

Redbook

LBO Analysis of Executive Budget Proposal

Public Utilities Commission of Ohio

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Attachments:

- Catalog of Budget Line Items (COBLI)
- Appropriation Spreadsheet

LBO Redbook

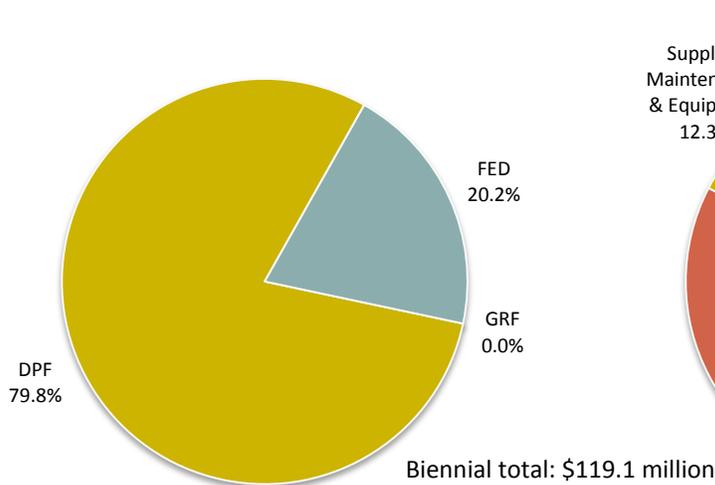
Public Utilities Commission of Ohio

Quick look...

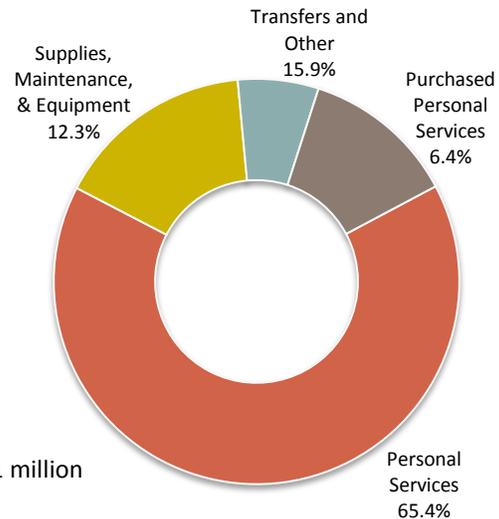
- Since the agency’s inception in 1911, the Public Utilities Commission of Ohio (PUCO) exists as the regulator for all kinds of utility services.
- PUCO is a self-supporting agency with no GRF appropriation. The agency’s funding is derived through assessments to utilities, fees generated by interstate and intrastate motor carrier registrations, and federal assistance.
- PUCO has funding for 343 employee positions, inclusive of the five appointed commissioners.
- The executive budget recommends \$59.1 million for FY 2020 and \$60.0 million for FY 2021.
 - Recommended funding is higher for personal services and purchased personal services expenditures in the upcoming biennium. Anticipated expenditures in all other expense categories are lower.
 - There are no proposed fee changes for the FY 2020-FY 2021 biennium.

Fund Group	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Dedicated Purpose	\$41,318,623	\$46,661,637	\$47,098,029	\$47,972,836
Federal	\$9,902,629	\$13,305,855	\$12,006,042	\$12,006,042
Total	\$51,221,252	\$59,967,492	\$59,104,071	\$59,978,878
% change	5.6%	17.1%	-1.4%	1.5%

**Chart 1: PUCO Budget by Fund Group
FY 2020-FY 2021 Biennium**



**Chart 2: PUCO Budget by Expense Category
FY 2020-FY 2021 Biennium**



Overview

Agency overview

The Public Utilities Commission of Ohio (PUCO) regulates providers of utility services, including electric and natural gas companies, local and long distance telephone companies, water and wastewater companies, and rail and trucking companies. PUCO is a quasi-judicial body that was created to assure Ohioans adequate, safe and reliable public utility services at a fair price. More recently, PUCO gained responsibility for facilitating competitive utility choices for Ohio consumers.

PUCO's oversight of regulated utilities affects every Ohioan, from families to businesses, small and large. According to the agency, the budget proposal continues to build on its goals of better serving Ohioans and other agency stakeholders through more user-friendly technologies for doing business with PUCO. The Ohio Power Siting Board (OPSB), which is funded by PUCO, reviews and approves new electric generation and transmission facilities in the state.

PUCO continues to regulate and establish rates for investor-owned and noncompetitive utility services. The agency decides matters ranging from rate cases to service complaints. PUCO also serves as the lead agency for the Motor Carrier Safety Assistance Program and in this capacity partners with the Ohio State Highway Patrol to ensure that commercial motor vehicles are safely traveling throughout Ohio. PUCO supports the monitoring, registration, and certification of nearly 7,300 intrastate carriers, 2,500 hazardous materials carriers, over 5,700 rail grade crossings, and more than 1,000 power, utility, and telecommunications companies each year. PUCO assists with disputes between several thousand residential, business, and industrial customers, and utilities or competitive suppliers annually. PUCO's call center representatives work with the consumer and the utility company to help mediate and resolve the claim or issue.

