

PUBLIC UTILITY COMMISSION OF TEXAS

Agency Strategic Plan

For the Fiscal Years 2009-2013 Period



July 11, 2008

AGENCY STRATEGIC PLAN
FOR THE FISCAL YEARS 2009-2013

BY

THE PUBLIC UTILITY COMMISSION OF TEXAS

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JULY 11, 2008

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SECURING OUR FUTURE

The Statewide Strategic Planning Elements for Texas State Government

STATEWIDE VISION

Assuring open access to an educational system that not only guarantees the basic core knowledge necessary for productive citizens but also emphasizes excellence and accountability in all academic and intellectual undertakings;

Creating and retaining job opportunities and building a stronger economy to secure Texas's global competitiveness, leading our people and a stable source of funding for core priorities;

Protecting and preserving the health, safety and well-being of our citizens by ensuring health care is accessible and affordable and by safeguarding our neighborhoods and communities from those who intend us harm; and

Providing disciplined, principled government that invests public funds wisely and efficiently.

STATEWIDE MISSION

Texas state government must be limited, efficient and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high . . . we are not here to achieve inconsequential things!

STATEWIDE PHILOSOPHY

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise, we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

RELEVANT STATEWIDE GOALS AND BENCHMARKS

Regulatory Agencies

Priority Goal:

To ensure Texas are effectively and efficiently served by high-quality professionals and businesses by:

- Implementing clear standards;
- Ensuring compliance;
- Establishing market based solutions; and
- Reducing the regulatory burden on people and businesses.

Benchmarks:

Ratio of supply of electricity generation capacity to demand

PUBLIC UTILITY COMMISSION OF TEXAS

AGENCY MISSION

The mission of the Public Utility Commission of Texas is to protect customers, foster competition, and promote high-quality utility infrastructure.

AGENCY PHILOSOPHY

The Public Utility Commission of Texas is accountable to the people of Texas to provide equitable, efficient, and effective regulation in an increasingly competitive environment. We conduct business openly and fairly, observe the highest ethical standards, encourage public participation, and balance the views of customers, utilities, new market entrants, and other affected parties. We value commitment, competence, innovation, teamwork, and respect for the individual.

EXTERNAL/INTERNAL ASSESSMENT

I. OVERVIEW OF AGENCY ACTIVITIES AND CHALLENGES

During its thirty two year history, the Public Utility Commission (Commission or PUC) has responded to an ever changing landscape to ensure that Texas customers continue to receive reliable, reasonably priced electric and telecommunications services. Under the leadership of the three Commissioners, the PUC combines education, experience, hard work, and ingenuity, as well as input from regulated entities, market participants, and the customers they serve to produce a high-quality work product of which the agency is justifiably proud. Summarized below are the Commission's most important current challenges.

Challenge: Fuel prices and their effect on electricity prices.

The Public Utility Commission's most public current challenge is dealing with the effect of high and volatile fuel prices on the price of electricity. Natural gas prices are at their highest since the post-Hurricanes Katrina and Rita spikes. Because Texas's generation resources rely heavily on natural gas as a fuel, increases in the price of natural gas cause increases in the price of electricity in the wholesale and retail markets.

The effect of natural gas prices on electric prices is exacerbated by congestion on the electric grid that interferes with efficient dispatch of power and contributes to price spikes. Congestion on the electric grid is being addressed in two ways: development of necessary transmission infrastructure and change in the wholesale market design.

High and volatile natural gas prices present challenges for Retail Electric Providers (REPS) that rely heavily on short-term purchases or the day ahead market, rather than long term contracts, to serve their customers. REPs that rely on short-term or day-ahead purchases can be driven out of business due to their inability to meet higher energy costs and collateral requirements of the Electric Reliability Council of Texas (ERCOT), the independent organization that manages the electric grid in most of the state. As of July 7, 2008, five REPs had transferred their customers to the providers of last resort (POLR) and exited the Texas retail market.

The Commission acted promptly to address market issues that arose in May and June 2008 by convening in emergency open meetings to address price aberrations in the wholesale market and issues related to transferring customers to the POLRs. The PUC has initiated projects to consider amending its rules related to REP certification, POLRs, and required customer disclosures. The Commission expects to address ways to ease the transition of customers to the POLRs, and from the POLR to a competitive REP; strengthen managerial and financial standards for REPs that operate in ERCOT; require REPs to segregate customer deposits; notify customers who are transferred to the POLR REP more quickly; and

strengthen protections for customers relating to disclosures about prices, terms and conditions of service. It is anticipated that rule amendments will be adopted in late 2008 or early 2009.

In spite of the issues which have arisen recently, it is well to keep in mind that while this situation has been disruptive for customers transferred to the POLR, these customers represent only a small fraction of the competitive market. Overall, customers are enjoying the benefits of the retail market, especially those customers that locked in long term rates last year or early this year. Rates in Texas are lower when compared to other areas of the country that also rely heavily on natural gas for generation, such as New York and New England.

Challenge: Development of high-quality infrastructure and implementation of new technologies.

The PUC is currently devoting considerable resources to two major initiatives related to electric infrastructure, an effort which will continue for the next two to three years.

In 2005, the Legislature enacted amendments to PURA §39.904 relating to the goal for renewable energy. The new law required the Commission to designate competitive renewable energy zones (CREZ), develop a plan to construct transmission capacity necessary to deliver to electric customers, in a manner that is most beneficial and cost-effective to customers, the electric output from renewable energy technologies in the CREZ; and issue certificates of convenience and necessity (CCN) to transmission companies to build the necessary facilities. The Commission anticipates that it will act in July 2008 to approve a plan for construction of the transmission facilities. The selection of providers to build the facilities is expected in early 2009, and issuance of CCNs will take place beginning in late 2009.

In 2005 and 2007, the Legislature enacted amendments to PURA §39.107 relating to Metering and Billing Services. New subsection (i), enacted in 2007, states that it is the intent of the legislature that net metering and advanced meter information networks be deployed as rapidly as possible to allow customers to better manage energy use and control costs, and to facilitate demand response initiatives. The PUC has devoted considerable effort and resources to effectuate the Legislature's intent, including working with market participants to resolve the numerous technical issues that are presented by installation and use of advanced metering technology, as well as conducting contested cases to establish surcharges to allow utilities to recover costs associated with advanced meter deployment.

Challenge: Federal environmental regulation, particularly greenhouse gas emissions

The PUC does not have jurisdiction over environmental issues, but the work of the PUC is affected by environmental regulations that apply to electric generating facilities. The environmental issue of chief concern to generation developers is to what extent the federal government will regulate greenhouse gas emissions associated with power generation facilities. Environmental regulations can affect the types of plants built, where plants are built, and ultimately the price of power produced. Uncertainty about future environmental regulation affects the risks associated with development and operation of generation facilities, which in turn can affect financing costs associated with building generation facilities, and result in delays in decision making and resource choices that seek to avoid known risks.

Challenge: Continuing development of electric wholesale market.

In September 2003, the PUC ordered ERCOT to develop a nodal wholesale market design. Moving to a nodal market design will improve price signals, improve dispatch efficiencies, and provide for the assignment of all congestion costs to market participants whose activities result in congestion. The bulk of the work associated with transitioning to a nodal market design is necessarily borne by ERCOT, and significant changes to ERCOT's processes and systems are required. The Commission originally established a completion date of December 2008, but ERCOT announced in May 2008 that the target date will not be met. The PUC is responsible for overseeing ERCOT's work in developing and implementing the nodal market design, as well as dealing with issues that arise with operation of the current zonal market.

Challenge: Striking an appropriate balance between regulation and reliance on market forces.

PURA §39.001(a) contains a legislative finding that the production and sale of electricity is not a monopoly warranting regulation of rates, operations and services and that the public interest in competitive electric markets requires that, except for transmission and distribution services and for the recovery of stranded costs, electric services and their prices should be determined by customer choices and the normal forces of competition. Subsection (d) of §39.001 requires the Commission to order competitive rather than regulatory methods to achieve the goals of restructuring the electric industry to the greatest extent possible, and to adopt rules and issue orders that are both practical and limited so as to impose the least impact on competition. Similarly, PURA §65.001 states that it is the policy of the state to provide for full rate and service competition in the telecommunications market of the state so that customers may benefit from innovations in service quality and market-based pricing.

All PUC decisions in telecommunications matters, and all PUC decisions in electric matters that relate to areas where competition has been introduced, are made against the backdrop of

these statutory requirements. However, because electric and telephone service are essential to Texas citizens, there are many situations where the normal forces of competition, when left to themselves, would not result in an outcome that would be considered good public policy or to benefit customers. For example, inefficient market rules or insufficient competitors may result in too few competitors to allow competition to set prices. At these times, to the extent that the PUC's statutory authority allows it, the Commission must assert its regulatory powers to balance the needs of customers with the principles of competitive markets to attempt to optimize the overall outcome. This is one of the Commission's most frequently faced and difficult challenges.

Challenge: Adapting agency workforce to changing responsibilities.

Beginning in 1995, the Legislature has enacted laws to introduce competition to the electric and telecommunications industries, and concomitantly reduce regulation; however, the staff resources required to accomplish the Commission's duties and responsibilities have not decreased overall as a result. The ERCOT wholesale and retail markets are open to competition, but significant portions of Texas continue to be served by vertically integrated investor owned utilities which are subject to traditional cost of service regulation. Retail electric competition in east Texas, the Panhandle, and the El Paso area has been delayed, and it is not certain whether these parts of the state will ever have retail customer choice. As a result, in addition to developing and maintaining expertise in competitive market issues, the PUC is required to maintain staff with expertise in regulating electricity prices and service. The Commission has also needed to substantially increase the number of employees dedicated to assisting customers with their information needs and helping to resolve complaints against service providers. In addition, the Legislature acted in 2005 to deregulate large portions of the telecommunications market, such that the Commission needs fewer resources than in the past to meet its telecommunications responsibilities. However, while the Legislature provided for deregulation of certain telephone markets, it did not reduce or eliminate the regulatory requirements across the board, and there are still companies and areas that are regulated, such that Commission needs to maintain staff expertise in telephone regulation.

The Commission has used a variety of techniques to adapt to its changing staffing needs. The agency implemented major organizational changes in the fall of 2007 to improve efficiencies and make better use of its work force. The Commission takes advantage of vacancies created by turnover to shift staff positions to areas needing additional resources. In addition, as the PUC's regulatory authority over the telecommunications industry has decreased, the agency has redeployed current employees to new assignments.

Challenge: Attracting and retaining qualified employees.

It has never been easy for the PUC to recruit and retain the necessary skills and expertise it needs in its workforce. The fact that the Commission's work is interesting, challenging, and ever-changing has helped in the past to attract and retain talented employees. However, in recent years, the agency has found it increasingly difficult to attract and retain qualified employees in certain key areas, most notably attorneys, engineers, and market oversight specialists.

Because of the salary constraints faced by the PUC as a state agency, it is very difficult to hire new employees with experience in electric and telecommunications matters. Therefore, the agency uses a strategy of hiring professionals with expertise in related fields as well as relatively inexperienced staff with relevant education background. The PUC staff includes a number of long-time, highly experienced professionals who provide advanced expertise and continuity to agency programs in addition to training less experienced personnel. The agency staff also includes many individuals who are not expected to make a career with the agency, but nonetheless provide valuable expertise and new insight to agency programs during their service with the PUC. However, over time, the PUC has been losing ground, as evidenced by its relatively high number of vacancies at any given time.

In addition to continuing to lose valuable employees to private sector opportunities, the PUC is facing a new challenge. A number of key senior employees are either currently eligible to retire from state employment, or will become eligible over the next few years. If these employees do, in fact, leave the agency, there could be a serious gap in institutional knowledge as well as loss of program continuity. The agency is placing additional emphasis on succession planning, although such efforts are complicated by the increasing difficulty to hire talented individuals in the first instance. Also, most of the staff turnover occurs with employees who have worked at the PUC fewer than five years, such that the proportion of experienced staff to inexperienced staff is decreasing.

Although the Commission's management team has always devoted attention and effort to this area, it will be necessary to redouble those efforts if the PUC is to maintain the high quality of work for which it is known.

II. OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

Statutory Basis

The PUC's enabling legislation is the Utilities Code, primarily Title II, the Public Utility Regulatory Act (PURA). The PUC also administers the Texas No-Call list pursuant to Texas Business and Commerce Code §§ 44.101 – 44.253. The Commission is also subject to the Administrative Procedures Act, The Public Information Act, and the Open Meetings Act.

Historical Perspective

In 1975, Texas became the last state in the country to provide for state-wide comprehensive regulation of electric and telecommunications utilities by creating the Public Utility Commission (PUC). Since that time, as a result of key legislation and developing technology, Texas has emerged as a national leader in the progressive development of competitive markets in both the electric and telecommunications industries.

For approximately the first 20 years of the PUC's existence, the agency's primary role was traditional economic regulation of electric and telecommunications utilities. Although the PUC originally regulated water utilities, jurisdiction was transferred to the Texas Water Commission in 1986. Significant legislation enacted by the Texas Legislature in 1995, along with the Federal Telecommunications Act of 1996, dramatically changed the PUC's role by allowing for competition in telecommunications wholesale and retail services, and by creating a competitive electric wholesale market. In 1999, the Legislature provided for restructuring of the electric utility industry and the introduction of retail competition, further changing the PUC's mission and focus. More recently, in 2005, the Legislature provided for further deregulation of telecommunications markets with the passage of Senate Bill 5.

Although the PUC's traditional regulatory functions have decreased over the past nine years, many of those functions have been replaced by other, more challenging responsibilities. Restructuring of the utility industry is not simply elimination of regulation. Effective oversight of competitive wholesale and retail markets is necessary to ensure that customers receive the benefits of competition. Because Texas has implemented customer choice to a greater extent than most other states, it is usually not possible to rely on or be guided by other states' experience. In addition, particularly in the electric industry, the market structure and customer protections established by the Legislature differ from other states. The PUC is frequently faced with difficult issues, often matters of first impression in the country as well as the state, which creates an exciting and dynamic, albeit high stress agency environment.

