

**West Virginia Consumer Advocate Division
of the
Public Service Commission**



Senate Committee On Finance

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Consumer Advocate Division

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Following years of sharply increasing residential utility rates, the Consumer Advocate Division (CAD) was created in 1981 to represent the interests of residential utility customers in State and Federal proceedings before Commissions and Courts. The CAD intervenes in major rate cases and other cases which significantly impact the interests of residential ratepayers before the PSC, FERC, FCC, and is active in the PJM stakeholder process.

The CAD's budget is wholly funded by assessments which are assessed and collected by the Public Service Commission from regulated utilities. Although we maintain a separate budget, funds to support the CAD are transferred from the PSC's Utilities fund (8623) to the Consumer Advocate Division's fund (8627) as needed during the fiscal year.

Historical Appropriations

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Consumer Advocate Division Appropriations

FY	Appropriation
2017	\$1,034,376
2018	\$1,034,376
2019	\$1,063,998
2020	\$1,277,998*
2021	\$1,277,998
2022	\$1,277,998
2023 (proposed)	\$1,277,998

*The CAD's 2020 budget increase provided for an additional attorney, and allowed the CAD to relocate its offices from an unsuitable location to its present offices.

Consumer Advocate of West Virginia Appropriated Special Revenue Funds

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FY 2023 Budget Comparison:
Agency Request to Governor Recommendation
(Fund 8627 FY 2023 Org. 0926)

Fund Object	Object Name	Requested Budget	Governor's Recommendation	Difference
00100	Personnel Services & Empl. Benefits	\$876,994	\$889,096	\$12,102
13000	Current Expenses	386,472	386,472	0
07000	Equipment	9,872	9,872	0
91300	BRIM Premium	<u>4,660</u>	<u>4,660</u>	<u>0</u>
	Total	\$1,277,998	\$1,290,100	\$12,102

Consumer Advocate Division Staffing

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The Consumer Advocate Division has 9 budgeted FTE positions. Those positions include the Director, four attorneys (three Attorney 3 positions and one Attorney 2 position), two Utilities Analyst 2 positions, one Executive Assistant who functions as the office manager, and a Paralegal 2.

The CAD staff historically includes attorneys, accountants, and tax specialists who are specifically trained in highly technical matters, and are well-versed in public utility accounting and public utility regulation. Actual staff salary expenditures for 2021 were \$639,488.

Experts and Consultant Services

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The CAD also relies on retained experts and consultants to conduct audits, make recommendations and present testimony on a variety of complex issues in cases, representing the interests of residential customers in cases before the PSC and in federal jurisdictions. They are paid as contracted expert services.

Retaining consultants and experts to work on complex cases and issues represents the CAD's second highest category of expenses, after salary and salary-related expenses for its full-time employees.

Current Staffing Levels and Vacancies

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The CAD currently has the following vacancies on its staff, which we are in the process of filling:

Utilities Analyst 2 (to replace a retiree)

Utilities Analyst 2 (to replace a person who transferred to the Commission's Utilities Division)

Staff Attorney 2 (to replace a retiree)

Executive Assistant

The CAD intends to reactivate and permanently fill the Paralegal 2 position. In large part due to the Division's amended office operations during the pandemic, the Paralegal 2 position was not filled and utilized during the 2020 and 2021 fiscal years.

Covid-19 impacts on operations and budget

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The Covid-19 pandemic significantly impacted the CAD's operations during the 2020 and 2021 fiscal years.

- The CAD instituted appropriate measures and protocols designed to keep its employees safe and productive during the pandemic.
- We are now 100% vaccinated, and have returned to the office for normal day-to-day operations.
- Individuals work remotely as needed to comply with appropriate CDC isolation and quarantine guidelines, and Commission policy.

Covid impacts (continued)

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- In the event an employee or a member in their household tests positive, or has been exposed to a known or suspected case, the CAD allows the employee to work productively from home as they isolate.
- During school interruptions, the CAD allows flexible work schedules to accommodate family needs.
- These measures have been voluntarily instituted and complied with by all CAD employees.
- We fully anticipate a return to normalcy during the 2023 budget year.

The CAD has not directly received any federal funds as a result of the CARES ACT or the American Rescue Funds Act.

Improvement Requests (Overview)

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Approval is being sought to enhance in-house expertise by adding both a Utilities Analyst 3 and a Technical Analyst to full-time staff. Approval is also being sought to add an Executive Secretary position to the CAD's support staff.

The improvement request:

- Provides compensation and benefits at a salary level necessary to attract qualified candidates to fill the positions;
- Leases additional space at the CAD's current location to provide offices for the additional staff; and,
- Purchases computers, telephones, furniture and other necessary equipment.

Improvement Requests (Benefits)

The requested improvements are intended to provide the following benefits:

- Strengthen the CAD's in-house expertise, and allow it to meaningfully participate in a larger number of cases before the Commission, without relying on the expertise of outside consultants and experts.
- Provide for engineering and technical input on a variety of cases before the PSC. A Technical Analyst with an engineering background places the CAD in a posture to formulate and advance positions on engineering and technical issues in cases.
- Increased administrative support for the Director allows for more effective administration, provides much needed secretarial support and elevates the operations and efficiency of the Director and the Division.

Improvement Requests (Costs)

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Request for additional in-house expert and administrative support staffing (3 positions)- Utilities Analyst 3, Technical Analyst and Executive Secretary:

Additional FTE for 3 positions and increase in Personal Service Funds	\$ 289,317
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Increased Rental/Lease expense for Additional office space at current location	\$ 7,714
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One time increase in office expenses for furniture and computer/office equipment	<u>\$ 10,500</u>
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Total:	<u>\$ 307,531</u>
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Legislation Affecting the Consumer Advocate Division

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The Consumer Advocate Division is presently unaware of legislation that would affect this budget.

West Virginia Consumer Advocate Division

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The CAD is happy to answer any questions you have.