Appropriation summary

FY 2020 recommended funding for PUCO, totaling \$59.1 million, is \$0.9 million (1.4%) less than FY 2019 estimated spending. Recommended state-funded appropriations would grow by \$0.4 million (0.9%); the decrease in overall funding is due to a decrease in a federally funded line item. Recommended total funding in FY 2021, \$60.0 million, is \$0.9 million (1.5%) higher than the FY 2020 recommended total, with all of the funding increase recommended in the state-funded line items.

The table and Chart 1 shown in the “**Quick look**” section present the executive recommended appropriations by fund group. Chart 2 in the “**Quick look**” section shows the executive recommended appropriations by object of expense.

Staffing levels

PUCO is governed by five commissioners, including the chairperson, who are appointed by the Governor for five-year terms. The Commission has funding for a total of 343 positions, as shown in the staffing table below. Staff members include individuals from a variety of

professional backgrounds such as accountants, auditors, inspectors, engineers, economists, investigators, and attorneys.

Table 1. Public Utilities Commission Staffing Levels (FTE)				
Key Area	FY 2018 Actual	FY 2019 Estimates	FY 2020 Estimates	FY 2021 Estimates
Safety and Service	152	174	174	178
Registration and Certification	47	54	53	55
Tariff and Economic	93	107	107	110
Vacant	30	8	9	0
Total	322	343	343	343

Analysis of FY 2020-FY 2021 budget proposal

Introduction

This section provides an analysis of the Governor's recommended funding for each appropriation line item (ALI) in PUCO's budget. For organizational purposes, these ALIs are grouped into two major categories based on their funding purposes. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:8 will appear before the analysis for an ALI with a category designation of C2:1 and the analysis for an ALI with a category designation of C1:3 will appear before the analysis for an ALI with a category designation of C1:8.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the PUCO section of the budget bill.

In the analysis, each appropriation item's estimated expenditures for FY 2019 and recommended appropriations for FY 2020 and FY 2021 are listed in a table. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. If the appropriation is earmarked, the earmarks are listed and described.

Categorization of PUCO's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget Proposal				
Fund	ALI	ALI Name		Category
Dedicated Purpose 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
5F60	870622	Utility and Railroad Regulation	1	Utility Regulation
5F60	870624	NARUC/NRRI Subsidy	1	Utility Regulation
5LT0	870640	Intrastate Registration	2	Transportation Regulation
5LT0	870641	Unified Carrier Registration	2	Transportation Regulation
5LT0	870643	Non-hazardous Materials Civil Forfeiture	2	Transportation Regulation
5LT0	870644	Hazardous Materials Civil Forfeiture	2	Transportation Regulation
5LT0	870645	Motor Carrier Enforcement	2	Transportation Regulation
5Q50	870626	Telecommunications Relay Service	1	Utility Regulation
5QR0	870646	Underground Facilities Protection	1	Utility Regulation
5QS0	870647	Underground Facilities Administration	1	Utility Regulation
Federal Fund Group				
3330	870601	Gas Pipeline Safety	1	Utility Regulation
3500	870608	Motor Carrier Safety	2	Transportation Regulation

Categorization of PUCO's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget Proposal

Fund	ALI	ALI Name	Category
3500	870648	Motor Carrier Administration High Priority Grants and Cooperative Agreements	2 Transportation Regulation
3V30	870604	Commercial Vehicle Information Systems/Network	2 Transportation Regulation

Category 1: Utility Regulation

PUCO regulates various types of utilities, and this category details the agency's role in electricity, gas, telephone, water, and sewer services.

C1:1: Gas Pipeline Safety (ALIs 870617 and 870601)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
4L80 ALI 870617, Pipeline Safety – State	\$346,253	\$346,253	\$346,253
% change	--	0.0%	0.0%
3330 ALI 870601, Gas Pipeline Safety	\$1,397,959	\$1,397,959	\$1,397,959
% change	--	0.0%	0.0%

These two items are used to administer the pipeline safety code for all gas and natural gas pipeline operators in the state. These state and federal sources finance PUCO's duties and responsibilities related to pipeline inspection. PUCO is the state agency certified by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) to enforce federal safety standards of intrastate natural gas pipeline facilities. PHMSA administers a grant program for conducting inspections, audits, and training programs. PUCO has 10 pipeline inspectors to enforce pipeline safety and respond to emergencies. The federal government reimburses up to 80% of the costs of operating this program.

PUCO matches the grant from DPF item 870617 with revenue derived from an assessment on gas pipeline operators. The assessment is based on the state appropriation amount, and each operator pays an amount in proportion to their gas supplied or delivered in this state during the preceding calendar year. The assessment paid by each operator is the greater of \$75.00 or \$0.0005 per thousand cubic feet of gas supplied or delivered.

