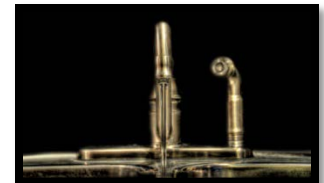
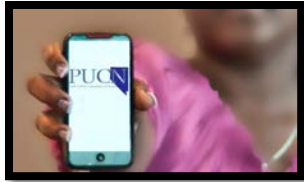


# Public Utilities Commission



Senate Bill 46  
Senate Finance  
May 8, 2015

Crystal Jackson, Executive Director  
Lina Tanner, General Counsel

# ABOUT THE PUCN

## ▶ Statutory Authority

NRS 703–705, 701B, 704A, 704B, 707–7

Regulates public companies engaged in electric, natural gas, telephone, water and wastewater services; gas and electric “master meter” service at mobile home parks; some propane systems; and is involved in monitoring gas pipeline and railroad safety.

- Does not receive general fund money or compete for general fund dollars;
- Funded through fees paid by regulated utilities.
  - Annual assessment is set by the PUCN in an open and public meeting;
  - Assessment is capped in statute, cannot exceed without legislative change.

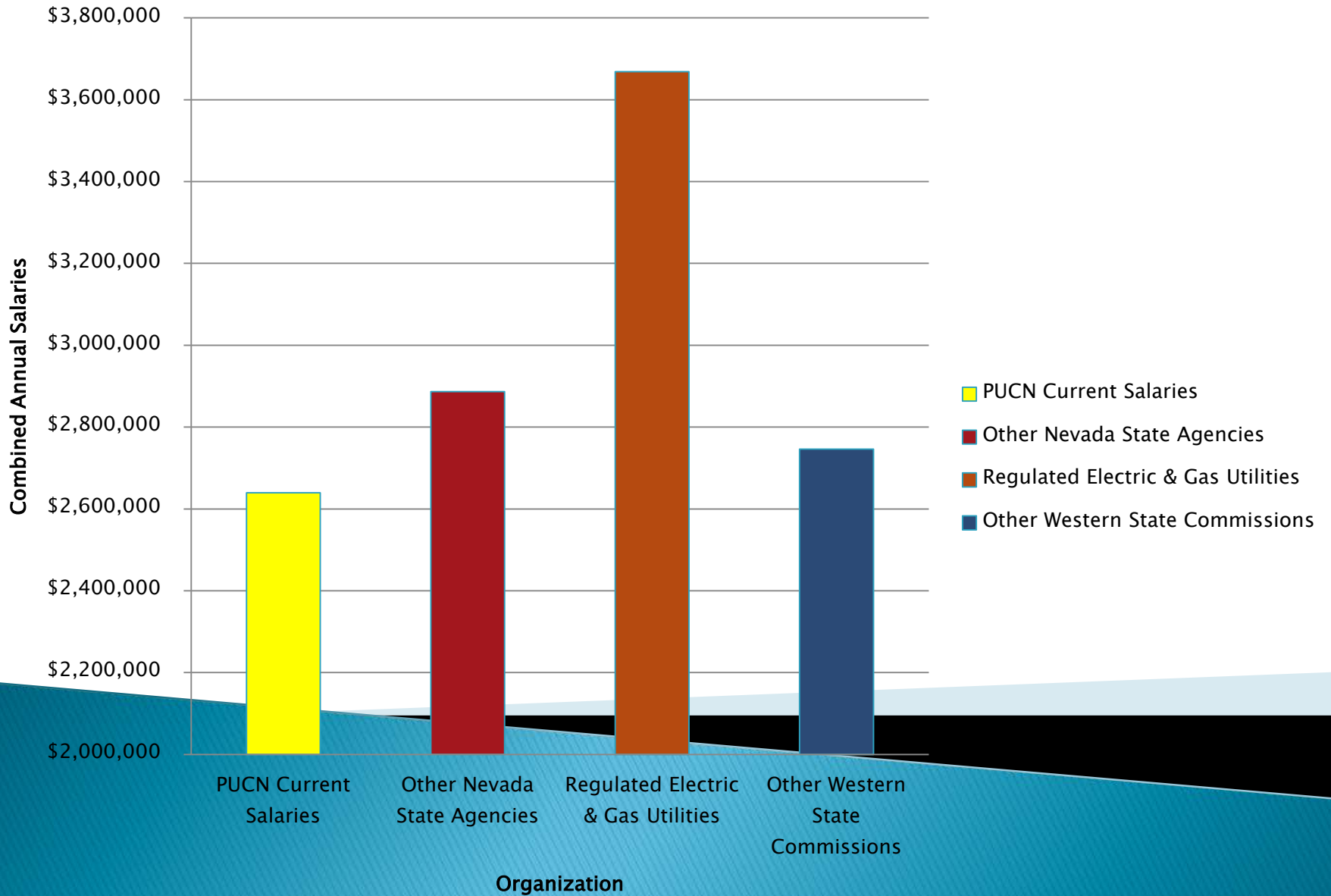
# ABOUT THE PUCN

- ▶ Unique agency
- ▶ Decisions made by the PUCN affect:
  - Millions of consumers;
  - Billions of investor and ratepayer dollars;
  - Local and regional economies;
  - Air, land, and water resources;
  - Public safety and reliability of utility service.
- ▶ Statutory deadline driven agency:
  - Highly capable and credible personnel are essential when litigating time-sensitive cases;
  - Filings deemed approved if deadlines are not met.
- ▶ Quasi-Judicial:
  - Decisions binding on all parties;
  - Must have expert credible witnesses and ability to find appropriate disallowances;
  - PUCN employees saved ratepayers over \$375 million in the last three years.