Main Functions

The PUC's statutory responsibilities include the following:

Electric

- Within ERCOT, jurisdiction over rates and quality of service of transmission and distribution utilities
- Within ERCOT, establishing wholesale transmission rates for investor owned utilities, cooperatives, and municipally owned utilities
- Outside ERCOT, regulation of vertically integrated investor owned utilities
- Overseeing administration of utility energy efficiency programs
- Issuance of certificates of convenience and necessity for proposed transmission lines
- Licensing of retail electric providers
- Registration of power generation companies and aggregators
- Oversight of competitive wholesale markets and supervision of ERCOT
- Fostering the development of renewable resources
- Oversight of competitive retail markets, including designation of providers of last resort
- Facilitation of restoration of services following major disasters
- Participation in Homeland Security efforts of electric utilities
- Resolution of customer complaints, using informal processes whenever possible
- Implementation of a customer education program for retail electric choice
- Administration of low-income discount program

Telecommunications:

- Arbitration of interconnection agreements and post interconnection disputes pursuant to the Federal Telecommunications Act
- Oversight of competitive retail markets
- Administration of the Universal Service Fund, including the Lifeline program for low-income customers
- Administration of the Relay Texas and Specialized Telecommunications Assistance programs
- Facilitation of restoration of services following major disasters
- Participation in Homeland Security efforts of telecommunications providers
- Resolution of customer complaints, using informal processes whenever possible
- Issuance of Service Provider Certificates of Operating Authority and Certificates of Operating Authority to local service providers
- Issuance of State Issued Certificates of Franchise Authority to cable and video service providers

- Registration of long distance providers, automatic dial announcing devices, and pay telephones
- Administration of the Texas No-Call List

Public Perception of Agency

The PUC's activities, as summarized above, affect virtually all citizens of Texas. For utility customers, some of the agency's responsibilities, such as licensing and registration of service providers, have an indirect impact. Others, such as setting rates for regulated electric utilities or resolving customer complaints, have a much more direct impact. Although the number of persons with whom the agency has direct contact is much lower than the number affected by the PUC's decisions, the PUC considers all persons who use electric and telecommunications services to be customers of the agency. Customer classes and groups of customers often appear at the PUC through representatives, such as the Office of Public Utility Counsel, municipalities, and coalitions of customers with similar interests. However, even when customer groups do not actively participate in PUC cases or rulemakings, the agency considers their interests based on agency staff review and analysis which is conducted on all matters which come before the PUC for decision.

The PUC's activities also have direct and important consequences for all businesses that provide telecommunications and electric services. The level of regulation and oversight for specific types of businesses varies based on where the company provides service and the type of service being provided. For example, within the Electric Reliability Council of Texas (ERCOT) (approximately 75% of the State), the PUC regulates the rates and services of transmission and distribution utilities, establishes wholesale transmission rates, and oversees wholesale and retail competitive markets. Some parts of the State are not yet subject to electric retail competition, and in those areas electric utilities are still subject to traditional retail rate jurisdiction. In these same parts of the State, wholesale sales of electricity are subject to the jurisdiction of the Federal Energy Regulatory Commission rather than the PUC. Municipally owned utilities and electric cooperatives are not subject to the PUC's retail rate and service quality jurisdiction, but are subject to wholesale transmission rate jurisdiction and wholesale generation market oversight.

It is very difficult to determine the public's perception of an entity such as the PUC. The PUC's functions and the entities over which it exercises jurisdiction can be difficult for the public to understand. The agency works hard to present clear, understandable information through written educational materials, the PUC Web page, through direct contact with persons who call or write to the agency, and by making personal appearances when possible. Even so, because of the nature of the PUC's work, which includes a balancing of the economic interests of interest groups which have competing interests, it will never be possible to please everyone. Therefore, in assessing its own performance, the agency relies heavily on input from persons who are familiar with the agency's mission and responsibilities rather than the general public.

III. ORGANIZATIONAL ASPECTS

Agency Structure and Composition of Workforce

The Commission is composed of three Commissioners appointed by the Governor, with the advice and consent of the Senate. The Commissioners serve staggered six year terms, and the Governor designates a Chairman. The agency employs an executive director who is responsible for the daily operations of the Commission and coordinating the activities of Commission employees.

Organizational Structure

In October 2007, the PUC revised its organizational structure to bring it into better alignment with the Commission's statutory responsibilities. The PUC's work has changed a great deal over the past ten to fifteen years, and the reorganization was intended to create a sustainable organizational structure for the future that would more easily adapt to changes in law and the industries the PUC oversees. Other important considerations were to ensure that workload is evenly distributed among organizational units and employees, and that employees are effectively deployed to work on the most important tasks.

The PUC's current organizational structure is based on major functional responsibilities and reflects the agency's mission, goals and objectives as set out in the Strategic Plan. The major program area units are Customer Protection Division, Competitive Markets Division, Infrastructure and Reliability Division, Enforcement Division, Rate Regulation Division, Legal Division, and Commission Advising and Docket Management Division. Administrative functions are provided by Fiscal and Information Services Division, General Law, Human Resources, Communications, and Governmental Relations.

Geographical Location

The Commission's offices are located in the William B. Travis Building in Austin, and hearings and open meetings are usually held in Austin. The Commission and staff may conduct hearings and meetings in other locations to receive additional public input on issues and cases that are pending before the Commission. The PUC's service populations are located throughout the state.

Human Resources

The PUC is a labor-intensive organization, with approximately 84% of the agency's operating budget being used for salaries. Agency staff includes engineers, accountants,

economists, attorneys, and customer care specialists. Many PUC employees hold advanced degrees or other professional credentials, while technical and paraprofessional staff provides the primary administrative support for the agency.

The total number of agency staff authorized by the legislature is 190 full time equivalent (FTE) employees in fiscal years 2008 and 2009. The three Commissioners and Executive Director are exempt from the State Classification Act; all other agency employees are classified employees.

The PUC continues its efforts to develop and maintain a skilled and diverse workforce that reflects the diversity of the Texas labor market. Staff composition by Equal Opportunity category is provided in the Tables below for FY 2008, third quarter.

FISCAL YEAR 2008 – THIRD QUARTER
(March 1, 2008 – May 31, 2008)

Gender – Racial – Ethnic Diversity							
Fiscal Year 2008, Third Quarter							
Male	Female	White	Black	Hispanic	Asian	Other	Total
84	89	113	17	38	5	0	173
48.6%	51.4%	65.3%	9.8%	22.0%	2.9%	0%	100%

All employees on payroll as of May 31, 2008.

Gender – Occupational Diversity					
Fiscal Year 2008, Third Quarter					
Job Category	Male		Female		Female Goal
Administrative	10	71.4%	4	28.6%	37.3%
Professional	57	60%	38	40%	53.2%
Technical	7	87.5%	1	12.5%	53.8%
Administrative Support	5	12.2%	36	87.8%	64.7%
Skilled Craft	0	0.0%	0	0.0%	4.8%
Service / Maintenance* (Para-Professional)	5	33.3%	10	66.7%	39%
Total	84		89		

Racial – Ethnic – Occupational Diversity												
Fiscal Year 2008, Third Quarter												
Job Category	White		Black Goal			Hispanic Goal			Asian	Other		
Administrative	12	85.8%	1	7.1%	6.6%	1	7.1%	14.2%	0	0.0%	0	0.0%
Professional	68	71.6%	6	6.3%	8.3%	16	16.8%	13.4%	5	5.3%	0	0.0%
Technical	6	75%	0	0.0%	12.4%	2	25%	20.2%	0	0.0%	0	0.0%

Administrative Support	20	48.8%	7	17.1%	11.2%	14	34.1%	24.1%	0	0.0%	0	0.0%
Skilled Craft	0	0.0%	0	0.0%	6%	0	0.0%	37.5%	0	0.0%	0	0.0%
Service Maintenance * / (Para-Professional)	7	46.7%	3	20%	13.8%	5	33.3%	40.7%	0	0.0%	0	0.0%

Percentage goals represent the State Civilian Workforce, as reported by the Civil Rights Division (CRD) of the Texas Workforce Commission in the EEO/Minority Hiring Practices Report in January 2007. The CRD analyzes the workforce using an 80% benchmark from the EEOC Uniform Guidelines on Employee Selection to determine utilization within each occupational category. Highlighted sections indicate areas in which the percentage of Commission employees in those categories meet or exceed the percentage in the State Civilian Workforce using the 80% benchmark. Shaded sections identify those areas where the percentage of Commission employees in those categories is below the percentage in the State Civilian Workforce using the 80% benchmark.

The staff turnover rate during fiscal year 2007 was approximately 18% percent, which represents a 1.3% increase from fiscal year 2004. Since 1985, annual turnover has ranged from a high of about 33 percent in 2000 to a low of about 14 percent in 1995. Several factors affect the PUC's ability to maintain a high quality, motivated staff. Most importantly, compensation offered to professionals at the PUC generally is not competitive with that offered in the private sector. Experience gained at the PUC is valuable to companies in the competitive electric and telecommunications industries, and companies in these industries are able to offer salaries which are significantly higher than the PUC can offer, which contributes to staff turnover. Additionally, the workload at the agency is heavy and can be highly variable, including periods that place very high demands on the staff which contribute to stress and burnout.

To help address turnover issues, managers and supervisors oversee work assignments to support employees' professional development consistent with the abilities of individual employees. The PUC also addresses turnover issues by providing a high quality work environment. Management works hard to administer agency functions so that employees will have a high level of confidence in the way the agency is managed so they can focus their attention on their program area work without distractions caused by concerns about such things as physical environment, budget implementation, and pay equity. The PUC offers flexible work schedules, and is reviewing its policy on telecommuting to determine whether increased use of telecommuting can be allowed consistent with meeting the agency's performance goals. The Commission launched a comprehensive employee recognition program in May 2008 to acknowledge the accomplishments of individuals and teams who have significantly contributed to the PUC's mission.

Staff development and training needs are a priority for the Commission, although budget constraints limit the agency's ability to provide the type and amount of training that most

employees desire. Employees must stay informed about changes in technology and law in order for the Commission to be a viable and credible overseer of the transitioning industries. Many employees are licensed professionals who must meet continuing education requirements to maintain licensure.

Capital Assets

The PUC capital assets primarily comprise desktop computers, printers, network infrastructure, and office furniture. The Commission occupies leased space in a State owned building and does not have any vehicles. The capital needs of the agency are technology related and are essential to the daily operations and fulfillment of the PUC's mission.

Agency Use of Historically Underutilized Businesses

The PUC's HUB plan is included under Goal 5 in the indirectly budgeted goals, objectives and strategies. The Commission actively encourages purchasing from, and contracting with, HUBs in procuring goods and services. The PUC is committed to take advantage of the use of HUBS in any area that it can, but due to the nature of the agency's business, the agency does not procure in the Heavy Construction, Building Construction, or Special Trade Construction categories. The Commission's percentages for the Other Services category remains below the state goal for this category due to the limited number of HUB vendors that specialize in the specific areas in which the PUC requires those services.

Category	Goal	PUC FY 2006	Texas FY 2006	PUC FY 2007	Texas FY 2007
Professional Services	20%	100%	17.7%	100%	17.8%
Other Services	33%	20%	18.6%	30.9%	17.2%
Commodity Purchasing	12.60%	54.6%	12.4%	52.7%	13.2%

The Commission encourages HUBs to register as vendors with the Texas Comptroller of Public Accounts (TCPA). To make it easier for HUBs who may be interested in doing business with the PUC to register and become certified, the Commission's Website provides links to the TCPA's Website. The Commission's Website also provides information on the agency's Mentor/Protégé program and other purchasing related links.

To help increase the use of HUBs, Commission staff attends Economic Opportunity Forums, in addition to working together with other state agencies to sponsor joint agency HUB events. In addition to these outreach efforts, the Commission participates in monthly HUB discussion workgroups with other state agencies.

Use and Anticipated Use of Consultants

The PUC uses consultants to provide services that the agency cannot feasibly provide using its own staff. Some of the consulting arrangements are specifically provided for in PURA. The Commission currently outsources the following functions:

Administration of Electric Low Income Discount Program and Lifeline Program.

PURA §17.007 requires the PUC to develop an integrated eligibility and enrollment process for customer discounts provided pursuant to PURA §§39.903 and 55.015. PURA §39.903 provides for a reduced electric rate for eligible customers in areas of the state where retail competition exists. PURA §55.015 relates to the Lifeline program, which provides discounts to low-income telephone customers pursuant to federal law, 47 C.F.R. Part 54, Subpart E. PURA §56.021 authorizes the PUC to use the Texas Universal Service Fund to finance the implementation and administration of an integrated eligibility and automatic enrollment process for the Lifeline program. The PUC has a contract with Solix Inc. for administration of the enrollment process for the electric low-income discount and Lifeline programs.

No-Call List Administration. The PUC administers the state's "no-call" lists, which are databases compiling lists of names and telephone numbers of consumers who object to receiving unsolicited telemarketing or telephone calls. The "no-call" list was created by Texas Business and Commerce Code §43.101-43.104, which authorizes the PUC to contract with a private vendor to maintain the no-call list. In addition, PURA §39.1025 authorizes the Commission to outsource the operation of a database of customers who do not wish to

receive telemarketing calls regarding retail electric service. Under the PUC's arrangement with its contractor, the contractor is compensated through sales of the no-call list to persons who are required to comply with the law.

Texas Universal Service Fund Administration. The PUC has a contract with Solix Inc. for administration of the Universal Service Fund. PURA §56.023 authorizes the PUC to "act as necessary and convenient to administer the fund and [PURA Chapter 56]."

Relay Texas Service. Relay Texas is a telecommunications program that allows hearing and speech impaired persons access to the state's telecommunications network equivalent to the access provided to other customers. PURA §56.108 requires the PUC to select one telecommunications carrier to provide the statewide telecommunications access service. PURA §56.021 authorizes the PUC to reimburse the telecommunications carrier that provides this service from the Universal Service Fund.

Electric Restructuring Customer Education. PURA §39.902 requires the PUC to conduct ongoing customer education designed to help customers make informed choices of electric services and retail electric providers. PUC has two contracts with outside entities to provide call center services and assistance with outreach efforts.

Market Oversight Consulting Services. As part of the electric utility restructuring enacted by the Legislature in 1999, the PUC is required by PURA §39.157 to oversee competitive wholesale electricity markets in ERCOT. It is necessary to retain outside consultants who are experts in the fields of market design and quantitative analysis of market transactions and behavior because it is not possible to recruit qualified employees at state compensation rates for some of the more advanced work required, and it is more cost-effective to obtain specialized expertise only when it is needed. The Commission enters consulting contracts on an as needed basis to work on market design issues and wholesale market enforcement matters.

Independent Market Monitor. PURA § 39.1515 requires ERCOT to contract with an entity selected by the Commission to act as the Commission's independent market monitor to detect and prevent market manipulation strategies and recommend measures to enhance the efficiency of the wholesale market. After a competitive bidding process, the Commission and ERCOT entered a contract with Potomac Economics in August 2006.