C1:2: Power Siting Board (ALI 870606)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5610 ALI 870606, Power Siting Board	\$1,078,185	\$1,095,185	\$1,095,185
% change	--	1.6%	0.0%

This item is used by the Ohio Power Siting Board (OPSB) to evaluate submitted applications for the construction of major utility facilities pertaining to electric generation, electric substations, and electric or gas transmission lines.

OPSB must approve, disapprove, or “modify and approve” applications for a certificate of environmental compatibility and public need. These certificates are necessary before an entity begins construction of larger electric utility facilities, inclusive of economically significant wind farms, as well as certain electric transmission lines and gas pipelines. Separately, the OPSB processes both “letters of notification” and “construction notices” using an accelerated application process, but these methods are generally reserved for smaller projects.

Revenues in support of this ALI are received from application fees or from amounts billed to applicants for OPSB expenses incurred during the course of their evaluation. The construction of facilities is a market driven decision, so the Board is unsure about the number of filings that will occur in a given year. The number of applications, as well as the complexity of the cases, varies from year to year. However, activity increased in the most recently completed year, FY 2018, so the FY 2020-FY 2021 recommended funding was adjusted upward to align with this trend.

C1:3: Utility and Railroad Regulation (ALI 870622)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5F60 ALI 870622, Utility and Railroad Regulation	\$32,696,155	\$34,582,560	\$35,415,760
% change	--	5.8%	2.4%

This line item covers the broadest set of PUCO’s responsibilities and represents the largest source for agency payroll. Nearly 83% of this item is planned for personnel-related expenditures over the FY 2020-FY 2021 biennium.

PUCO regulates investor-owned telephone, electric, gas, water, and sewer utilities. This item is funded by PUCO’s primary revenue source, the Public Utilities Fund (Fund 5F60). All regulated utilities pay an assessment based on their intrastate revenues. The total amount of assessments collected is equivalent to the appropriations from Fund 5F60.

The Revised Code established Fund 5F60 for the sole purpose of maintaining and administering the duties of the Commission. The principal duties of PUCO are registering and certifying utilities to operate in the state while monitoring and analyzing the quality and reliability of service provided to consumers. The agency reviews and tracks the utility markets and sets rates for some services. PUCO also establishes, monitors, and enforces minimum standards of service and safety standards while resolving utility disputes through mediation, arbitration, and adjudication. Consequently, PUCO’s Rate and Analysis Department and Service Monitoring and Enforcement Department comprise nearly half of the agency’s staff.

PUCO’s latest initiative, “PowerForward,” is a review of the latest technological and regulatory innovation that could enhance the consumer’s electricity experience. Through this series, the agency intends to chart a clear path forward for future grid modernization projects, innovative regulations, and forward-thinking policies. The nonbinding “Roadmap” recommends

implementing financial and managerial audits to evaluate how regulated utilities are creating benefits to customers from the capital deployed for grid functionality. PowerForward also encourages the creation of cost caps to ensure grid modernization spending is “gradual and manageable.”

C1:4: National Association Dues (ALI 870624)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5F60 ALI 870624, NARUC/NRRI Subsidy	\$71,000	\$85,000	\$85,000
% change	--	19.7%	0.0%

This line item is for PUCO’s payment of annual dues to its relevant national association. According to PUCO, technological innovations, economic incentives, and legal and legislative changes affect the way the agency operates. PUCO regards a highly trained staff as essential in order for the agency to address a multitude of complex issues in a timely manner. One such training tool is the National Regulatory Research Institute (NRRI), which is supported by this line item. The National Association of Regulatory Utility Commissioners assesses PUCO and other state commissions to support the NRRI, which provides research products based on facts, objective analysis, and independence. NRRI envisions itself as an independent, nonprofit corporation that is both politically relevant and academically rigorous.

C1:5: Telecommunications Relay Service (ALI 870626)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5Q50 ALI 870626, Telecommunications Relay Service	\$2,260,000	\$3,000,000	\$3,000,000
% change	--	32.7%	0.0%

This line item pays program costs for the Telecommunications Relay Service (TRS), which was mandated by the federal Americans with Disabilities Act of 1990. TRS enables citizens of Ohio with hearing or speech disabilities to place and receive telephone calls. TRS providers – generally telephone companies – are compensated for the costs of providing TRS from ALI 870626; the TRS user does not pay any costs. There are several forms of TRS, depending on the particular needs of the user and the equipment available. TRS providers must offer service that meets certain mandatory minimum standards set by the Federal Communications Commission.

In FY 2018, PUCO enlisted the Department of Administrative Services (DAS) to issue a request-for-proposal for the TRS contract. Through the procurement process, DAS and PUCO secured a contract that saved approximately \$1.5 million to \$2 million annually for the cost of providing this service. As a result, PUCO waived the FY 2018 assessment as the cash balance in the fund was sufficient to cover the cost of contracted services.