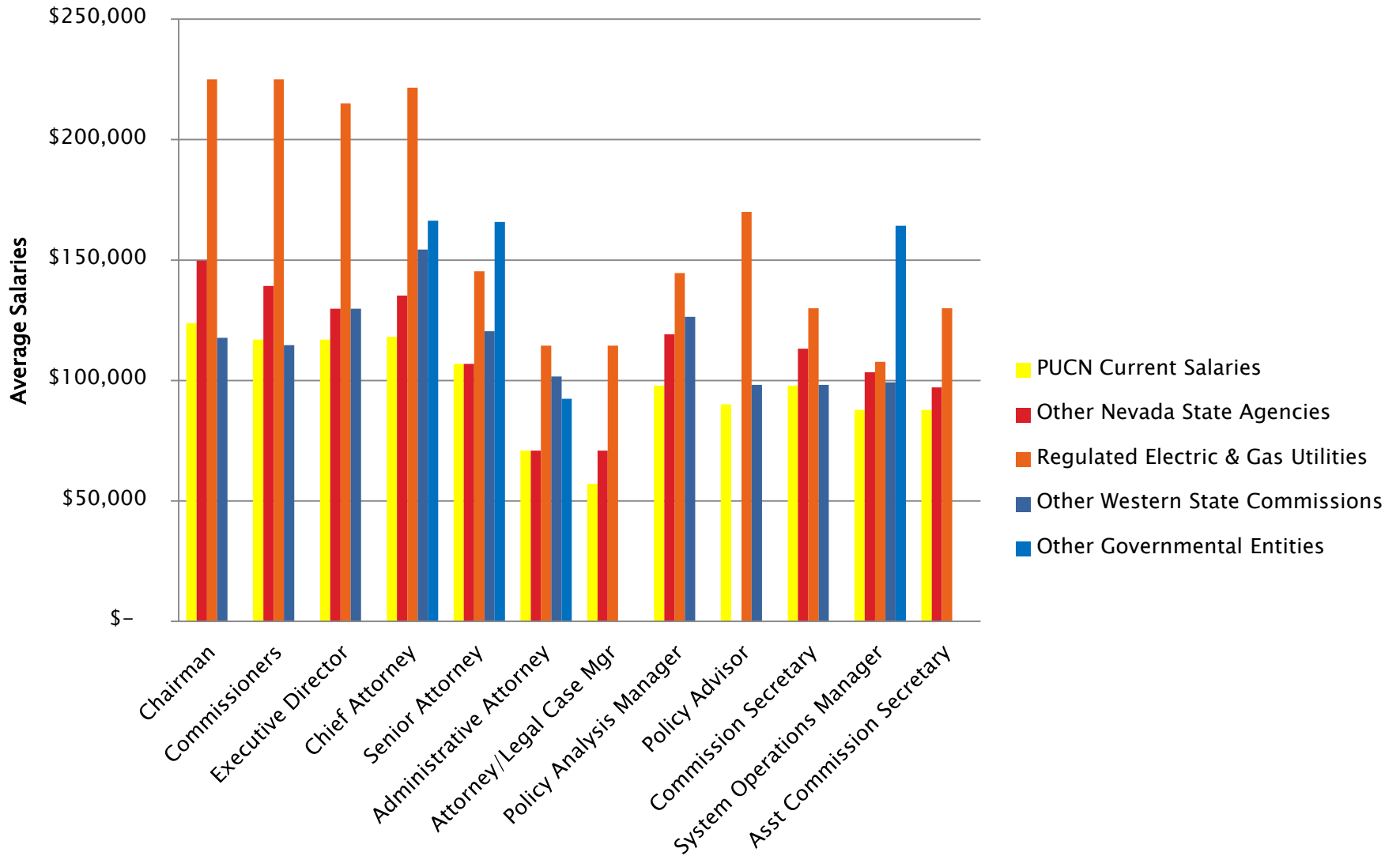
# PROBLEM

- Current PUCN structure is static and reactive:
  - Requires flexibility as industry and technology changes occur.
    - Industry change is certain;
    - Staff structure is currently fixed.
- Difficulty recruiting, hiring and retaining employees:
  - Lost 23 of 64 (36%) Regulatory and Safety personnel in last 5 years to better paying positions;