III. FISCAL ASPECTS

Size of Budget and Method of Finance

The PUC received the following appropriation for the 2008-2009 biennium:

General Revenue Fund	\$10,430,286	\$10,430,286
GR Dedicated – System Benefit Fund		
Electric market oversight	\$1,200,000	\$1,200,000
Low income Discount	\$80,000,000	\$90,000,000
Customer education	\$750,000	\$750,000
Administration	\$945,592	\$945,592
Appropriated Receipts	475,000	475,000
Total	93,800,878	103,800,878

The General Revenue portion of the Commission’s budget, as well funding for the Office of Public Utility Counsel, is funded from a gross receipts assessment (Utilities Code §16.001) on entities within the Commission’s jurisdiction that serve the ultimate consumer, including interexchange telecommunications carriers, at a rate of one-sixth of one percent of gross receipts from the sales of electric and telecommunications services to Texas customers. These funds, collected by the Texas Comptroller of Public Accounts, totaled approximately \$84 million for the 2006-2007 biennium.

The Commission also receives an appropriation from the System Benefit Fund. This fund, which was created in 1999 as part of the electric restructuring legislation, is financed by a non-bypassable fee set by the PUC in an amount not to exceed 65 cents per megawatt hour and charged to customers in areas of the state having retail competition. The fee produces approximately \$140 million per year. To the extent the revenues from the fund exceed the appropriations from the fund, the amounts collected remain in the fund and continue to accrue interest and increase the fund balance. PURA §39.903 provides that money in the System Benefit Fund may be appropriated to provide funding solely for the following regulatory purposes:

- Energy Assistance programs to provide low income customers a reduced rate or to provide one time bill payment assistance to electric customers who are or who have in their households one or more seriously ill or disabled low income person and who have been threatened with disconnection for nonpayment;¹
- Customer education programs;

¹ The one time bill payment program, created in 2005, has never been funded.

- Programs to assist low income customers by providing targeted energy efficiency programs administered by Texas Department of Housing and Community Affairs;²
- Expenses incurred by the Commission and by the Office of Public Utility Counsel in implementing and administering electric restructuring;
- Reimbursement to the PUC and the Health and Human Services Commission for expenses incurred in the implementation of automatic enrollment in the electric low income discount program.³

The amounts appropriated to the PUC from GR Dedicated- System Benefit Fund for the Low Income Discount and Customer Education are appropriated to Goal 3, Electric Utility Restructuring, and are nontransferable.

It is difficult to compare the PUC to other states in terms of budgetary needs. The size of state public utility regulatory agencies varies based on state population, scope of authority of the agency, and whether the state has implemented competition. Also, the Texas PUC is unique in that has jurisdiction over the wholesale electric market in ERCOT; FERC has jurisdiction over wholesale markets in all other contiguous states.

The PUC's budget is adequate to accomplish its statutory responsibilities.

Capital and Leased Needs

The capital needs for the PUC are composed of information resource technologies related to hardware/software and services. Each of these items is provided through an ongoing lease or managed services agreement. These include the agency digital copiers lease, Microsoft Enterprise Agreement, desktop computer lease, and the State Data Center services contract. Each of these capital budget items is an integral part of the operation of the PUC and is an ongoing cost that will be outlined in the agency budget request. In addition to the ongoing capital items, the PUC will be presenting a network infrastructure project and an increase in State Data Center costs in the Commission's appropriations request.

² The targeted energy efficiency program was not funded during the current biennium.

³ Reimbursements to HHSC were not funded during the current biennium.

IV. SERVICE POPULATION DEMOGRAPHICS

All individuals, organizations, businesses, and governmental entities that use electricity are affected to some degree by the actions of the PUC. Because of changes in the telecommunications industry and applicable law, fewer telecommunications customers are affected by PUC actions than in the past.

Electric Service Provider Customers

The geographic location and the historical electric provider for the area affect the Commission's jurisdiction, and therefore the extent to which the agency provides services. The Commission has very limited jurisdiction over municipally owned utilities and electric cooperatives, so customers of those companies are less affected by PUC activities than other electric customers. In the Panhandle, El Paso area, and eastern parts of the state, customer choice has been delayed, so the PUC continues to regulate investor-owned electric utilities in those areas.

Within ERCOT, the introduction of retail customer choice on January 1, 2002, significantly changed the Commission's role. The Commission's focus shifted to customer protection, market oversight, and enforcement, although it still regulates transmission and distribution utilities. Retail Electric Providers (REPs), Aggregators, and Power Generation Companies, although not traditionally regulated, must register with or be licensed by the PUC and are subject to customer protection and market rules adopted by the PUC.

Telecommunications Customers

The telecommunications industry has undergone extensive change. Competition in local telecommunication markets has increasingly become intermodal, that is, traditional land-based telephone companies compete with wireless telephone providers and cable television companies that also offer telecommunications service. The result is that many customers are served by wireless and Voice over Internet Protocol companies over which the PUC has little, if any jurisdiction. In 1995, the Legislature enacted PURA Chapter 65, which provided for deregulation of certain local telephone markets. As a result, the PUC no longer has regulatory authority over approximately 70% of the local telecommunications lines in Texas, mostly located in large metropolitan areas.

Low Income Customers

The PUC administers two programs which benefit low income electric and telecommunications customers. Eligibility requirements for the programs are somewhat different, but are based on income requirements or participation in other programs targeted at low income populations. Eligible customers are enrolled either through an automatic enrollment process administered in conjunction with the Texas Department of Health and

Human Services, or through self enrollment. The PUC has outsourced the functions of administration of program enrollment and creation of the list of eligible customers that is provided to the electric and telephone companies.

PURA §39.903 provides for low income customers of REPs to receive a discount off their electric bills. This program, which is funded by the System Benefit Fund, provides a reduction of ten to twenty percent off electric rates. The electric low income discount program was not funded in FY 2006 and FY 2007. The program has been funded for FY 2008 and FY 2009, and the Legislature provided an emergency appropriation in June 2007 to fund the program for the summer months. Currently there are approximately 361,000 customers enrolled in this program.

The PUC also administers the Lifeline program, which is a telephone assistance program that provides reduced rates for telephone service. The Lifeline program is funded by the Texas Universal Service Fund (TUSF) and federal Universal Service Fund. The relative amounts of the contributions are set out in 16 T.A.C. §26.412(c)(2). The TUSF is funded by a statewide uniform charge of assessment rate payable by each telecommunications provider, i.e. local, long distance, and wireless carrier that has access to the Texas customer base. Currently there are approximately 810,000 customers enrolled in the program.

Customer Education

PURA §39.902 requires the PUC to conduct ongoing customer education designed to help customers make informed choices of electric services and retail electric providers. These education efforts are targeted at electric customers in areas open to retail competition, including low income and non-English-speaking customers.

V. TECHNOLOGICAL DEVELOPMENTS

The PUC relies heavily on computer-based systems to provide service to its customers. By making information available electronically, the agency is better able to provide service to its customers while increasing agency efficiency.

Web-based Information Systems

The agency's website contains extensive information about the Commission, electric and telecommunications issues, rulemakings, and other projects. PURA and all of the PUC's rules are available, as well as forms and instructions for their use. The website contains detailed information about how customers may use the PUC's informal complaint resolution process to get assistance with problems they are having with their electric and telecommunications service providers. There is also information about how to request documents under the Public Information Act.

The PUC Interchange is an electronic document filing system that provides access to all documents filed in Central Records at no charge.

The Commission uses a web-based system that allows on-line reporting of access line counts and automatically tracks compliance with filing requirements.

The PUC has an arrangement with TexasAdmin.com, a subsidiary of AdminMonitor.com, Inc., to broadcast the Commission's open meetings over the Internet. Users pay a fee to obtain access to the meeting broadcasts in real time, as well as an archive of videos of recent meetings. Access is available free of charge to consumer interest groups and the media.

The agency also uses an internal intranet to communicate information to its employees. Employees use the intranet to access the Employee Handbook, agency forms, the timekeeping system, room reservation system, and a variety of other information which is used in day to day operations.

PUC employees use email extensively to communicate with one another and with persons outside the agency. Using email has greatly enhanced the agency's ability to expedite proceedings, when necessary, by not having to rely on U.S. mail. Even when not needed to expedite communications, email is a frequently used, efficient communications tool.

Database Systems

The Commission has developed a number of database systems to enhance its ability to work more efficiently and provide better customer service. In addition to using a variety of electronic databases to organize information and improve its availability to agency staff and the public, the PUC has developed sophisticated data systems which function as workload management systems. For example, the Customer Protection Division uses a workload management system to process thousands of complaints against service providers each year. The tool allows complaint investigators to track all information relating to a complaint, supports email communication with the service providers, and provides detailed reports so the agency can analyze trends in the number and types of complaints that are received.

Anticipated Developments

The PUC continues to look for opportunities to improve efficiency and effectiveness through the use of automation. One area of particular interest is increased reliance on electronic records.

VI. ECONOMIC VARIABLES

Historically, the work of the PUC has not been dramatically affected by overall economic conditions. The need for electric and telephone service is relatively inelastic, that is, citizens of Texas need and desire to purchase these services regardless of their economic situation. However, in the past two years, dramatic increases in the retail price of electricity in areas of the state open to competition have had a major impact on residential and business customers. The PUC has actively sought ways to mitigate the effects of price increases on Texas citizens.

There are other areas in which the agency must be mindful of the effect of economic conditions. The adequacy of electricity supply and the need for additional power plants is affected by population growth. Since 1995, Texas wholesale electricity markets have been open to competition, and the PUC has limited authority to ensure that the supply of electricity in Texas is adequate. This is an important change from the past when the PUC was required by statute to produce a statewide forecast of electricity demand and to approve the construction of new power plants. Properly functioning competitive markets should result in adequate capacity, but because of the importance of this issue, the PUC has an ongoing project to monitor and study capacity reserves. The agency also has a performance measure, EX 1-1-1.02, Percentage of Statewide Electric Generating Capacity Above Peak Demand in ERCOT, that relates to this issue.

Participation in the electric Low Income Discount and Lifeline programs can vary based on overall economic conditions. Eligibility for these programs, which provide rate reductions and bill assistance for customers throughout Texas, is based on participation in other assistance programs or income level. When economic conditions worsen and unemployment increases, the number of customers who are eligible for these programs tends to increase. Most of the program participants are enrolled automatically based on participation in programs administered by the Texas Department of Human Services, so the PUC works with TDHS in developing its projections for participation in these programs.

Economic conditions may affect the number of complaints against service providers that the PUC receives because customers may have greater difficulty paying bills and therefore face disconnection of service. The PUC has not conducted any analysis to determine whether there is, in fact, a correlation between economic conditions and types of complaints. As part of the informal complaint resolution process, the PUC works with customers and their service providers to ensure that the companies are complying with the Commission's rules regarding the offering of deferred billing arrangements, notice of disconnection, and prohibitions on disconnection for customers with certain medical conditions.

VII. FEDERAL ISSUES

The PUC monitors Federal Communications Commission (FCC) and Federal Energy Regulatory Commission (FERC) activities that have the potential to affect Texas consumers and businesses, and participates in FCC and FERC proceedings through intervention and filing comments. It is very important for the PUC to be aware of FCC and FERC activities so that State activities can be harmonized, and so that the FCC and FERC can be made aware of the Texas perspective before decisions are made.

Electric Reliability Entity

In the Energy Policy Act enacted in 2005, Congress amended the Public Utilities Regulatory Policy Act to include provisions relating to electric reliability that affect Texas and the PUC. Section 215 of the Act authorizes the FERC to set and enforce reliability standards for the bulk-power system throughout the continental United States. The Act requires that FERC certify an Electric Reliability Organization (ERO) to establish and enforce reliability standards, and provides for the ERO to delegate its enforcement authority to a Regional Entity. Texas is unique in that ERCOT constitutes a bulk-power system wholly contained within the State's boundaries, which affects implementation of the new federal reliability requirements.

FERC designated the National Electric Reliability Council (NERC) as the ERO. The Texas Regional Entity (TRE) was created as a division in ERCOT to serve as the Regional Entity for Texas. The TRE's authority is based on a delegation agreement with NERC. Although the TRE is a division of ERCOT, over which the PUC has oversight authority, the TRE is not under the PUC's jurisdiction. However, the PUC will serve as the hearing body for matters referred to it by the TRE, and will issue recommendations to the TRE Chief Compliance Officers who will make final decisions regarding compliance matters.

Because the TRE is a division of ERCOT, and because the TRE's jurisdiction overlaps somewhat with the PUC's, the Commission has worked closely with the TRE to develop procedures regarding how the two organizations will interact. These efforts are ongoing.

Some of the PUC's most important activities in the telecommunications field are based on the Federal Telecommunications Act of 1996 (FTA). Under Section 251 of the Federal Telecommunications Act of 1996 (FTA), a telecommunications carrier has the duty to interconnect with the facilities and equipment of other telecommunications carriers. The Act requires incumbent local exchange carriers (ILECs) to provide for interconnection, to provide for unbundled access, to offer telecommunications services for resale at wholesale rates, and to provide for physical or virtual collocation. All telecommunications carriers have the duty to negotiate in good faith the particular terms and conditions of agreements to implement the requirements of FTA §§251 and 252. Federal law requires the PUC to conduct arbitrations using procedures and timetables set out in FTA §252. Interconnection agreements reached

through arbitration or negotiation must be submitted to the PUC, which must approve or reject the agreements based on the standards set out in §252.

PURA Chapter 66, enacted in 2005, gives the PUC the authority to issue certificates of franchise authority to cable and video operators. Previously, these providers entered agreements with municipalities in which they served, and the municipalities had the responsibility for resolving customer complaints. Federal regulations establish minimum customer service standards, and require that all cable operators must provide the name, mailing address, and phone number of the franchising authority, unless the franchising authority in writing requests the cable operator to omit such information. The PUC has concluded that it does not possess clear authority to address customer complaints against cable and video operators, and had directed holders of state issued certificates of franchise authority not to include the PUC as the designated customer contact on their monthly cable bills.

Because of the Gulf Coast's experiences with Hurricanes Katrina and Rita, the PUC has given increased attention to hurricane preparedness and disaster recovery. The federal government plays an important role in these activities, and the PUC's activities must be consistent with any federal initiatives.

VIII. LEGAL ISSUES

PUC decisions in contested cases and rulemakings are frequently appealed to the state or federal courts by one or more parties. The PUC is very diligent about avoiding procedural and substantive error in its decisions, but because of the complexity of issues in PUC cases, decisions are sometimes overturned by the courts or remanded for additional proceedings. PUC decisions are appealed primarily because of their significant economic impact, and many parties who appear at the Commission have the financial resources to pursue such appeals. Judicial review of PUC decisions creates additional uncertainty for the Commissioners, Staff, and affected parties. It can take up to ten years for a case to go to the Texas Supreme Court and be remanded back to the Commission for further consideration.