C1:6: Underground Safety (ALIs 870646 and 870647)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5QR0 ALI 870646, Underground Facilities Protection	\$0	\$50,000	\$50,000
% change	--	N/A	0.0%
5QS0 ALI 870647, Underground Facilities Administration	\$26,000	\$316,000	\$316,000
% change		1,115%	0.0%

The two line items are used to administer the one-call notification system for underground digging. Before beginning any digging project, Ohio law requires that a person contact the Ohio Utilities Protection Service (OUPS) at least 48 hours in advance. Once OUPS is notified, underground facilities will be marked for free. Absent this process, there is an increased chance of hitting an underground utility line while digging, which can cause damage to the environment or serious personal injuries. Am. Sub. S.B. 378 of the 130th General Assembly assigned to PUCO the duties of enforcing Ohio's damage prevention laws. As of January 1, 2016, aggrieved parties may report alleged compliance failures to PUCO to be investigated. When the investigation is complete, PUCO will then forward the information to the Underground Technical Committee (UTC), a committee made up of individuals with knowledge and experience in safe excavation, who will decide if a compliance failure occurred and determine an appropriate consequence.

In order to pay the costs of enforcing the new damage prevention laws, users of the "One-Call (Call Before You Dig)" system must register with PUCO and pay an annual registration fee that the Revised Code specifies must not be more than \$50. Failure to register may result in a fine up to \$2,500.

PUCO mailed approximately 13,000 invoices to excavators, developers, and designers who participate in the one-call notification system. The first registration fees were collected in the fourth quarter of FY 2016, and incremental billing occurred through the first half of FY 2017. Because revenues were sufficient enough for PUCO to have a surplus cash balance at the close of FY 2017, the agency refrained from collecting registration fees in FY 2018. PUCO intends to resume collections in FY 2019 and continue throughout the FY 2020-FY 2021 biennium.

Any fines assessed against violators of the damage prevention law will be deposited into Fund 5QR0. Revenue from fines must be used to fund grants to provide public awareness, training, education, and incentive programs to reduce the number and severity of compliance failures. PUCO made no expenditures from DPF line item 870646 since its inception in FY 2016 and no revenues had been collected as of November 2018.

Category 2: Transportation Regulation

PUCO regulates various types of transportation, including rail and trucking companies, transportation network companies, and those that move household goods. This category contains appropriations pertaining to those duties.

C2:1: Railroad Crossing Safety (ALI 870614)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
4A30 ALI 870614, Grade Crossing Protection Devices – State	\$1,000,000	\$1,196,662	\$1,200,000
% change	--	19.7%	0.3%

This line item is used by PUCO to order state-funded installation of lights and gates at grade crossings throughout the state. Revenue for this purpose comes from the state motor fuel tax (MFT); \$1.2 million of MFT revenue each year is allocated to Fund 4A30. PUCO employs federally certified railroad inspectors throughout Ohio. Among other duties, the inspectors monitor railroad rights-of-way and grade crossings for surface conditions, view obstruction, fencing and drainage concerns, and conditions on railroad equipment at rail yards and other facilities.

PUCO's staff of federally certified inspectors conducted 593 railroad inspections in 2017 on behalf of the federal government. All 5,800 public grade crossings in Ohio were inspected for safety. A total of 102 federal, state, and locally funded safety upgrades were ordered during the year.

PUCO, in partnership with the Ohio Rail Development Commission (ORDC), selects Ohio highway-railroad crossings for federally funded upgrades based on a priority list that ranks the crossings in order of accident risk. Criteria used in ranking each crossing relative to its risk of accident include: number of tracks, average daily traffic count, crash history, number of highway lanes, maximum speed of trains, and number of trains per day. While the average cost of upgrading a crossing is \$200,000, the local community incurs no costs under the federal program.

For crossings not eligible under the federal program, the state-funded Grade Crossing Upgrade Program allows the cost of a project to be shared between the local community, the state, and the railroad involved. Depending upon a variety of factors including the amount of daily train and motor vehicle traffic at the crossing, communities can expect to pay from 25% to 65% of the cost of the project. State-funding is a means for supplementing local funding where a shortfall would otherwise result. PUCO allocates funds based on an objective formula measuring both the seriousness of the hazard and other special conditions at the crossing.

C2:2: Motor Carrier Registration (ALIs 870640 and 870641)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5LTO ALI 870640, Intrastate Registration	\$195,000	\$195,000	\$195,000
% change	--	0.0%	0.0%
5LTO ALI 870641, Unified Carrier Registration	\$450,000	\$450,000	\$450,000
% change	--	0.0%	0.0%

These two line items are supported by applicable registration fees collected by PUCO. During FY 2018, a total of 8,498 motor carriers held a Certificate of Public Convenience and Necessity (CPCN), of which 7,223 were for intrastate commerce and 1,275 were for interstate carriers.

All for-hire motor carriers operating solely in Ohio (or “intrastate commerce”) must pay a registration fee to PUCO. The fee ranges between \$20 and \$30 per vehicle, depending on the nature of the business and what it transports. During the first instance this fee is paid, PUCO issues a CPCN, and the annual renewable period is from May 1 to June 30.

All interstate, for-hire motor carriers must initially register with PUCO before operating, but the agency does not collect any other revenue from these carriers beyond the one-time fee at the time a CPCN is issued. This exemption applies so long as the carrier registered their interstate operations under the federal Unified Carrier Registration (UCR) Agreement and kept their UCR registration in good standing.

