b>		<b><u>\$ (3,764,322)</u></b>	<b><u>\$ (1,740,163)</u></b>
<b>TOTAL EXPENDITURES</b>		<b><u>\$ 11,221,560</u></b>	<b><u>\$ 13,511,894</u></b>
<b>Total Revenues less Total Expenditures (Balance Forward to Next Fiscal Year)</b>		<b><u>\$ 3,764,322</u></b>	<b><u>\$ 1,740,163</u></b>

+2,234,  
451,  
+24.1%

\* FY 2018 Balance Forward and Reserve adjusted for projected higher FY 2017 Balance Forward  
 FY 2018 Regulatory Assessment Revenues and Reserve adjusted for assessment rate at 2.71 mills  
 FY 2018 Regulatory Assessment for Bureau of Consumer Protection assessment rate set at .50 mills

<sup>(1)</sup> Revenue included in Legislatively Approved budget for FY 2018 and FY 2019 is \$10,258,941

<sup>(2)</sup> Excess Property Sales for surplus agency vehicles



BRIAN SANDOVAL  
Governor

STATE OF NEVADA  
PUBLIC UTILITIES COMMISSION

JOSEPH C. REYNOLDS  
Chairman

ANN C. PONGRACZ  
Commissioner

STEPHANIE MULLEN  
Executive Director

August 9, 2017

ATTACHMENT  
#3

Attn: Mr. Fred Voltz  
Zebedee\_177@yahoo.com

Re: Records Requests – Relating to information regarding Commission FTE additions and the Commission Administrative Fines Report

Dear Mr. Voltz:

Chapter 239 of the Nevada Revised Statutes (“NRS”), specifically NRS 239.0107(1), requires a governmental entity to respond to public records requests within five business days. On July 6, 2017, the Public Utilities Commission of Nevada (“Commission”) responded to your June 30, 2017, requests for the following:

- 1) “Documents that lay out the number of PUCN FTE additions by job title, projected start date in FY 2018 and projected base salaries represented in Stephanie Mullen’s \$2,234,451 increase in Personnel Services between Projected FY 2017 Actuals and the Legislatively Approved FY 2018 amounts in her June 14, 2017 Annual Assessment-Fiscal Year 2018 memo”
- 2) The “6-30-2017 PUCN Administrative Fines Report generated by Stephanie Mullen and her subordinates.”

In the Commission’s July 6 response, you were informed that the Commission would endeavor to make the requested records available prior to August 11, 2017, by 5:00 p.m. In accordance with the letter, please find the attached records responsive to your requests.

If you have any questions, please contact me at (775) 684-6152.

Sincerely,

Daniel Haggarty  
Administrative Attorney  
Public Utilities Commission of Nevada

State of Nevada

NV <sup>NV</sup> Agencies Jobs About Nevada

# Public Utilities Commission

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About

Thank you Fred Voltz. Your request for public records has been forwarded to the PUCN's [Records Official](#). The details of your request are below, including the date and time of your submission. Please print a copy for your records. You have also been emailed a copy of your request. Please allow 5 business days for a response from the [Records Official](#).

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**Requestor Name:** Fred Voltz  
**Organization:**  
**Address:** 1805 N. Carson St., #231  
**City, State, ZIP:** Carson City NV 89701  
**Phone:** 7752973651  
**Fax:**  
**Email:** zebedee\_177@yahoo.com  
**Type of Record Requested:** Other  
**Description of Requested Record:**

The PUCN's August 9, 2017 response to my record request of June 30, 2017 is incomplete.

Item #1 requested an accounting of \$2,234,451 of Personnel Services increases from FY 2017 to FY 2018, per the PUCN Executive Director's Attachment A to her June 14, 2017 Annual Assessment Memo for Fiscal Year 2018, date stamped June 9, 2017 in the PUCN's Secretary's office.

[Employment Opportunities](#)

In summarizing what was sent, the new FY 2018 increases represent only \$751,298, not the \$2,234,451 increase indicated in Attachment A. Thus, \$1,483,153 of increases for FY 2018 have not been accounted for yet.

[Media & Outreach](#)

[Merit Award Program](#)

Please provide the complete documentation for the \$2,234,451 Personnel Services increase approved by the PUCN Commission for FY 2018.