IX. SELF EVALUATION AND OPPORTUNITIES FOR IMPROVEMENT

The PUC has been called upon to implement new laws and programs for which there is little or no historical guidance. Many PUC decisions present issues of first impression, and involve extensive stakeholder participation and staff analysis. The issues addressed by the Commission affect virtually all Texans, and the Commissioners and Staff alike are very conscious of the importance of doing the very best job possible.

The Commission's role has changed as the law and technology have changed the industries which the PUC oversees. While the PUC still performs a traditional ratemaking role for electric utilities in areas of the state where customer choice has not been implemented, and for transmission and distribution utilities within ERCOT, the emphasis in both electric and telecommunications has shifted to quality of service, market oversight, and customer protection. Because of technological advances, quality of service issues are more diverse and more complex because the range of services offered and the way they are delivered has changed. One need only consider how telephone service has changed since 1975 to get an understanding of how the PUC's role has changed since that time.

From an operational perspective, the PUC is required to constantly evaluate its staffing needs to assure that the correct mix of technical experts, legal staff, and support staff are available to process the numerous applications, complaints, and requests filed and provide the analysis required for Commission decisions. Because staff retention has always been a problem for the PUC, management must ensure that processes and the knowledge base survive even if individual employees move on.

The PUC has the opportunity to help make Texas a national leader by helping its citizens obtain the benefits of competition, while ensuring that service remains reliable and affordable. As customers become more familiar with purchasing telecommunications and electric services in competitive markets, companies who once served as monopoly providers learn how to operate in a competitive market, and new companies enter the emerging competitive markets, more and more customers should be able to reap the benefits of the legislative reforms that have occurred over the past 13 years.

PUBLIC UTILITY COMMISSION GOALS

- GOAL 1** To ensure fair competition, customer choice, just and reasonable rates, system reliability, a high level of service quality, and the opportunity for technological advancement in the electric and telecommunication industries.
- GOAL 2** To serve the public by distributing customer education information, administering customer service programs, and assisting customers in resolving disputes concerning electric and telecommunications services.
- GOAL 3** To achieve specific legislative objectives by administering special programs for energy assistance to low-income Texans, and for customer education information in regions subject to electric competition.
- GOAL 4** Indirect Administration
- GOAL 5** To implement purchasing and vendor contracting policies and procedures to promote the use of Historically Underutilized Businesses (HUBs)

DIRECTLY BUDGETED OBJECTIVES AND OUTCOME MEASURES

OBJECTIVE 1-1: Maintain innovative policies to foster competition in telecommunications and retail electric markets, such that by the end of fiscal year 2013, 85 percent of Texas cities are served by three or more certificated telecommunications providers, and 95 percent of residential electric customers in areas of the state open to competition have at least five providers for electric service.

Outcome Measures:

- | | |
|------------------|--|
| OC 1-1.01 | Percent of Texas Cities Served by Three or More Certificated Telecommunications Providers |
| OC 1-1.02 | Percentage of Residential Customers in Areas Open to Competition Having a Choice of More than Five Electric Services Providers |
| OC 1-1.03 | Percent of Goal Achieved for Renewable Energy |
| OC 1-1.04 | Average Price of Electricity per kWh in Texas for Residential Customers from Competitive Suppliers as a Percentage of the National Residential Average |
| OC 1-1.05 | Average Price of Electricity per kWh in Texas for Commercial Customers as a Percentage of the National Commercial Average |
| OC 1-1.06 | Average Price of Electricity per kWh in Texas for Industrial Customers as a Percentage of the National Industrial Average |
| OC 1-1.07 | Percent of Households in Texas with Telephone Service in Place |
| OC 1-1.08 | Average Annual Residential Electric Bill from Competitive Suppliers as a Percentage of the National Average |

OBJECTIVE 1-2: Regulate service providers such that by 2013, 90 percent of telecommunications customers are served by exchanges that meet service quality standards and 95 percent of electric customers are served by companies meeting service quality standards.

Outcome Measures:

- OC 1-2.01** Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average
- OC 1-2.02** Average Annual Business Telephone Bill in Texas as a Percentage of the National Average
- OC 1-2.03** Average Price of Electricity per kWh in Texas for Residential Customers from Regulated Suppliers as a Percentage of the National Average
- OC 1-2.04** Average Price of Electricity per kWh in Texas for Commercial Customers from Regulated Suppliers as a Percentage of the National Average
- OC 1-2.05** Average Annual Residential Electric Bill from Regulated Suppliers as a Percent of the National Average
- OC 1-2.06** Percentage of Telephone Subscriber Lines in Texas Served by Digital Switches
- OC 1-2.07** Percentage of Telephone Subscribers Lines Served by Exchanges Meeting Commission Service Quality Standards
- OC 1-2.08** Percentage of Electric Customers Served by Transmission and Distribution Utilities Meeting Commission Service Quality Standards

OBJECTIVE 1-3: To ensure compliance with statutes, rules and orders such that by 2013, 75 per cent of all settlement agreements entered in formal enforcement proceedings will contain specific provisions regarding how future violations of the same type will be avoided.

Outcome Measures:

OC 1-3.01 Percent of Settlement Agreements Entered in Formal Enforcement Proceedings That Contain Specific Provisions Regarding How Future Violations of the Same Type by the Entity that is the Subject of the Proceeding Will be Avoided

OC 1-3.02 Dollar Amount of Administrative Penalties Assessed for Violations of Statutes, Public Utility Commission Rules or Orders

OBJECTIVE 2-1: Inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services through 2013.

OBJECTIVE 2-2: To resolve complaints consistent with relevant law and PUC rules and orders, such that all customer complaints will be concluded within the targeted average number of days each fiscal year through 2013.

Outcome Measures:

OC 2-2.01 Percentage of Customer Complaints Resolved through Informal Complaint Resolution Process

OC 2-2.02 Credits & Refunds Obtained for Customers through Complaint Resolution

OBJECTIVE 3-1: Administer financial assistance program such that by 2013, 93% of eligible low-income utility customers receive a reduction in their annual electric bill.

Outcome Measures:

OC 3-1.01 Percent of Eligible Low-Income Customers Provided a Discount for Electric Service

DIRECTLY BUDGETED STRATEGIES, OUTPUT, EFFICIENCY AND EXPLANATORY MEASURES

STRATEGY 1-1-1: Foster and monitor market competition by evaluating the relevant electric and telecommunications markets, and develop policies to enhance effectiveness of competition and benefits for customers, and register and license competitive service providers. Develop rules, conduct studies and prepare reports responsive to changes in electric and telecom markets.

Efficiency Measure:

EF 1-1-1.01 Average Number of Days to Process an Application for a Certificate of Operating Authority or Service Provider Certificate of Operating Authority

Explanatory Measures:

EX 1-1-1.01 Number of Electric Coops and Municipal Utilities Regulated for Wholesale Transmission Rates

EX 1-1-1.02 Percentage of Statewide Electric Generating Capacity Above Peak Demand in ERCOT

EX 1-1-1.03 Energy Savings Due to Energy Efficiency Programs

EX 1-1-1.04 Demand Reductions Due to Energy Efficiency Programs

EX 1-1-1.05 Number of Power Generation Companies in Texas

EX 1-1-1.06 Number of Aggregators in Texas

EX 1-1-1.07 Average Cost of Natural Gas in Texas as a Percent of 2001 Average Costs

Output Measures:

OP 1-1-1.01 Number of Retail Electric Providers Registered

OP 1-1-1.02 Number of Competitive Telecommunications Service Providers Licensed

OP 1-1-1.03 Number of Investigations Conducted for Market Power Electric

OP 1-1-1.04 Number of Investigations for Market Power in the Telephone Market

- OP 1-1-1.05** Number of Cases Completed Related to Competition Among Providers
- OP 1-1-1.06** Number of Rules Adopted or Amended Relating to Competitive Electric Issues
- OP 1-1-1.07** Number of Rules Adopted or Amended Relating to Competitive Telecom Issues
- OP 1-1-1.08** Number of Applications & Amendments for Cable Franchise Authority

STRATEGY 1-2-1: Conduct rate cases for regulated telephone and electric utilities under the Administrative Procedures Act and methods of alternative dispute resolution to evaluate whether revenue requirements, cost allocation, rate design, and affiliate transactions are reasonable and in compliance with all laws and PUC rules; register and license regulated service providers; evaluate utility infrastructure and quality of service.

Efficiency Measures:

EF 1-2-1.01 Average Number of Days to Process a Major Rate Case for a Transmission and Distribution Utility

EF 1-2-1.02 Average Cost per Transmission and Distribution Utility Rate Case

Explanatory Measures:

EX 1-2-1.01 Number of Electric Utilities Regulated

EX 1-2-1.02 Number of Telecom Service Providers Regulated

Output Measures:

OP 1-2-1.01 Number of Rate Cases Completed for Regulated Electric Utilities

OP 1-2-1.02 Number of Rate Cases Completed for Regulated Telecommunications Providers

OP 1-2-1.03 Number of Investigations Conducted Concerning Telecom Service Quality

OP1-2-1.04 Number of Investigations Conducted Concerning Electric Service Quality

OP 1-2-1.05 Number of Rules Adopted or Amended Relating to Electric Issues Other than Competition

OP 1-2-1.06 Number of Rules Adopted or Amended Relating to Telecom Issues Other than Competition

STRATEGY 1-3-1: Conduct investigations and initiate enforcement actions to ensure compliance with relevant law, PUC rules, and orders.

Output Measure:

OP 1-3-1.01 Number of Enforcement Investigations Conducted

STRATEGY 2-1-1: Provide information and distribute materials to customers on changes in the electric and telecommunications industries. Respond to requests for information from the public and media. Conduct outreach activities; administer Relay Texas and the Specialized Telecommunications Assistance Program (STAP) responsibilities.

Efficiency Measure:

EF 2-1-1.01 Percent of Customer Information Products Distributed Electronically

Explanatory Measure:

EX 2-1-1.01 Number of Calls Completed Through Relay Texas

Output Measures:

OP 2-1-1.01 Number of Website Hits to Consumer Protection Home Page

OP 2-1-1.02 Number of Information Requests to Which Responses Were Provided

OP 2-1-1.03 Number of Customer Information Products Distributed

STRATEGY 2-2-1: Assist customers in resolving disputes concerning electric and telecommunications services consistent with statutes and rules.

Efficiency Measure:

EF 2-2-1.01 Average Number of Days to Conclude Customer Complaints

Explanatory Measure:

EX 2-2-1.01 Number of Complaints Received for Unauthorized Changes in Service

Output Measure:

OP 2-2-1.01 Number of Customer Complaints Concluded

STRATEGY 3-1-1: Reimburse retail electric providers from the System Benefit Trust Fund for electric service billing discounts; administer automated and self enrollment of eligible participants for the billing discounts.

Efficiency Measures:

EF 3-1-1.01 Percent of Low Income Discount Program Participants who are Automatically Enrolled.

EF 3-1-1.02 Average Number of Days for Retail Electric Provider Reimbursement

Explanatory Measure:

EX 3-1-1.01 Total Number of Low-Income-Discount Participants

STRATEGY 3-1-2: Produce and disseminate customer education information for electric market competition through outsourcing; address customer inquiries through a website and call center.

Explanatory Measure:

EX 3-1-2.01 Number of Power-to-Choose Website Hits

Output Measures:

OP 3-1-2.01 Number of Customer Information Products Distributed Through Outsourcing

INDIRECTLY BUDGETED GOALS, OBJECTIVES AND STRATEGIES

- STRATEGY 4-1-1:** Central Administration
- STRATEGY 4-1-2:** Information Resources
- STRATEGY 4-1-3:** Other Support Services

OBJECTIVE 5-1 Assist HUBs, by making a good faith effort in awarding a portion of each contract annually from Fiscal Year 2009 through Fiscal Year 2013, in the percentages established by the Texas Comptroller of Public Account's (TCPA) Annual Procurement Utilization Goals.

Outcome Measures:

OC 5-1.01 Percent of total dollar value of all categories of delegated purchases and contracts awarded annually to HUBs

OC 5-1.02 Percent of the Other Services procurements awarded to HUBs

STRATEGY 5-1-1 Utilize the list of certified HUB vendors and contractors from the TCPA for all delegated purchases; advise HUB representatives of the opportunities and procedures for bidding on PUC purchases by participating in TCPA-sponsored Economic Opportunity Forums and by posting RFPs on the Commission's website; encourage non-certified vendors who qualify as HUBs to become certified.

Explanatory Measure:

EX 5-1-1.01 Number of HUB Bids and Proposals Received

Output Measures:

OP 5-1-1.01 Number of HUB Vendors Contacted for Bid Proposals

OP 5-1-1.02 Number of HUB Contracts and Subcontracts Awarded

OP 5-1-1.03 Dollar Value of HUB Contracts and Subcontracts Awarded

APPENDIX A.

DESCRIPTION OF THE AGENCY PLANNING PROCESS

The Public Utility Commission's (PUC) Strategic Plan provides a backdrop for agency activities throughout each year, and the biennial strategic planning process provides a useful opportunity to review the Strategic Plan to ensure that it is current and accurately reflects the agency's duties and responsibilities as set out in its enabling legislation.

The PUC's planning process is coordinated by the Fiscal Services Section under the leadership of the Executive Director. The process begins with a consideration of whether there have been legislative changes that would necessitate or support changes to the agency's mission, philosophy or budget structure. During this part of the process, the Executive Director meets with the Commissioners and senior management to obtain input. If the Executive Director determines, based on these meetings, that the Commission should consider making changes to the mission, philosophy, or budget structure, the Executive Director develops a recommendation in consultation with agency senior management.

If the Commission decides to request changes in its budget structure, the extent of those changes determines the amount of time and the persons who are involved. If changes to goals, objectives and strategies are to be requested, key staff throughout the agency are called upon to contribute. Teams may be formed to address specific changes that will be requested. Changes to performance measures also involve performance measure analysts who specialize in drafting performance measure definitions. Staff throughout the agency work closely with the Performance Measure Coordinator to develop the requested budget structure changes.