Effective October 1, 2018, PUCO no longer accepts UCR submissions and instead directs motor carriers to the federal system for registration and payment. This policy change only applies to interstate carriers as intrastate carriers are not subject to UCR fees.

C2:3: Transportation Fines (ALI 870643)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5LTO ALI 870643, Non-hazardous Materials Civil Forfeiture	\$299,942	\$299,942	\$299,942
% change	--	0.0%	0.0%

This line item funds the administrative costs of PUCO’s civil forfeitures program. Its appropriation also places a limit on agency spending of fines assessed on motor carriers. Once the fund receives nonhazardous materials forfeitures equivalent to the appropriation authority, all additional fines are deposited in the GRF. Over the past two years, nearly \$1.5 million of civil forfeiture fines collected by PUCO went into the GRF.

PUCO regards its motor carrier civil forfeiture review initiative as an effective tool for incentivizing general truck safety. When used in conjunction with its database of historical audits and inspections, PUCO can observe changes in compliance behavior. Audits and inspections that reveal serious violations are subject to fines up to \$25,000 for each day of each violation. Fines are initially deposited into Fund 5LTO for the support of the line item.

C2:4: Hazardous Materials (ALI 870644)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5LTO ALI 870644, Hazardous Materials Civil Forfeiture	\$907,780	\$800,000	\$800,000
% change	--	-11.9%	0.0%

This line item, supported by civil forfeitures derived from hazardous materials carriers and shippers, is used by PUCO to fund emergency response training. When PUCO discovers violations of the federal “Hazardous Materials Transportation Uniform Safety Act of 1990,” or any regulation adopted under the Act, the Commission must consider assessing civil penalties specified in federal law.

Cleveland State University’s (CSU) hazardous materials training center receives \$400,000 each year to support their program, which trains government and private industry regarding the safe handling of hazardous materials. CSU trainings are conducted in Cleveland and at other locations within the state. Local government entities may contact CSU before applying for a PUCO grant to determine if CSU can provide the proposed training.

The next \$400,000 goes to a hazardous materials training grant program that distributes money to local government subdivisions, educational institutions, and state agencies in Ohio. The funding enables public safety and emergency services personnel to learn the proper techniques concerning the management of hazardous materials spills and releases that occur during transportation. In October 2018, PUCO approved 16 grants totaling \$231,029.

C2:5: Motor Carrier Enforcement (ALI 870645)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5LTO ALI 870645, Motor Carrier Enforcement	\$6,556,322	\$4,681,427	\$4,719,696
% change	--	-28.6%	0.8%

This line item is PUCO’s largest state-funded source of operating expenses for its regulation of for-hire motor carriers, which are a public utility in Ohio. PUCO estimates that 34% of this item will be used for supplies and maintenance during the FY 2020-FY 2021 biennium, while an additional 61% will be used for personnel-related expenditures.

PUCO’s primary mission in commercial vehicle safety is the prevention and reduction of crashes on roadways and highways, as well as the protection of the traveling public from commercial operations of large, heavy, or hazardous, cargo-laden vehicles. The agency’s comprehensive strategy integrates carrier registration, driver and vehicle inspections, motor carrier investigations, safety audits, civil forfeitures, safety grant funding, and the issuance of educational materials. New carriers are often the largest contributing factor to unsafe roadways, so PUCO administers a safety audit program targeted at this group.

C2:6: Motor Carrier Safety (ALI 870608)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
3500 ALI 870608, Motor Carrier Safety	\$10,058,083	\$10,058,083	\$10,058,083
% change	--	0.0%	0.0%

This line item supports the use of federal funds for the Motor Carrier Safety Assistance Program (MCSAP). Only the state's lead agency, as designated by the Governor, is eligible to apply for MCSAP grant funding by submitting a commercial vehicle safety plan to the federal government. Federal grants are awarded with intent to reduce the number and severity of crashes and hazardous materials incidents involving commercial motor vehicles.

As the lead agency of MCSAP, PUCO passes money through to the Ohio Department of Public Safety (ODPS), which is the sole motor carrier safety sub-recipient in the program. Two divisions of ODPS are involved in MCSAP. The Ohio Bureau of Motor Vehicles is responsible for implementing the Performance and Registration Information Systems Management Program, which is a condition for MCSAP eligibility, while the Ohio State Highway Patrol conducts safety enforcement activities.

C2:7: Technology Deployment (ALIs 870648 and 870604)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
3500 ALI 870648, Motor Carrier Administration High Priority Grants and Cooperative Agreements	\$1,749,813	\$450,000	\$450,000
% change	--	-74.3%	0.0%
3V30 ALI 870604, Commercial Vehicle Information Systems/Network	\$100,000	\$100,000	\$100,000
% change	--	0.0%	0.0%

The two line items fund a PUCO database enabling it to effectively track motor carriers' records. The Commercial Vehicle Information Systems and Networks Fund (Fund 3V30) receives money from a federal grant utilized for the integration and sharing of state and federal data. Since 2001, PUCO has maintained a database linking multiple Ohio state agencies that provide necessary information, such as civil forfeiture records, vehicle crash instances, and vehicle permits, to complete requisite audit and safety initiatives.