  - Lost 12 of 32 (38%) support staff in last 5 years to better paying positions;
- Conducted salary survey in November, 2013.
  - Solicited data from:
    - Other Nevada State Agencies;
    - Regulated Utilities;
    - Western State Utility Commissions;
    - Governmental Entities.

# PUCN Salary Survey Data For Surveyed Positions



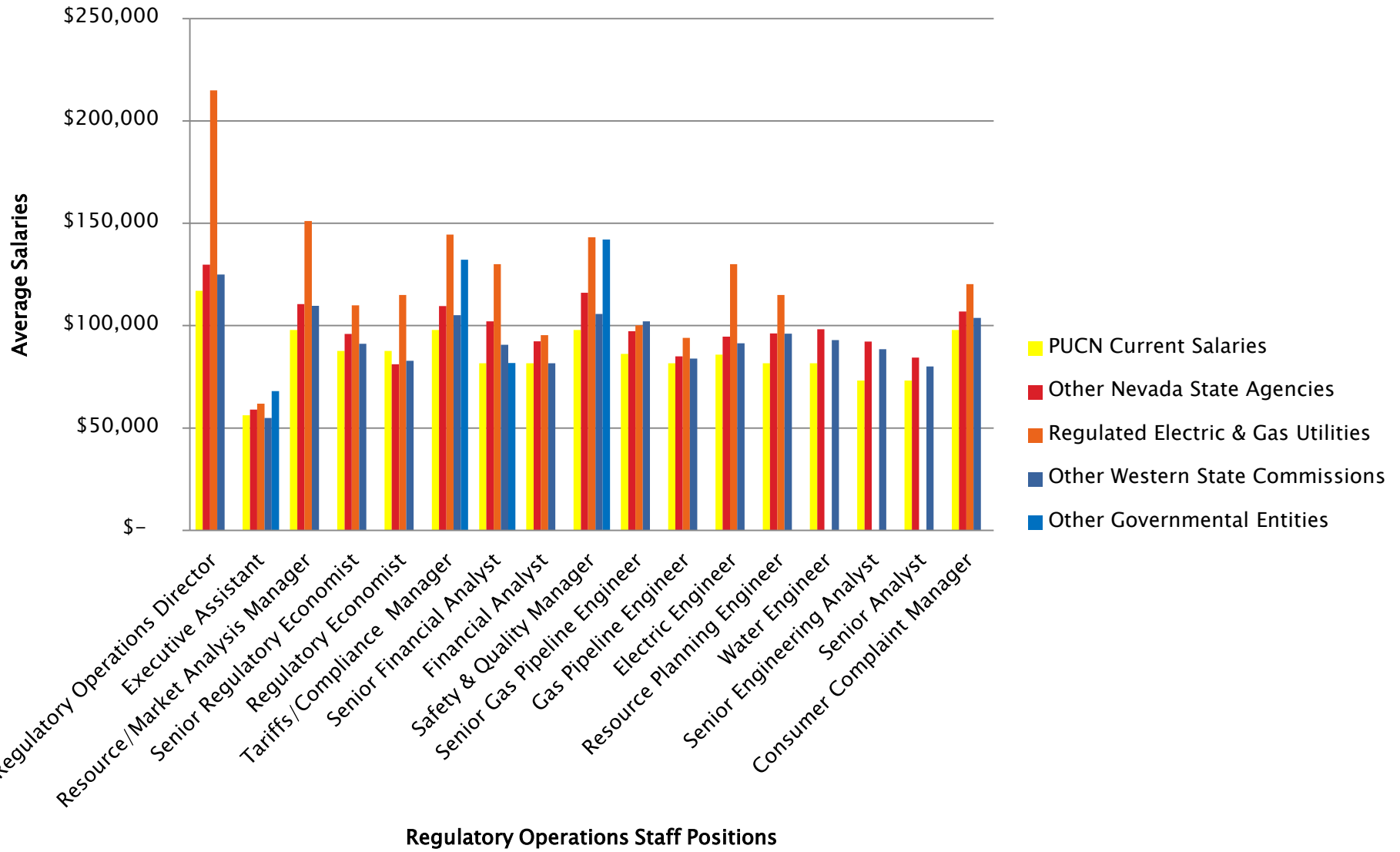
# Commission, Policy, & Attorney Salary Survey Data