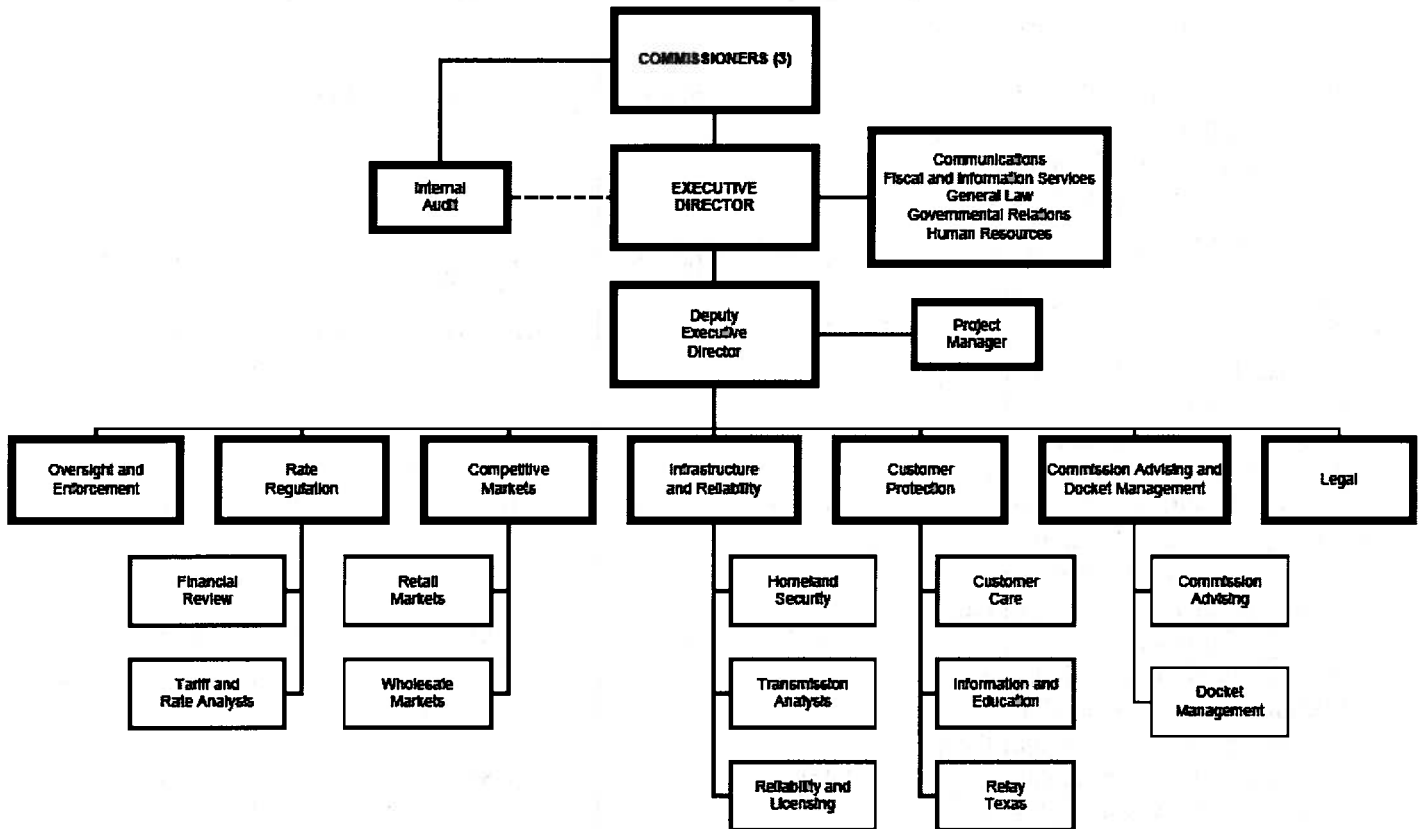
If the Commission does not intend to request changes to its budget structure as part of the strategic planning process, the early stages of the process focus on any changes to performance measure definitions that may be requested and development of the five year projections for outcome measures.

The analytical components of the Strategic Plan, such as the External/Internal Analysis, Historically Underutilized Business Plan, and Workforce Plan are initially drafted by the Deputy Executive Director, the Director of Fiscal Services, and the Director of Human Resources. Each component is reviewed by other management team members, as well as the Executive Director.

The Commission considers the Strategic Plan in open meeting for discussion and approval.

APPENDIX B

PUBLIC UTILITY COMMISSION OF TEXAS
 CURRENT ORGANIZATIONAL CHART



APPENDIX C

OUTCOME MEASURES FIVE-YEAR PROJECTIONS

Outcome Measure	2009	2010	2011	2012	2013
Percent of Texas Cities Served by Three or More Certificated Telecommunications Providers	83.00%	82.00%	81.00%	80.00%	79.00%
Percent of Residential Customers in Areas Open to Competition Having a Choice of More than Five Electric Services Providers	99.70%	99.70%	99.70%	99.70%	99.70%
Percent of Goal Achieved for Renewable Energy	100.00%	100.00%	100.00%	100.00%	100.00%
Average Price of Electricity per kWh in Texas for Residential Customers from Competitive Suppliers as a Percentage of the National Residential Average	124.42%	121.26%	119.21%	115.57%	121.16%
Average Price of Electricity per kWh in Texas for Commercial Customers as a Percentage of the National Commercial Average	106.80%	105.41%	104.62%	100.92%	107.10%
Average Price of Electricity per kWh in Texas for Industrial Customers as a Percentage of the National Industrial Average	128.45%	125.09%	121.88%	114.88%	119.37%
Percent of Households in Texas with Telephone Service in Place	92.80%	92.95%	93.10%	93.25%	93.40%
Average Annual Residential Electric Bill from Competitive Suppliers as a Percentage of the National Average	154.06%	150.15%	147.61%	143.10%	150.03%
Average Annual Residential Telephone Bill in Texas as a Percentage of the National Average	72.40%	72.90%	73.40%	73.90%	74.40%
Average Annual Business Telephone Bill in Texas as a Percentage of the National Average	80.00%	0.81%	82.00%	83.00%	84.00%

Outcome Measure	2009	2010	2011	2012	2013
Average Price of Electricity per kWh in Texas for Residential Customers from Regulated Suppliers as a Percentage of the National Average	103.23%	103.95%	104.67%	102.99%	102.87%
Average Price of Electricity per kWh in Texas for Commercial Customers from Regulated Suppliers as a Percentage of the National Average	108.60%	109.96%	111.54%	110.22%	112.23%
Average Annual Residential Electric Bill from Regulated Suppliers as a Percent of the National Average	101.15%	101.84%	102.56%	100.91%	100.79%
Percentage of Telephone Subscriber Lines in Texas Served by Digital Switches	97.00%	97.50%	98.00%	98.50%	98.75%
Percent Agreements with Specific Provisions for Avoiding Future Violations	55.00%	60.00%	65.00%	70.00%	75.00%
Dollar Amount of Administrative Penalties Assessed for Violations of Statutes, PUC Rules or Orders	\$1,500,000	\$1,550,000	\$1,600,000	\$1,640,000	\$1,690,000
Percentage of Customer Complaints Resolved through Informal Complaint Resolution Process	89.00%	91.00%	93.50%	94.00%	96.00%
Credits & Refunds Obtained for Customers through Complaint Resolution	\$1,300,000	\$1,350,000	\$1,400,000	\$1,470,000	\$1,520,000
Percentage of Telephone Subscribers Lines Served by Exchanges Meeting Commission Service Quality Standards	96.00%	96.00%	96.00%	96.00%	96.00%
Percentage of Electric Customers Served by Transmission and Distribution Utilities Meeting Commission Service Quality Standards	96.90%	96.95%	97.00%	97.00%	97.00%
Percent of Eligible Low-Income Customers Provided a Discount for Electric Service	93.00%	93.00%	93.00%	93.00%	93.00%

APPENDIX D

FY 2010-2011 PERFORMANCE MEASURE DEFINITIONS

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 01 % Tx Cities Srvd by 3 or More Certificated Telecommunication Providers

Cross Reference to Prior Biennium Measure Code: OC 01-01.06

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reports the percentage of municipalities in Texas served by three or more Certificated Telecommunications Providers (CTPs). For purposes of this measure, "municipalities" is defined as cities, towns and villages that are incorporated. "CTPs" are defined as those who provide either residential, non-residential or point-to-point service.

Data Limitations: The decision of a CTP to offer service in any geographic area is outside the control of the Public Utility Commission (PUC). This measure reports results from the first quarter of a calendar year; therefore, there is a seven month lag in reported performance.

Data Source: CTPs are required to file quarterly reports with the PUC. The data used to calculate this measure are obtained from such reports.

Method of Calculation: This performance measure is calculated by dividing the number of cities with three or more CTPs providing local service by the total number of cities.

Purpose/Importance: The purpose of this measure is to indicate the status of competitive telecommunications markets in Texas as reflected by whether customers have a choice in the selection of their local telecommunications provider.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 02 % of Residential Customers in Areas Open to Competition Having a Choice of More than Five Providers for Electric Service

This is a New Measure

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number, expressed as a percentage, of residential customers in areas of the state open to electric competition who have a choice of five or more electric providers.

Data Limitations: None.

Data Source: The PUC provides information about retail residential electric prices on its Power to Choose website. The number of companies who post retail residential prices will be used to determine the number of providers in each region of the state. The number of residential customers in each region of the state will be obtained from the transmission and distribution utilities.

Method of Calculation: On the Power to Choose website, offers for residential electric service are listed based on the transmission and distribution company service area. The number of companies serving in each area is determined from the offers. Determine which TDU service areas have more than five providers. Determine the number of residential customers in areas open to competition for each TDU service area. Add together the number of customers in areas open to competition for all areas which have more than five providers. Divide the total number of customers in areas having more than five providers by the total number of customers in areas of the state open to competition. Multiply by 100 to obtain the percentage.

Purpose/Importance: In order for competitive markets to be successful, customers must have a choice of providers. This measure provides an indication of how many customers have a meaningful choice of providers.

Calculation Type: Non-Cumulative.

New Measure: Yes.

Desired Performance: At or above target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 03 Percent of Goal Achieved for Renewable Energy

Cross Reference to Prior Biennium Measure Code: OC 01-01.07

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the percent of the statewide goal achieved for renewable energy. The Public Utility Regulatory Act establishes goals for renewable energy.

Data Limitations: This measure is dependent on third parties; power generation companies and competitive retailers must acquire additional renewable resources. This measure relies on data obtained from the annual report of a third-party program administrator filed with the Public Utility Commission (PUC) pursuant to PUC rules. In addition, the reports filed in April are for the preceding calendar year. Therefore, there is a 10-month lag in the reported data.

Data Source: Data for this measure is obtained from the annual report from the third-party program administrator that is filed with the PUC each calendar year.

Method of Calculation: This measure is calculated by dividing the cumulative megawatts (MWs) of generating capacity from renewable resources that was installed in the state by the annual MW goal.

The numerator for this measure is the cumulative added MWs of capacity from renewable resources that was installed in the state. The denominator for this measure is the annual MW goal as specified in the PUC's rules.

Purpose/Importance: This measure is important for two reasons: 1) it tracks the progress in meeting the statutory goal for renewable energy set forth in PURA; and 2) it tracks the PUC's progress in attaining our goal of supporting technological advancement in the electric industry.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 04 Avg Price Elec/kWh in TX for Residential Customers As % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for residential customers from competitive suppliers in Texas as a percentage of the national average cost of electricity for the same class of service.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC cannot control electricity prices in other states.

The EIA-826 form is not required of all Retail Electric Providers (REPs) by the Energy Information Agency (EIA) and the data is not always submitted by all REPs.

The Power Sales data in the Electric Power Monthly and for EIA-826 include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: Texas residential data are obtained from the monthly Electric Sales and Revenue with State Distributions Reports from the EIA-826 forms filed by REPs with the PUC in compliance with its rules. The report provides information for REPs including revenue from retail electric sales associated with transmission and distribution revenues, sales, and customer count by sector.

National residential data are obtained from the EIA's Electric Power Monthly publication, which collects electric power sales data from approximately 260 of the largest primarily investor-owned and publicly-owned electric utilities in the United States.

Method of Calculation: The numerator is obtained by summing the monthly revenues as well as the monthly sales from the EIA reports to obtain the annual revenue and annual sales for all competitive REPs serving Texas residential customers. Divide annual revenue by annual sales to determine a weighted average price for Texas residential customers.

The denominator is obtained by adding the twelve monthly U.S. Cost of Electricity per kWh rates for residential customers identified in Electric Power Monthly, and dividing by 12.

Purpose/Importance: The purpose of this measure is to show how Texas residential electricity prices per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 05 Avg Price Electricity/kWh for TX Commercial Customers As % Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for commercial customers from competitive suppliers in Texas as a percentage of the national average price of electricity for the same class of service.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC cannot control electricity prices in other states.

The EIA-826 form is not required of all Retail Electric Providers (REPs) by the Energy Information Agency (EIA) and the data is not always submitted by all REPs. The Power Sales data in the Electric Power Monthly include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: Texas commercial data are obtained from the monthly Electric Sales and Revenue with State Distributions Reports from the EIA-826 forms filed by the REPs with the PUC in compliance with its rules. The report provides information for REPs including revenue from retail electric sales associated with transmission and distribution revenues, sales, and customer count by sector. The national commercial data is obtained from the EIA's Electric Power Monthly publication, which collects electric power sales data monthly from approximately 260 of the largest primarily investor-owned and publicly-owned electric utilities in the United States.

Method of Calculation: The numerator for this measure is obtained from the EIA Reports. Identify REPs serving Texas commercial customers, sum the monthly revenues and the monthly sales to obtain the annual revenue and annual sales. Divide annual revenue by annual sales to determine a weighted average price for Texas commercial customers. If the EIA Report is not available to calculate the numerator, add the twelve monthly Cost of Electricity per kWh in Texas for commercial customers' rates as provided in the Electric Power Monthly publication, and divide by 12.

The denominator for this measure is obtained by adding the twelve monthly U.S. cost of Electricity per kWh rates for commercial customers identified in the Electric Power Monthly publication, and dividing by 12.

Purpose/Importance: The purpose of this measure is to show how Texas commercial electricity prices per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 06 Avg Price Electricity/kWh for TX Industrial Customers As % Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-01.03

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for industrial customers from competitive suppliers in Texas as a percentage of the national average price of electricity for the same class of service.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC cannot control electricity prices in other states. The EIA-826 form is not required of all Retail Electric Providers (REPs) by the Energy Information Agency (EIA) and the data is not always submitted by all REPs.

The power sales data in the Electric Power Monthly include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: Texas industrial class data are obtained from the monthly Electric Sales and Revenue with State Distributions Reports from the EIA-826 forms filed by the REPs with the PUC in compliance with PUC rules. The report provides information for REPs including revenue from retail electric sales associated with transmission and distribution revenues, sales, and customer count by sector. If the report is not available, the Texas industrial data will be obtained from the same source as the national industrial average data, which is the EIA's Electric Power Monthly publication, which collects electric power sales data monthly from approximately 260 of the largest primarily investor-owned and publicly-owned electric utilities in the United States.