Fund 3V30 did not receive any revenues for FY 2018 because a sub-recipient, the Ohio Department of Taxation, changed the reporting platform for the International Fuel Tax Agreement, which is a core data reporting element under the Commercial Vehicle Information Systems and Networks (CVISN) program. The change in reporting eliminated an existing vendor contract, which caused the reduction in reimbursement sought by PUCO from the federal government.

Beginning in federal fiscal year 2017, the federal government merged the CVISN grant into the Motor Carrier Safety Assistance Program High Priority Grant and renamed the enterprise, Innovative Technology Deployment (ITD) program. States may use ITD funds to: (1) improve safety and productivity of motor carriers, commercial vehicles, and their drivers; (2) streamline enforcement operations; (3) improve efficiency and effectiveness of commercial safety programs through targeted enforcement; or (4) improve security of commercial vehicle data and the sharing of data between states.

PUC/lb

Public Utilities Commission of Ohio

Dedicated Purpose Fund Group

4A30 870614 Grade Crossing Protection Devices-State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$645,408	\$1,146,287	\$664,669	\$1,000,000	\$1,196,662	\$1,200,000
% change	77.6%	-42.0%	50.5%	19.7%	0.3%

Source: Dedicated Purpose Fund Group: \$1.2 million per year from the state gasoline tax

Legal Basis: ORC 4907.471 and 4907.472; Section 375.10 of H.B. 49 of the 132nd G.A.

Purpose: This line item is used to provide warning devices (including flasher lights and gates) at rail-highway crossings, pursuant to ORC 4907.471. Funds from this line item are used to provide preliminary funding for upgrades or funding for which federal funds cannot be used (e.g., 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.

4L80 870617 Pipeline Safety-State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$311,197	\$187,146	\$330,795	\$346,253	\$346,253	\$346,253
% change	-39.9%	76.8%	4.7%	0.0%	0.0%

Source: Dedicated Purpose 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)

Legal Basis: ORC 4905.92; Section 375.10 of H.B. 49 of the 132nd G.A. (originally established by 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 for the administration and enforcement of the pipeline safety code.

Public Utilities Commission of Ohio

5610 870606 Power Siting Board

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$501,566	\$465,501	\$511,024	\$1,078,185	\$1,095,185	\$1,095,185
% change	-7.2%	9.8%	111.0%	1.6%	0.0%

Source: Dedicated Purpose 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; Section 375.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 291 of the 115th G.A.)

Purpose: This line item provides operating funds for the Power Siting Board. The board is empowered to approve, disapprove, or "modify and approve" 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.

5F60 870622 Utility and Railroad Regulation

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$28,389,796	\$31,585,939	\$30,915,439	\$32,696,155	\$34,582,560	\$35,415,760
% change	11.3%	-2.1%	5.8%	5.8%	2.4%

Source: Dedicated Purpose 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 from the Public Utilities Fund (Fund 5F60; i.e., line items 870622 and 870624). 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; Section 375.10 of H.B. 49 of the 132nd G.A. (originally established by 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$5,000	\$30,000	\$65,919	\$71,000	\$85,000	\$85,000
% change	500.0%	119.7%	7.7%	19.7%	0.0%

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

Legal Basis: Section 375.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 215 of the 122nd G.A.)

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.

5LTO 870640 Intrastate Registration

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$156,924	\$147,612	\$174,329	\$195,000	\$195,000	\$195,000
% change	-5.9%	18.1%	11.9%	0.0%	0.0%

Source: Dedicated Purpose Fund Group: Fees paid by for-hire motor carriers operating solely in Ohio: \$30 per year for a tractor or truck pulling trailer, tow truck, or bus and \$20 per year for a straight truck, van, or car.

Legal Basis: ORC 4921.19; Section 375.10 of H.B. 49 of the 132nd G.A.

Purpose: This line item is used to enforce the Federal Motor Carrier Safety Regulations for motor carriers operating intrastate.

5LTO 870641 Unified Carrier Registration

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$355,433	\$327,178	\$419,869	\$450,000	\$450,000	\$450,000
% change	-7.9%	28.3%	7.2%	0.0%	0.0%

Source: Dedicated Purpose Fund Group: Fees for unified carrier registration

Legal Basis: ORC 4921.11 and 4921.19; Section 375.10 of H.B. 49 of the 132nd 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.

Public Utilities Commission of Ohio

5LTO 870642 Hazardous Materials Registration

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$573,755	\$323,363	\$695,500	\$775,000	\$0	\$0
% change	-43.6%	115.1%	11.4%	-100%	N/A

Source: Dedicated Purpose Fund Group: Various fees and forfeitures paid by for-hire motor carriers operating in Ohio

Legal Basis: Section 375.10 of H.B. 49 of the 132nd G.A. (formerly ORC 4921.15 and 4921.19)

Purpose: Funds are used to enforce the Hazardous Materials Transportation Law. Prior to FY 2018, this line item received and disbursed 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 were disbursed to other states for those registration fees that were ultimately transferred out of Ohio. Upon the enactment of H.B. 49 of the 132nd G.A., this state-administered fee was eliminated.