## Commission, Policy, & Attorney Positions

- (1) Data from Nevada State Agencies, Regulated Electric & Gas Utilities, Western State Commissions, City and County Government.
- (2) Governmental entities attorney position salaries obtained from Transparent Nevada website.

# Regulatory Operations Staff Salary Survey Data



(1) Data from Nevada State Agencies, Regulated Electric & Gas Utilities, Western State Commissions, other Governmental entities.

# EXEMPTION FROM STATE BUDGET ACT

- Ensures adequate resources are available to the PUCN in performing its functions and duties;
- Budget will continue to be approved by the PUCN in an open and public meeting;
- Budget will continue to be reviewed by LCB fiscal staff and approved by the Legislature;
- Budget will be provided to the State Budget office to make technical adjustments such as cost allocation adjustments.



# EXEMPTION FROM STATE BUDGET ACT

- PUCN will work with State Budget office to develop a memorandum of understanding to identify agency relationships and responsibilities.
  - LCB Fiscal will be provided a copy.
- Budget will still be submitted through NEBS and submitted as part of the Governor's Executive Budget .
- PUCN will continue to use existing State systems (i.e. NEBS, DAWN, Advantage, etc.)
  - PUCN will continue to maintain reserve range as agreed by State Budget office and LCB Fiscal.

# EXEMPTION FROM STATE BUDGET ACT

- IFC approval is still required.
  - Any increases to Category 01 “Personnel Services” must be approved by IFC or through biennium budget request.
    - Salary adjustments may not be made as a result of FY salary savings.
  - Increases to any other category which increases expenses by 10% or \$75,000, whichever is less, must be approved.

# CHANGE CLASSIFIED AND UNCLASSIFIED EMPLOYEES TO NONCLASSIFIED

- Classified employees would no longer be governed by NAC Chapter 284.
  - All employees considered “at will”;
  - PUCN will adopt a compensation plan in an open and public meeting;
  - Classified employees will remain in classified service for one year during the re-employment right period.
    - A classified employee can opt to waive their right to the one year of classified service;
    - Should a classified position become vacant during the one year, it would be declared nonclassified.

# EXEMPTION FROM STATUTORY PAY CAP

- NRS 281.123 states that the salary of a person employed by the state or any agency of the State must not exceed 95 percent of the salary for the office of Governor during the same period.
  - Asking for the authority to provide the PUCN with greater flexibility to structure employee compensation;
  - Ability to compete for highly educated and experienced staff with unique specialized expertise;
  - Salary adjustments would be made over time within the limits of the legislatively approved Category 01 “Personnel Services” allotment.

# CONCLUSION

- Utility customers already pay for utilities personnel, it only makes sense that these customers also pay for objective, well educated, trained and knowledgeable staff who can investigate, evaluate and judge utility performance.
- Benefits people outside of the PUCN
  - Quality, competent, experienced employees directly benefit customers/ratepayers and regulated utilities;
  - Quality of PUCN decisions depends on the quality of the evidentiary record.
    - The record depends on the quality of expert witnesses and attorneys who prepare and cross-examine them.