Method of Calculation: The numerator for this measure is obtained by compiling the monthly Form EIA-826 Report. For each REP serving Texas industrial customers, sum the monthly revenues and the monthly sales to obtain the annual revenue and annual sales. Divide annual revenue by annual sales to determine a weighted average price for Texas industrial customers. If the EIA Report is not available to calculate the numerator, add the twelve monthly cost of Electricity per kWh in Texas for industrial customers' rates as provided in the Electric Power Monthly publication and dividing by 12.

The denominator for this measure is obtained by adding the twelve monthly U.S. Cost of Electricity per kWh rates for industrial customers identified in the Electric Power Monthly publication and dividing by 12.

Purpose/Importance: The purpose of this measure is to show how Texas industrial electricity prices per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 07 Percentage of Households in Texas with Telephone Service in Place

Cross Reference to Prior Biennium Measure Code: OC 01-01.04

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This performance measure shows the percentage of households in Texas that have telephone service.

Data Limitations: Many factors outside the Public Utility Commission's (PUC) control, such as household income, affect whether households have telephone service.

The Federal Communications Commission (FCC) collects data annually and publishes the data in the spring or summer of each year. Therefore, there is approximately a one-year lag between the time the data are collected and when it is reported by the PUC.

Data Source: The reported percentage is obtained from a report published by the FCC. The FCC obtains the underlying data via a contractual arrangement with the Bureau of Labor Statistics, an arm of the U.S. Census Bureau, as part of the Census Bureau's Current Population Survey (CPS).

Method of Calculation: No calculations are performed by the PUC. Approximately 58,000 households are surveyed by the Bureau of Labor Statistics three times annually. Data results are published annually by the FCC in the spring or summer. The Performance Measure Analyst obtains the result for this measure by referring to the appropriate table in the FCC report, as noted in the procedures for this measure.

Purpose/Importance: The purpose of this measure is to evaluate, once annually, the percentage of households in Texas with telephone service to determine whether subscribership levels are increasing or decreasing.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
OUTCOME: 08 Avg Ann Resid Elec Bill from Competitive Suppliers as a % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-01.05

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the average annual residential electric bill from competitive suppliers in Texas as a percentage of the national annual average residential electric bill.

Data Limitations: The Public Utility Commission (PUC) does not regulate prices charged by competitive providers. Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The PUC has no control over the usage of individual customers. The EIA-826 form is not required of all Retail Electric Providers (REPs) by the Energy Information Agency (EIA) and the data is not always submitted by all REPs.

Data Source: Texas residential data are obtained from the EIA's Electric Sales and Revenue with State Distributions Report database that provides retail electric sales, transmission and distribution (T&D) revenues, and customer count by sector for Retail Electric Providers (REPs). U.S. residential data for the average monthly bill are obtained from a yearly publication by the EIA.

Method of Calculation: The numerator is obtained by multiplying average annual Texas residential electric energy consumption (A) by the average Texas residential electricity price (B). To obtain (A), divide annual Texas residential electric energy sales by the number of Texas residential customers. To obtain (B), divide annual residential class electric revenues by total annual Texas residential electric energy sales.

The denominator is obtained from EIA data, calculated by multiplying average monthly usage per customer by average price per kwh.

Purpose/Importance: The purpose of this measure is to show how the Texas annual residential electric bill from competitive suppliers compares to the national average.

Calculation Type: Non-Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 01 Average Annual Residential Telephone Bill as a % of National Average

Cross Reference to Prior Biennium Measure Code: OC 01-02.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reports the average annual residential telephone bill in Texas as a percentage of the national average residential telephone bill. The term “bill” is defined as the weighted average monthly rate for single-line residential telephone service.

Data Limitations: The Public Utility Commission (PUC) has limited jurisdiction over telephone rates in Texas, and no ability to affect telephone rates in other states. The Federal Communications Commission (FCC) gathers data annually and generally publishes the data in spring or summer of each year. So, while this measure consistently uses the most recent national data made available by the FCC, the national data is not from the same period as the state data.

Data Source: Texas access line data is obtained from Texas telephone companies that provide, upon written request from Commission staff, the number of access lines billed at each tariffed residential rate. Texas residential rates are obtained from telephone company tariffs on file at the Commission or by written request to telephone companies from PUC staff. National data is obtained annually from a report published by the Federal Communications Commission (FCC), as noted in the procedures for this measure.

Method of Calculation: This performance measure is calculated by dividing the weighted average of single-line residential telephone rates of the ten largest local exchange companies in Texas by the national single-line residential telephone rate. The ten largest local exchange companies in Texas are the ten incumbent local exchange companies that serve the most access lines in Texas.

Purpose/Importance: The purpose of this measure is to show how Texas residential telephone bills compare to the national average telephone bill.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 02 Average Annual Business Telephone Bill as a % of the National Average

Cross Reference to Prior Biennium Measure Code: OC 01-02.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reports the average annual business telephone bill in Texas as a percentage of the national average telephone bill. The term "bill" is defined as the weighted average monthly rate for single-line business telephone service.

Data Limitations: The Public Utility Commission (PUC) has limited jurisdiction over telephone rates in Texas, and no ability to affect telephone rates in other states. The Federal Communications Commission (FCC) gathers data annually and publishes the data in late spring or summer of each year. So, while this measure consistently uses the most recent national data made available by the FCC, the national data are not from the same period as the state data.

Data Source: Texas access line data is obtained from Texas telephone companies that provide, upon written request from PUC staff, the number of access lines billed at each tariffed business rate. Texas business rates are obtained from Texas telephone company tariffs on file at the PUC or by written request to telephone companies from PUC staff. National data is obtained annually from a report published by the FCC, as noted in the procedures for this measure.

Method of Calculation: This performance measure is calculated by dividing the weighted average of single-line business telephone rates of the ten largest local exchange companies in Texas by the national single-line business telephone rate. The ten largest local exchange companies in Texas are the ten companies with the most access lines in Texas, as detailed in the procedures for this measure.

Purpose/Importance: The purpose of this measure is to indicate how business telephone bills in Texas compare to the national average business telephone bill.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL:	01	Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE:	02	Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME:	03	Avg Price Electricity Per kWh for Residential Cust as % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-02.03

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for residential customers from regulated suppliers in Texas as a percentage of the national average cost of electricity for the same class of service.

Data Limitations: Factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The Public Utility Commission (PUC) cannot control electricity prices in other states. The EIA-826 form is not required of all utilities by the Energy Information Agency (EIA) and the data is not always submitted by all utilities.

The Power Sales data in the Electric Power Monthly and in the EIA-826 database include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: The Texas residential data are obtained from the monthly Electric Sales and Revenue with State Distributions Report database from the EIA. The report provides information for utilities including revenue from retail electric sales, sales, and customer count by sector. However, if the report is not available, the Texas residential data will be obtained from the monthly bill comparisons compiled by the PUC staff, which monthly report base rates, fuel charges, and any surcharges or refunds in effect for the period.

The national residential data are obtained from EIA's Electric Power Monthly publication which collects electric power sales data monthly from approximately 260 of the largest primarily investor-owned and publicly owned electric utilities in the United States.

Method of Calculation: The numerator is obtained by summing monthly revenues as well as monthly sales from the EIA report to obtain the annual revenue and annual sales for all the regulated suppliers serving Texas residential customers. Divide annual revenue by the annual sales to determine a weighted average price for Texas residential customers. If the EIA Report is not available, then compile the monthly bill surveys for regulated suppliers for each of the twelve months in the period. A twelve-month average residential rate will be determined for each of the investor owned utilities. The residential averages computed for each of the investor owned utilities will then be used to determine a weighted average for all the regulated suppliers in Texas for the twelve-month period.

The denominator for this measure is obtained by adding the twelve monthly U.S. Cost of Electricity per kWh rates for residential customers identified in the Electric Power Monthly publication, and dividing by 12.

Purpose/Importance: The purpose of this measure is to show how Texas residential electricity prices per kWh compare to the national electricity prices per kWh for residential service.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL:	01	Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE:	02	Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME:	04	Avg Price Electricity Per kWh for Commercial Cust as % of Nat'l Avg

Cross Reference to Prior Biennium Measure Code: OC 01-02.04

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the average monthly price of electricity per kilowatt hour (kWh) for commercial customers from regulated suppliers in Texas as a percentage of the national average cost of electricity for the same class of service.

Data Limitations: Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The Public Utility Commission (PUC) cannot control prices in other states.

The EIA-826 form is not required of all utilities by the Energy Information Agency (EIA) and the data is not always submitted by all utilities. The Power Sales data in the Electric Power Monthly and the EIA-826 database include a time lag of 3 or 4 months. For example, data for March is published in the June or July issue of Electric Power Monthly. Therefore, this is a lagged measure.

Data Source: The Texas commercial data are obtained from the monthly Electric Sales and Revenue with State Distributions Report database from the EIA. The report provides information for utilities including revenue from retail electric sales associated with transmission and distribution revenues, sales, and customer count by sector. However, if the report is not available, the Texas commercial data will be obtained through surveys compiled by the PUC staff Electric Division which monthly report base rates, fuel charges, and any surcharges or refunds in effect for the period for regulated suppliers for Texas commercial customers. The national commercial data are obtained from the EIA's Electric Power Monthly publication which collects electric power sales data monthly from approximately 260 of the largest primarily investor-owned and publicly owned electric utilities in the United States.

Method of Calculation: The numerator is obtained by summing the monthly revenues as well as the monthly sales in the EIA report to obtain the annual revenue and annual sales for all the regulated suppliers serving Texas commercial customers. Divide annual revenue by the annual sales to determine a weighted average price for Texas commercial customers. If the EIA Report is not available, compile the monthly bill surveys for regulated suppliers for each of the twelve months in the period. A twelve-month average commercial rate will be determined for each of the investor-owned utilities. The commercial averages computed for each of the investor-owned utilities will then be used to determine a weighted average for all the regulated suppliers in Texas for the twelve-month period.

The denominator is obtained by adding the twelve monthly U.S. Cost of Electricity per kWh rates for commercial customers identified in the Electric Power Monthly publication, and dividing by 12.

Purpose/Importance: The purpose of this measure is to show how Texas commercial electricity prices per kWh compare to the national electricity prices per kWh for the same class of service.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 05 Average Annual Residential Electric Bill from Regulated Suppliers

Cross Reference to Prior Biennium Measure Code: OC 01-02.05

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the average annual residential electric bill from regulated suppliers in Texas as a percentage of the national annual average residential electric bill.

Data Limitations: Many factors outside the control of the agency, such as fuel prices, weather, economic conditions, and legislative actions can affect electricity prices. The Public Utility Commission (PUC) has no ability to affect prices in other states. The PUC has no control over the usage of individual customers.

The EIA-826 form is not required of all utilities by the Energy Information Agency (EIA) and the data is not always submitted by all utilities.

Data Source: Texas residential data are obtained from the EIA's Electric Sales and Revenue with State Distributions database that provides retail electric sales, transmission and distribution (T&D) revenues, and customer count by sector for utilities. Alternatively, Texas residential price data are obtained from monthly surveys compiled by the PUC staff which report base rates, fuel charges, and any surcharges or refunds in effect for regulated suppliers of Texas residential customers. U.S. residential data such as electric energy sales, number of customers, and total revenue of aggregate electric are obtained from the EIA's Electric Sales and Revenue with State Distribution Database.

Method of Calculation: The numerator is obtained by multiplying average annual Texas residential electric energy consumption (A) by the average Texas residential electricity price (B). To obtain (A), divide annual Texas residential electric energy sales by the number of Texas residential customers. To obtain (B), divide annual residential class electric revenues by total annual Texas residential electric energy sales.

The denominator is obtained from EIA data, and is calculated by multiplying average annual U.S. residential consumption of electric energy (C) by the average annual U.S. residential electricity price (D). To obtain (C), divide annual U.S. residential electric energy sales by the number of U.S. residential customers. To obtain (D), divide annual residential electric revenues by total annual U.S. residential electric energy sales.

Purpose/Importance: The purpose of this measure is to show how the Texas annual residential electric bill from regulated suppliers compares to the national average.

Calculation Type: Non Cumulative.

New Measure: No.

Desired Performance: Below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 06 % of Subscriber Lines in Texas Are Served by Digital Switches

Cross Reference to Prior Biennium Measure Code: OC 01-02.06

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This performance measure shows the percentage of incumbent local exchange company access lines served by digital switches in Texas. The term switch refers to hardware and software, located in a telephone company central office that directs a telephone call from its origination point to its destination point.

Data Limitations: The Public Utility Commission (PUC) does not have access to network data of new competitors in the local exchange service market and, therefore, the switching technologies deployed by new local exchange competitors are not considered in this performance measure. In addition, the data for this measure reflects access line information as of December 31 of the previous year; therefore, the data is approximately nine months old when it is reported.

Data Source: Digital switching deployment data is obtained from Texas telephone companies, as described in the procedures for this measure.

Method of Calculation: This measure is calculated by dividing the number of telephone access lines located in incumbent local exchange company telephone exchanges served via digital switching technology by the total number of incumbent local exchange company access lines in Texas. An incumbent local exchange company is a telephone company that had a certificate of convenience and necessity (CCN) on September 1, 1995.

Purpose/Importance: The purpose of this measure is to evaluate, once annually, the level of availability of digital switching in Texas. This measure is important because it tracks the PUC's progress in achieving its goal of promoting technological advancement in the telecommunications industry.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 07 % of Subscribers Served by Exchanges Meeting Service Quality Standards

Cross Reference to Prior Biennium Measure Code: OC 02-02.04

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure shows the statewide percent of incumbent local exchange company access lines that either meet or exceed the Public Utility Commission's (PUC's) service quality standards.

Data Limitations: None.

Data Source: Texas access line data is obtained from Texas telephone companies who provide, upon written request from the PUC, the number of access lines in each telephone exchange. Service quality data is obtained from reports filed by Texas telephone companies, as described in the procedures for this measure.

Method of Calculation: This measure is calculated by dividing the total number of incumbent local exchange company access lines in Texas telephone exchanges that meet or exceed the PUC's service quality standards by the total number of incumbent local exchange company access lines in Texas.

Purpose/Importance: The purpose of this measure is to evaluate, once annually, whether service quality in Texas is increasing or decreasing. This measure is important because it reflects the PUC's progress in meeting its goal of ensuring compliance with relevant laws and regulations governing provision of reliable high quality telecommunications services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
OUTCOME: 08 % Electric Customers Served

Cross Reference to Prior Biennium Measure Code: OC 02-02.05

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the percent of customers served by transmission and distribution utilities meeting Public Utility Commission (PUC) service quality standards, and provides an assessment of the degree to which utilities are meeting their obligation to provide reliable service.