5LTO 870643 Non-Hazardous Materials Civil Forfeiture

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$239,251	\$200,808	\$264,575	\$299,942	\$299,942	\$299,942
% change	-16.1%	31.8%	13.4%	0.0%	0.0%

Source: Dedicated Purpose 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 375.10 of H.B. 49 of the 132nd 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 5LTO) 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.

Public Utilities Commission of Ohio

5LTO 870644 Hazardous Materials Civil Forfeiture

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$412,116	\$560,875	\$536,453	\$907,780	\$800,000	\$800,000
% change	36.1%	-4.4%	69.2%	-11.9%	0.0%

Source: Dedicated Purpose Fund Group: Forfeitures paid by motor carriers and persons who transport hazardous materials

Legal Basis: ORC 4923.99 and 4921.21; Section 375.10 of H.B. 49 of the 132nd G.A.

Purpose: This line item funds 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.

5LTO 870645 Motor Carrier Enforcement

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$3,972,048	\$3,730,282	\$4,397,333	\$6,556,322	\$4,681,427	\$4,719,696
% change	-6.1%	17.9%	49.1%	-28.6%	0.8%

Source: Dedicated Purpose Fund Group: Revenues derived from annual taxes on for-hire motor carriers subject to PUCO regulation

Legal Basis: ORC 4921.13 and 4921.19; Section 375.10 of H.B. 49 of the 132nd 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 provides matching funds for federal grants funding appropriated through line items 870604 and 870608.

Public Utilities Commission of Ohio

5Q50 870626 Telecommunications Relay Service

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,996,639	\$2,543,373	\$2,010,661	\$2,260,000	\$3,000,000	\$3,000,000
% change	-15.1%	-20.9%	12.4%	32.7%	0.0%

- Source:** Dedicated Purpose Fund Group: An annual assessment from telecommunication service providers. The Revised Code specifies that the amount assessed against each provider be determined using a competitively neutral formula determined by PUCO.
- Legal Basis:** ORC 4905.84; Section 375.10 of H.B. 49 of the 132nd G.A. (originally authorized by H.B. 562 of the 127th G.A.)
- 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.

5QR0 870646 Underground Facilities Protection

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$0	\$0	\$50,000	\$50,000
% change	N/A	N/A	N/A	N/A	0.0%

- Source:** Dedicated Purpose Fund Group: fines for compliance failures regarding underground utility damage prevention
- Legal Basis:** ORC 4913.29 and 4913.31; Section 375.10 of H.B. 49 of the 132nd G.A. (originally established by the Controlling Board in FY 2016)
- Purpose:** This line item funds grants to provide public awareness, training, education, and incentive programs to reduce the number and severity of compliance failures among those that dig underground. Revenues to the fund consist of all fines collected under the underground utility damage prevention law enacted by S.B. 378 of the 130th G.A. The maximum fine is \$2,500 for a first offense and \$5,000 for a subsequent offense for most violations. However, PUCO expects that most fines will likely be less than these maximum amounts, especially in the early stages of enforcement.

Public Utilities Commission of Ohio

5QS0 870647 Underground Facilities Administration

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$3,801	\$111,350	\$332,058	\$26,000	\$316,000	\$316,000
% change	2,829.5%	198.2%	-92.2%	1,115.4%	0.0%

Source: Dedicated Purpose Fund Group: registration fees and related fines paid by those who participate in the one-call notification system

Legal Basis: ORC 4913.30; Section 375.10 of H.B. 49 of the 132nd G.A. (originally established by the Controlling Board in FY 2016)

Purpose: Revenues to this fund consist of safety registration fees collected from each utility, excavator, developer, and designer who participates in the one-call notification system, and fines related to failure to register. The required safety registration fee, which is determined by PUCO, can be up to \$50 annually. PUCO must administer and oversee the registration process. ORC 4913.03 provides that failure to register results in a fine up to \$2,500. This line item must be used for the operation of the underground technical committee, created under ORC 3781.34. The line item also funds PUCO in the performance of its duties created under S.B. 378 of the 130th G.A.

Federal Fund Group

3330 870601 Gas Pipeline Safety

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$597,959	\$70,954	\$396,203	\$1,397,959	\$1,397,959	\$1,397,959
% change	-88.1%	458.4%	252.8%	0.0%	0.0%

Source: Federal Fund Group: CFDA 20.700, Pipeline Safety

Legal Basis: ORC 4905.91; Section 375.10 of H.B. 49 of the 132nd G.A. (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 Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016. 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. The state's share of expenses comes from line item 870622, Utility and Railroad Regulation.