[Reports](#)

**Delivery Format:** Email (if format allows)  
**FedEx Number:**  
**Statement of Understanding:** true  
**Form Submittal Date & Time:** 8/14/2017 4:47:00 PM

239.0107(1)(c)(2) requires that if the Commission has custody of a requested record but is unable to make the public record available by the end of the fifth business day after the date on which the request was received, the Commission may provide notice in writing of the date and time after which the record will be available. The Commission hereby notifies you that it may possess records responsive to your request since your last public records request of June 30, 2017. The Commission provided you with all records responsive to your June 30, 2017 request, but may possess records after the date of your last request for your current records request. Additional time is necessary to identify and review the requested records as the Commission currently faces a strain on resources due to workload and staffing issues. Therefore, the Commission now notifies you that the records responsive to your request, if any, will be made available to you by October 2, 2017, at 5:00 p.m. If the requested records are not made available to you by October 2, 2017, at 5:00 p.m., you may inquire regarding the status of your request.

If you have any questions, please contact me at (775) 684-6152.

Sincerely,



**Daniel Haggarty**  
Administrative Attorney  
Public Utilities Commission of Nevada

ATTACHMENT #4

PUBLIC UTILITIES COMMISSION 224-3920  
5 Year Projections

	Actuals FY 2016	Projected Actuals FY 2017	Projected Budget FY 2018	Projected Budget FY 2019	Projected Budget FY 2020	Projected Budget FY 2021
<b>REVENUES</b>						
2511 Balance Forward from Previous FY	3,818,624	3,725,558		2,226,623	2,254,915	2,293,122
2512 Balance Forward to Next FY	47,831	49,163				
2520 Fed Funds from Previous Year Pipeline						
2521 Fed Funds to Next Year Pipeline	42,410	44,203	60,369	62,210	62,210	62,210
3305 Assessment for Universal Energy Charge	10,135,176	9,925,903	10,258,706	12,605,716	12,605,716	12,605,716
3315 Regulatory Assessment						
3401 PUC Electricity Regulator-ARRA						
3420 Federal Gas Pipeline Safety	604,695	678,919	573,953	574,468	574,468	574,468
3716 Inspection Fees - Rail Assessment	324,666	345,641	390,590	391,125	391,125	391,125
3717 Application Fees	20,270	17,670	20,270	20,270	20,270	20,270
3818 Photocopy Services	1,817	9	1,817	1,817	1,817	1,817
3853 Returned Check Fees						
4203 PY Refunds						
4252 Excess Property Sales		21,949				
4355 Reimbursement of Expense		0				
4254 Misc Revenue	948	1,857	948	948	948	948
4673 Transfer from EPA	181,082	178,755	181,082	181,082	181,082	181,082
<b>Total Revenues</b>	<b>\$ 15,177,519</b>	<b>\$ 14,989,627</b>	<b>\$ 15,254,088</b>	<b>\$ 16,064,259</b>	<b>\$ 16,092,551</b>	<b>\$ 16,130,758</b>
<b>EXPENDITURES</b>						
01 Personnel Services	9,439,662	9,293,373	10,992,846	11,796,948	11,796,948	11,796,948
01 Personnel Services-ARRA Grant Funded						
02 Out-of-State Travel	24,202	30,455	24,202	24,202	24,202	24,202
03 In-State Travel	162,597	171,086	165,898	161,002	165,898	165,898
04 Operating Expenses	1,224,842	1,287,287	1,176,821	1,187,273	1,176,821	1,176,821
05 Equipment			25,704			
09 Expert Consultants	73,360	59,782	187,500	187,500	187,500	187,500
10 Out-of-State Audits						
11 PUC Electricity Regulator-ARRA						
16 Vehicle Operation	4,806					
26 Information Services	268,774	228,409	282,243	277,117	272,758	272,758
30 Training	101,604	98,086	110,604	110,604	110,604	110,604
86 Reserve	3,774,720	3,766,353	2,226,623	2,254,915	2,293,122	2,331,329
87 Purchasing Assessment	2,161	3,165	5,680	8,732	8,732	8,732
88 Statewide Cost Recovery Plan	98,747	51,478	55,967	55,967	55,967	55,967
89 AG Cost Allocation Plan	2,044	153				
<b>Total Expenditures</b>	<b>\$ 15,177,519</b>	<b>\$ 14,989,627</b>	<b>\$ 15,254,088</b>	<b>\$ 16,064,260</b>	<b>\$ 16,092,552</b>	<b>\$ 16,130,759</b>
<b>REVENUES</b>	<b>\$ 15,177,519</b>	<b>\$ 14,989,627</b>	<b>\$ 15,254,088</b>	<b>\$ 16,064,259</b>	<b>\$ 16,092,551</b>	<b>\$ 16,130,758</b>

= 22,789,794

→ 18,733,035

21.11 ✓

301  
VOLUME  
I