Data Limitations: None.

Data Source: Electric service quality data is obtained from service quality reports the PUC requires electric utilities to submit annually.

Method of Calculation: This measure is calculated by dividing the number of customers served by transmission and distribution utilities that meet or exceed the PUC's service quality standards by the total number of customers of transmission and distribution utilities in Texas.

Purpose/Importance: The purpose of this measure is to evaluate, once annually, whether service quality in Texas is increasing or decreasing. This measure is important because it reflects the PUC's progress in meeting its goal of ensuring compliance with relevant laws and regulations governing provisions of reliable, high quality transmission and distribution services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 03 Ensure Compliance with Statutes, Rules, and Orders
OUTCOME: 01 Percent Agreements with Specific Provisions for Avoiding Future Violations

This is a New Measure

MEASURE DEFINITION FOR 2010-2011:

Short Definition: Percent of settlement agreements entered in formal enforcement proceedings that contain specific provisions regarding how future violations of the same type by the entity which is the subject of the proceeding will be avoided.

Data Limitations: None.

Data Source: PUC staff uses a database to track all enforcement proceedings, which includes information about whether a case was resolved through settlement, and whether the settlement contained provisions addressing avoidance of future violations.

Method of Calculation: The enforcement database is queried to identify cases resolved through settlement that contained specific provisions addressing the avoidance of future violations of the same type. The identified cases are counted to determine the total.

Purpose/Importance: Deterrence of future violations is an important element of an effective enforcement program. This measure reflects the PUC's efforts to deter future violations.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: At or above target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 03 Ensure Compliance with Statutes, Rules, and Orders
OUTCOME: 02 Dollar Amount Administrative Penalties Assessed for Violations

Cross Reference to Prior Biennium Measure Code: OC 02-02.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reports the total dollar amount of administrative penalties assessed in final orders of the Public Utility Commission (PUC) during the reporting period against persons or companies that have violated statutes, rules or orders enforced by the PUC.

Data Limitations: The amount of penalties assessed is affected by whether entities subject to the PUC's jurisdiction engage in conduct that constitutes violations of a statute or PUC rule or order, and the severity of the violation.

Data Source: The data for this measure are collected in the enforcement database with data from the PUC's final orders imposing administrative penalties.

Method of Calculation: Administrative penalties assessed by the Commission are recorded in the enforcement database. The database is queried at the end of the reporting period to identify and sum the amount of administrative penalties that were assessed during the reporting period.

Purpose/Importance: This measure is important because it tracks progress in meeting the PUC's objective to ensure compliance with applicable laws, rules, and orders.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
OUTCOME: 01 % Customer Complaints Resolved through Informal Resolution Process

Cross Reference to Prior Biennium Measure Code: OC 02-02.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure compares the number of customer complaints resolved informally to the total number of complaints resolved both formally and informally.

Data Limitations: None.

Data Source: The number of informal complaints resolved is obtained from the measure Number of Consumer Complaints Concluded measure. The Agency Information System (AIS) database contains records of formal complaints.

Method of Calculation: The numerator is the total number of informal complaints resolved, and is obtained from the measure Number of Customer Complaints Concluded. The denominator is obtained by adding the numerator to the total number of formal customer complaints concluded. The total number of formal customer complaints is obtained from the AIS database by querying the number of closed records in the appropriate subclass as detailed in the procedures for this measure.

Purpose/Importance: This measure is important because it reflects the relative ability of staff to resolve disputes informally which is generally a shorter and less costly means of resolution. This measure is also important because it tracks the progress of the PUC in attaining the goal of assisting customers in resolving disputes concerning electric and telecommunications services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
OUTCOME: 02 Credits & Refunds Obtained for Customers through Complaint Resolution

Cross Reference to Prior Biennium Measure Code: OC 02-02.03

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure captures the dollar amount of credits and refunds the Public Utility Commission (PUC) obtains for customers whose complaints were concluded using the informal complaint resolution process.

Data Limitations: None.

Data Source: As part of the informal complaint resolution process, service providers notify the PUC in writing when a customer who filed a complaint with the PUC was given a refund or issued a credit to his/her account. Staff enters any credits given by the utility into the database.

Method of Calculation: The database is queried after the end of the reporting period. The query solicits refunds or credits issued for all complaints concluded during the reporting period

Purpose/Importance: This measure reflects the PUC's success in helping utility customers obtain credits or refunds to which they may be entitled. This measure is important because it tracks the PUC's progress in attaining the goal of assisting customers in resolving disputes concerning electric and telecommunications service.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 03 Electric Utility Restructuring
OBJECTIVE: 01 Provide Financial Assistance
OUTCOME: 01 % of Elig Low-income Customers Provided a Discount for Elec Service

Cross Reference to Prior Biennium Measure Code: OC 03-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: The Texas Utilities Code § 39.903(h) requires retail electric providers (REP) to provide a discount of at least 10%, and up to 20%, of the amount the customer would have otherwise been charged for electric service. The percentage of the discount is established by the PUC annually, or as appropriated by the legislature. This measure reflects the percentage of eligible low-income customers who received the discount. A low-income customer is defined by statute as one whose household income is not more than 125% of the federal poverty guidelines, or who receives food stamps from the Texas Department of Human Services, or medical assistance from a state agency administering a part of the medical assistance program.

Data Limitations: In order for an eligible customer to be automatically enrolled in the discount program, the name under which the customer receives benefits must be the same as the name on the electric provider account. If a customer does not ensure that the names are the same, automatic enrollment will not be successful.

Data Source: Program enrollment is administered by a third party administrator, who is contracted by the agency. The administrator developed a comprehensive database, which is accessible to REPs, containing names of eligible persons. The database was created from a database of benefit recipients at the Department of Human Services (DHS) and self-enrolled customers. The administrator matches this data with electric customer information from REPs, on a monthly basis, to determine the eligible customers. The REPs compare their customer lists with the administrator's database and administer the discount for the eligible customers. The REPs file monthly reports with PUC on the number of customers receiving discount.

Method of Calculation: The measure is calculated by dividing the total number of low-income customers who received the electric discount by the number of eligible low-income customers who appear in the LIDA database, multiplied by 100.

The numerator is the total number of low-income customer households that received the discount during the period.

The denominator is the total number of eligible low-income customer households in the third party administrator's database.

Purpose/Importance: The purpose of the measure is to reflect effectiveness of the implementation of the discount program by tracking the number of the eligible low-income customers who actually receive the discount. The measure's importance relates to the need to enroll as many eligible customers as possible to fully implement the program.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EF
DESC: 01 Avg Number of Days to Process an Application for a Telecom COA & SPCOA

Cross Reference to Prior Biennium Measure Code: EF 01-01-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reports the average number of days to process an application for a telecommunications Certificate of Authority (COA) and Service Provider Certificate of Authority (SPCOA).

Data Limitations: This measure can be affected by requests for hearings, a factor beyond the Public Utility Commission's (PUC) control. Holding a hearing can greatly increase the processing time. Hearings in these cases would be conducted by the State Office of Administrative Hearings (SOAH). The PUC has on control over SOAH operations.

A case is considered complete on the date the final order is filed in the PUC Central Records, as denoted by the "date closed" field in the Agency Information System (AIS). Final orders are subject to motions for rehearing; however, orders on rehearing do not change the date on which a case is considered completed for purposes of this measure. By establishing the date of the final order as the date a case is completed, the days between the final order and any orders on rehearing are not counted and the number of days between filing of the application and ultimate resolution may be greater than reported. Orders on rehearing are entered in very few cases.

Data Source: The Agency's AIS tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: The number of days to process a case is the period of time from the date the case is filed until the date the final order is filed in the PUC's Central Records, as denoted by the "date closed" field in AIS.

The calculation is the sum of calendar days that transpired to process each application divided by the total number of applications filed.

The number of calendar days elapsed for processing each case is calculated by subtracting the filing date from the final order date (date-filed minus date-closed in AIS).

Purpose/Importance: The purpose of this measure is to provide an indication of the agency's efficiency in processing COA and SPCOA applications.

Calculation Type: Non cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 01 Number of Elect Coops and Municipal Utilities Reg for Wholesale Trans Rate

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of non-investor-owned utilities--including electric cooperatives, municipal utilities, and river authorities--regulated for wholesale transmission rates under the jurisdiction of the Public Utility Commission (PUC) at the end of the fiscal year pursuant to PURA Chapter 35, Subchapter A.

Data Limitations: None.

Data Source: Data are obtained from the group of companies included as transmission owners/load entities on the matrix list filed as part of the final order in the PUC's most recent docket on wholesale transmission charges.

Method of Calculation: Results for this measure are determined by counting the number of non-investor-owned transmission owners/load entities included on the matrix list filed as part of the final order in the commission's most recent docket on wholesale transmission charges.

Purpose/Importance: This measure identifies the total number of electric cooperatives, municipal utilities, and river authorities regulated for wholesale transmission rates over which the PUC has jurisdiction and for which rate cases and rate reviews are conducted.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 02 Percent of Statewide Electric Generating Capacity Above Peak Demand in ERCOT

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: With regard to electric service, most of the state lies within a region known as the Electric Reliability Council of Texas (ERCOT). This measure represents the amount of electric generating capacity in ERCOT that is above the peak demand for electricity. It shows the difference in percentage terms between the demand for electricity in ERCOT and the amount of electricity that can be generated in order to meet the demand.

Data Limitations: The measure is calculated using data for the previous calendar year which results in a 10-month lag in the measure.

Data Source:

Data for the ERCOT region is taken from the ERCOT Capacity Demand Reserve Report and the ERCOT Demand and Energy Report.

Method of Calculation: This measure is calculated in accordance with the following formula: Percent of Capacity Above Peak Demand = (Generating Capacity – Peak Demand) / Peak Demand. The Generating Capacity will be the total capacity in ERCOT. Peak Demand will be the total peak demand in ERCOT.

Purpose/Importance: It is important for generating capacity to be greater than peak demand so there is enough capacity to meet the expected demand, to meet additional, unexpected demand, and to provide reserve capacity that can be used in the event of equipment failures. An inadequate supply of generating capacity could result in loss of power to customers. This measure provides a way to track how much generating capacity there is in relation to the peak demand for electricity.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 03 Energy Savings Due to Energy Efficiency Programs

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.03

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the energy savings from standard offer and market transformation programs administered by Texas electric utilities.

Data Limitations: Due to the time lag in energy efficiency project implementation and reporting/verification of savings, it may be difficult to achieve timeliness and consistency. Many factors which affect this measure are outside the Public Utility Commission's (PUC) control because the energy efficiency programs are administered by the utility companies,

Data Source: PUC rules require electric utilities to file Annual Energy Efficiency Reports. Included in the report is the utility's annual growth in demand with the corresponding energy and demand savings goal for the utility and the actual energy and demand savings achieved in the preceding calendar year. The PUC uses this report as the basis for reporting the results of this measure.

Method of Calculation: The statewide energy savings goal is calculated by adding the individual utilities' energy savings goals reported in the preceding year's Annual Energy Efficiency Report. The statewide energy savings achieved is calculated by adding the individual utilities' energy savings as reported in the preceding year's report. The percentage of the energy savings goal achieved is calculated by dividing the reported savings achieved by the savings goal, multiplied by 100%.

Purpose/Importance: The Public Utility Regulatory Act requires that electric utilities administer energy savings incentive programs in a market-based, non-discriminatory manner. This measure reflects the success of those programs.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 04 Demand Reductions Due to Energy Efficiency Programs

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.04

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the reduction in electric demand that is met through standard offer and market transformation programs administered by Texas electric utilities.

Data Limitations: Due to the time lag in energy efficiency project implementation and reporting/verification of savings, it may be difficult to achieve timeliness and consistency. Many factors which affect this measure are outside the Public Utility Commission's (PUC) control because the energy efficiency programs are administered by the utility companies,

Data Source: PUC rules require electric utilities to file Annual Energy Efficiency Reports. Included in the report is the utility's annual growth in demand with the corresponding energy and demand savings goal for the utility and the actual energy and demand savings achieved in the preceding calendar year. The PUC uses this report as the basis for reporting the results of this measure.

Method of Calculation: The statewide demand savings goal is calculated by adding the individual utilities' demand savings goals reported in the preceding year's Annual Energy Efficiency Report. The statewide demand savings achieved is calculated by adding the individual utilities' demand savings as reported in the preceding year's report. The percentage of the demand savings goal achieved is calculated by dividing the reported savings achieved by the savings goal, multiplied by 100%.

Purpose/Importance: The Public Utility Regulatory Act requires that electric utilities administer energy and demand savings incentive programs in a market-based, non-discriminatory manner. This measure reflects the success of those programs.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 05 Number of Power Generation Companies in Texas

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.05

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the number of power generation companies (PGC) in Texas. A PGC is an entity that generates electricity that is intended to be sold at wholesale.

Data Limitations: The number of power generation companies is affected by factors outside the Public Utility Commission's (PUC) control.

Data Source: The PUC requires the registration of PGCs, and it maintains a list of the registered generators. The registration lists provide the data for this measure.

Method of Calculation: This measure is calculated by counting the number of PGCs who are registered with the Commission.

Purpose/Importance: The purpose of this measure is to track the number of generators in the wholesale market. In general, a greater number of power generators in the wholesale market will result in a more competitive market.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 06 Number of Aggregators in Texas

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.06

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the number of aggregators in Texas. An aggregator is an entity that joins two or more customers into a purchasing unit to negotiate the purchase of electricity service in Texas from retail electric providers.

Data Limitations: The number of aggregators is affected by factors outside the Public Utility Commission's (PUC) control.

Data Source: The PUC requires the registration of aggregators, and it maintains a list of the registered aggregators. The registration lists provide the data for this measure.

Method of Calculation: This measure is calculated by counting the number of aggregators who are registered with the PUC.

Purpose/Importance: The purpose of this measure is to track the number of aggregators in the restructured market acting as buyer's agents for customer groups.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: EX
DESC: 07 Average Cost of Natural Gas in Texas as a Percent of 2001 Avg Costs

Cross Reference to Prior Biennium Measure Code: EX 01-01-01.07

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure represents the annual average Texas, Gulf Coast, Onshore, Spot Delivered-To-Pipeline natural gas price as a percentage of the annual average spot natural gas price for the corresponding period in 2001.

Data Limitations: Several factors including weather, economic conditions, and legislative and regulatory actions can affect this measure. For example, unusually hot or cold weather conditions can affect natural gas prices, resulting in higher prices. Natural gas is an important basic energy commodity, and commercial sources for pricing information are expected to be readily available.