Public Utilities Commission of Ohio

3500 870608 Motor Carrier Safety

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$7,509,314	\$7,043,537	\$9,504,864	\$10,058,083	\$10,058,083	\$10,058,083
% change	-6.2%	34.9%	5.8%	0.0%	0.0%

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

Legal Basis: ORC 4921.21; Section 375.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board in 1984)

Purpose: These federal 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. The PUCO is the primary recipient for these federal funds. The entire federal grant is appropriated through this PUCO line item. An appropriate amount of the grant is subsequently transferred to the Department of Public Safety to fund the Department's enforcement division.

3500 870648 Motor Carrier Administration High Priority Activities Grants and Cooperative Agreements

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$0	\$1,749,813	\$450,000	\$450,000
% change	N/A	N/A	N/A	-74.3%	0.0%

Source: Federal Fund Group:

Legal Basis:

Purpose:

Public Utilities Commission of Ohio

3V30 870604 Commercial Vehicle Information Systems/Networks

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$27,292	\$20,313	\$1,563	\$100,000	\$100,000	\$100,000
% change	-25.6%	-92.3%	6,300.0%	0.0%	0.0%

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

Legal Basis: Section 375.10 of H.B. 49 of the 132nd G.A. (originally established by 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. PUCO is the administrative lead for Ohio. The departments of Taxation, Public Safety, and Transportation, as well as the Ohio Trucking Association are participating in the project.

FY 2020 - FY 2021 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			Estimate	Introduced	FY 2019 to FY 2020	Introduced	FY 2020 to FY 2021	
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
Report For: Main Operating Appropriations Bill			Version: As Introduced					
PUC Public Utilities Commission of Ohio								
4A30	870614	Grade Crossing Protection Devices-State	\$ 664,669	\$ 1,000,000	\$ 1,196,662	19.67%	\$ 1,200,000	0.28%
4L80	870617	Pipeline Safety-State	\$ 330,795	\$ 346,253	\$ 346,253	0.00%	\$ 346,253	0.00%
5610	870606	Power Siting Board	\$ 511,024	\$ 1,078,185	\$ 1,095,185	1.58%	\$ 1,095,185	0.00%
5F60	870622	Utility and Railroad Regulation	\$ 30,915,439	\$ 32,696,155	\$ 34,582,560	5.77%	\$ 35,415,760	2.41%
5F60	870624	NARUC/NRRI Subsidy	\$ 65,919	\$ 71,000	\$ 85,000	19.72%	\$ 85,000	0.00%
5LTO	870640	Intrastate Registration	\$ 174,329	\$ 195,000	\$ 195,000	0.00%	\$ 195,000	0.00%
5LTO	870641	Unified Carrier Registration	\$ 419,869	\$ 450,000	\$ 450,000	0.00%	\$ 450,000	0.00%
5LTO	870642	Hazardous Materials Registration	\$ 695,500	\$ 775,000	\$ 0	-100.00%	\$ 0	N/A
5LTO	870643	Non-Hazardous Materials Civil Forfeiture	\$ 264,575	\$ 299,942	\$ 299,942	0.00%	\$ 299,942	0.00%
5LTO	870644	Hazardous Materials Civil Forfeiture	\$ 536,453	\$ 907,780	\$ 800,000	-11.87%	\$ 800,000	0.00%
5LTO	870645	Motor Carrier Enforcement	\$ 4,397,333	\$ 6,556,322	\$ 4,681,427	-28.60%	\$ 4,719,696	0.82%
5Q50	870626	Telecommunications Relay Service	\$ 2,010,661	\$ 2,260,000	\$ 3,000,000	32.74%	\$ 3,000,000	0.00%
5QR0	870646	Underground Facilities Protection	\$ 0	\$ 0	\$ 50,000	N/A	\$ 50,000	0.00%
5QS0	870647	Underground Facilities Administration	\$ 332,058	\$ 26,000	\$ 316,000	1,115.38%	\$ 316,000	0.00%
Dedicated Purpose Fund Group Total			\$ 41,318,623	\$ 46,661,637	\$ 47,098,029	0.94%	\$ 47,972,836	1.86%
3330	870601	Gas Pipeline Safety	\$ 396,203	\$ 1,397,959	\$ 1,397,959	0.00%	\$ 1,397,959	0.00%
3500	870608	Motor Carrier Safety	\$ 9,504,864	\$ 10,058,083	\$ 10,058,083	0.00%	\$ 10,058,083	0.00%
3500	870648	Motor Carrier Administration High Priority Activities Grants and Cooperative Agreements	\$ 0	\$ 1,749,813	\$ 450,000	-74.28%	\$ 450,000	0.00%
3V30	870604	Commercial Vehicle Information Systems/Networks	\$ 1,563	\$ 100,000	\$ 100,000	0.00%	\$ 100,000	0.00%
Federal Fund Group Total			\$ 9,902,629	\$ 13,305,855	\$ 12,006,042	-9.77%	\$ 12,006,042	0.00%
Public Utilities Commission of Ohio Total			\$ 51,221,252	\$ 59,967,492	\$ 59,104,071	-1.44%	\$ 59,978,878	1.48%