Data Source: The data for this measure are obtained from the weekly publication Natural Gas Week, published by Energy Intelligence Group, Inc. In a table titled "Gas Price Trends", the publication reports volume-weighted average spot gas prices for various locations, including Texas, Gulf Coast, Onshore, Spot Delivered-To-Pipeline.

Method of Calculation: The numerator is obtained from the table "Gas Price Trends", in the column "Texas, Gulf Coast Onshore", and the row "Dlvd (pipe)" for the desired annual average listing. The denominator is obtained from the same table from the editions of Natural Gas Week that reported 2001 natural gas prices.

Purpose/Importance: The purpose of this measure is to show how the average spot natural gas price in Texas changes over time. Natural gas is an important fuel for electric generation in Texas, and electricity prices are expected to follow gas-price trends.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 01 Number of Retail Electric Providers Registered

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure is the number of electric service providers in the retail electric market in Texas. Retail Electric Providers (REPs) are entities that sell electric energy to retail customers in the state of Texas.

Data Limitations: The number of service providers is affected by factors outside the PUC's control.

Data Source: The Public Utility Commission (PUC) requires the registration of REPs, and it maintains a list of the registered providers. The registration lists provide the data for this measure.

Method of Calculation: This measure is calculated by counting the number of REPs who are registered with the PUC.

Purpose/Importance: The purpose of this measure is to track the number of participants in the retail market. In general, a greater number of participants in the retail market will result in a more competitive market.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 02 Number of Competitive Telecommunications Service Providers Licensed

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure is a fiscal year-end count of the number of competitive telecommunications service providers authorized by the Public Utility Commission (PUC) to operate in the state of Texas. This measure includes non-dominant telecommunications providers that hold certificates of operating authority (COA) or service provider certificates of operating authority (SPCOA). This measure also includes pay telephone service (PTS) providers and interexchange telecommunications carriers (IXCs) registered with the Commission.

Data Limitations: The number of service providers is affected by factors outside the PUC's control. The number of licensed providers may be greater than the number of companies actually providing service.

Data Source: The PUC maintains a database of service providers.

Method of Calculation: The PUC Telecommunications Utility Directories include four lists of telephone service providers. This measure counts three of the four lists. The first list includes the competitive local exchange companies, or CLECs. These companies have been granted a certificate of operating authority (COA), or a service provider certificate of operating authority (SPCOA). The second and third lists include the Interexchange Carriers or IXCs and the Pay Phone Providers. This measure is counted annually upon completion of the last quarter of the fiscal year.

Purpose/Importance: This measure provides the number of telecommunications providers licensed to compete in the Texas market place, which provides some perspective for evaluating the level of potential competition.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 03 Number of Investigations Conducted for Market Power Electric

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.03

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of investigations completed by the Public Utility Commission (PUC) concerning market power, market design, or anti-competitive conduct in the electric market...

Data Limitations: The need for investigations is affected by whether entities subject to the PUC's jurisdiction engage in conduct that may constitute violations of a statute or PUC rule or order.

Data Source: The PUC's Agency Information System (AIS) tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: AIS is queried at the end of each reporting period. The query solicits the number of investigations completed during the reporting period based on the AIS category and class codes contained in the query. An investigation is considered complete when a final order is filed in the PUC's Central Records section or when the matter is closed without a final order (as denoted by the "date closed" field in AIS).

Purpose/Importance: This measure reflects the number of investigations completed by the PUC to evaluate issues that affect the competitiveness of the electric market such as market power, market design, or anti-competitive conduct.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 04 Number of Investigations for Market Power in the Telephone Market

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.04

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of investigations completed by the Public Utility Commission (PUC) concerning market power, market design, or anti-competitive conduct in the telecommunications market.

Data Limitations: The need for investigations is affected by whether entities subject to the PUC's jurisdiction engage in conduct that may constitute violations of a statute or PUC rule or order.

Data Source: The PUC's Agency Information System (AIS) tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Collection: AIS is queried at the end of each reporting period. The query solicits the number of investigations completed during the reporting period based on the AIS category and class codes contained in the query. For purposes of this definition, an investigation is considered complete when a final order is filed in the PUC's Central Records section or when the matter is closed without a final order (as denoted by the "date closed" field in AIS).

Purpose/Importance: This measure reflects the number of investigations completed by the PUC to evaluate issues that can affect the competitiveness of the telecommunications market.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 05 Number of Cases Completed Related to Competition Among Providers

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.05

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reports the total number of cases completed during the reporting period that are related to competition among service providers in the electric and telecommunications industries.

Data Limitations: The accuracy of this measure can be affected by accuracy of classification of cases in the Agency Information System (AIS). It can be difficult to determine the proper classification of a case when numerous issues are addressed in the same docket, so judgment must be used in determining whether a case is one that relates to competition among providers.

Data Source: AIS tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: AIS is queried at the end of each reporting period. The query solicits the number of cases completed during the reporting period related to competition among service providers based on the AIS category and class codes contained in the query. For purposes of this definition, a case is considered completed when a final order is filed in the PUC's Central Records section (as denoted by the "date closed" field in AIS).

Purpose/Importance: The number of cases completed relating to competition provides an indication of the PUC's workload related to overseeing competitive markets.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 06 Number of Rules Adopted or Amended Relating to Competitive Electric Issues

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.06

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the number of electric rules adopted relating to competitive issues. Competitive electric issues address: the provision, cost, or pricing of services in the competitive market; certification, licensing, or registration of market participants; the degree of competition in a market; anticompetitive behavior by a utility or other market participant; or oversight of independent organizations. This measure counts new rules and existing rules to which substantive modifications are made. A substantive modification is a change in the rule that affects how the rule is applied to the service providers, the customers of those providers, and/or other entities. Repeals are not counted in this measure.

Data Limitations: Judgment must be used to determine whether a rule relates to competitive issues. This measure counts new rules and substantive modifications to existing rules; judgment must be used to determine whether a modification is substantive.

Factors beyond the Public Utility Commission's (PUC) control, such as state and federal legislative actions, advances in technology, and changes in the electric industry affect this measure.

Data Source: The Rules Coordinator collects the data for this measure by tracking the result of each final rulemaking decision relating to competitive electric issues made in open meeting.

Method of Calculation:

1. The measure is calculated based on the date upon which the rule is adopted by the PUC, not the effective date of the rule.
2. The actual number of competitive electric rules is determined by counting each section number adopted as assigned to the PUC in the Texas Administrative Code. Each section number is a separate rule.
3. For amended rules, a determination is made on whether the amendment consisted of substantive or non-substantive modification.
4. Following each open meeting, the final results are recorded by the Rules Coordinator.

Purpose/Importance: This measure provides an indication of the amount of PUC rulemaking activities that are devoted to competitive electric issues relative to the total amount of rulemaking activities.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 07 Number of Rules Adopted or Amended Relating to Competitive Telecom Issues

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.07

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the number of telecommunications rules adopted relating to competitive issues. Competitive telecom issues address: the provision, cost, or pricing of services in the competitive market; certification, licensing, or registration of market participants; the degree of competition in a market, or anticompetitive behavior by a utility or market participant. This measure counts new rules and existing rules to which substantive modifications are made. A substantive modification is a change in the rule that affects how the rule is applied to the service providers and/or the customers of those providers. Repeals are not counted in this measure.

Data Limitations: Judgment must be used to determine whether a rule relates to competitive issues. This measure counts new rules and substantive modifications to existing rules; judgment must be used to determine whether a modification is substantive.

Factors beyond the PUC's control, such as state and federal legislative actions, advances in technology, and changes in the telecommunications industry affect this measure.

Data Source: The Rules Coordinator collects the data for this measure by tracking the result of each final rulemaking decision relating to competitive telecommunications issues made in open meeting.

Method of Calculation:

1. The measure is calculated based on the date upon which the rule is adopted by the PUC, not the effective date of the rule.
2. The actual number of competitive telecommunications rules is determined by counting each section number adopted as assigned to the PUC in the Texas Administrative Code. Each section number is a separate rule.
3. For amended rules, a determination is made on whether the amendment consisted of substantive or non-substantive modification.
4. Following each open meeting, the final results are recorded by the Rules Coordinator.

Purpose/Importance: This measure provides an indication of the amount of PUC rulemaking activities that are devoted to competitive telecommunications issues relative to the total amount of rulemaking activities.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 01 Maintain Policies to Foster Competition in Telecom & Elec Mkts
STRATEGY: 01 Foster and Monitor Market Competition
TYPE: OP
DESC: 08 Number of Applications and Amendments for Cable Franchise Certificates

Cross Reference to Prior Biennium Measure Code: OP 01-01-01.08

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure is a fiscal year-end count of the number of State-Issued Certificates of Franchise Authority or Amendments to a State-Issued Certificate of Franchise Authority.

Data Limitations: None

Data Source: The Public Utility Commission (PUC) maintains a directory of State-Issued Certificates of Franchise Authority.

Method of Calculation: The PUC directory includes both new and amended applications and is frequently updated. This measure is calculated by counting the total number of applications for new and amended certificates approved by the PUC.

Purpose/Importance: This measure provides the number of applications for State Issued Certificates of Franchise Authority for cable and video service. The measure provides some perspective for evaluating the level of cable and video competition in Texas.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: EF
DESC: 01 Average Number of Days to Process a Major Rate Case for TDU

Cross Reference to Prior Biennium Measure Code: EF 01-02-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the average number of days to process a major rate case for a transmission and distribution utility. For purposes of this performance measure, a major transmission and distribution utility rate case is a proceeding that may result in a "major change" in rates, as defined by PURA Sec. 36.101, for a transmission and distribution utility (TDU), as defined by PURA Sec. 31.002(19).

Data Limitations: The number of days to process a case is affected by factors outside the Public Utility Commission's (PUC) control, such as number of intervenors, and number and complexity of issues. Hearings in these cases are usually conducted by the State Office of Administrative Hearings (SOAH). The PUC has no control over SOAH operations.

In this definition, a case is considered complete on the date the final order is filed in the PUC's Central Records, as denoted by the "date closed" field in the Agency Information System (AIS). By establishing the date of the final order as the date a case is completed, the motion for rehearing portion of the proceeding is not counted and therefore, the actual number of days may be greater than reported.

Data reported under this measure include only major rate cases for a TDU, which are a subset of the rate cases tracked under OP 1-2-1.01. Therefore, the data for these measures may not necessarily correlate.

Data Source: The PUC's) AIS tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: The calculation is the sum of calendar days that transpired to complete each case divided by the number of cases completed. The number of calendar days transpired to complete each case is calculated by subtracting the filing date from the final order date (date filed minus date closed in AIS). AIS is queried to determine the number of cases completed during the reporting period. A case is considered complete on the date the final order is filed in the PUC's Central Records, as denoted by the "date closed" field in AIS.

Purpose/Importance: This measure indicates the PUC's efficiency in processing major transmission and distribution rate cases.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: EF
DESC: 02 Average Cost Per Transmission and Distribution Utility Rate Case

Cross Reference to Prior Biennium Measure Code: EF 01-02-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reports the average cost per major investor-owned transmission and distribution utility (TDU) rate case completed during the period. For purposes of this performance measure, a major investor-owned transmission and distribution utility rate case is a proceeding that may result in a "major change" in rates, as defined by PURA Sec. 36.101, for a transmission and distribution utility, as defined by PURA Sec. 31.002(19), that is investor owned.

Data Limitations: This measure is affected by factors outside the Public Utility Commission's (PUC) control, such as the number of intervenors, the complexity and number of issues, and the length of the hearing. Hearings in these cases are usually held by the State Office of Administrative Hearings (SOAH). The PUC has no control over SOAH operations.

A case is complete on the date the final order is filed in the PUC's Central Records, as noted by the "date closed" field in the Agency Information System (AIS). By using this as the date for a completed case, the motion for rehearing process, if any, is not counted and the actual cost per case may be greater than reported. Staff time expended on the case prior to the fiscal year is included to fairly represent the total cost of the case.

Data reported under this measure only include major rate cases for TDUs, which are a subset of the cases tracked under EF 1-2-1-01 and OP 1-2-1.01. Therefore, the data for these measures may not correlate.

Data Source: The PUC's AIS tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, subclass, and utility type in accordance with definitions contained in the PUC AIS Procedures and Classification Guide. After determining which cases were closed in AIS during the reporting period, the Commission's timekeeping system is used to identify staff who charged time to the cases and how many hours were charged to each case over the course of the proceeding to calculate the results of this measure. Human Resources maintains information about individual employees' salaries. Fiscal Services maintains information about overhead costs.

Method of Calculation: AIS is queried to determine the number of cases completed during the period using AIS category/class/subclass/utility type codes. A case is complete on the date the final order is filed in the PUC's Central Records section, noted by the "date closed" field in AIS. Staff queries the timekeeping system to identify staff who charged time to each case and the number of hours charged.

To obtain the salary costs for each case, for each employee who participated in the case, the hourly rate (i.e., annual salary/2080) is multiplied by the number of hours the employee worked. The salary costs for all employees who worked on the case are summed. This amount is increased by non-salary direct costs if applicable. The sum of the direct and non-salary direct costs is multiplied by the percentage of applicable overhead to obtain the total cost for all cases. The total cost is divided by the total number of major investor-owned transmission and distribution utility rate cases completed during the period to obtain the result for this measure.

Purpose/Importance: This measure is intended to show the average cost per major investor-owned transmission and distribution utility rate case. This measure is important because they are among the largest electric cases.

Calculation Type: Non Cumulative.

New Measure: No.

Desired Performance: Below the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: EX
DESC: 01 Number of Electric Utilities Regulated

Cross Reference to Prior Biennium Measure Code: EX 01-02-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of electric utilities under the jurisdiction of the Public Utility Commission (PUC) at the end of the fiscal year pursuant to Chapter 32, Sect. 32.001 of the Public Utility Regulatory Act (PURA). As used herein, the term “electric utilities” refers to investor owned utilities.

Data Limitations: A degree of judgment is required when determining the effects of mergers and acquisitions (for example, whether the merger of two utilities results in a single, surviving utility).

Data Source: Performance results are determined annually in the first quarter from a master list of utilities holding Certificate of Convenience and Necessity (CCNs).

Method of Calculation: Results for this measure are determined by analyzing the master list of utilities holding a CCN and evaluating what changes (if any) have taken place during the fiscal year being reported. Changes to this measure are based on the number of mergers, new CCNs, and the number of utilities deregulated by the legislature.

Purpose/Importance: This measure identifies the total number of electric utilities over which the PUC has regulatory jurisdiction.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: EX
DESC: 02 Number of Telecommunications Service Providers Regulated

Cross Reference to Prior Biennium Measure Code: EX 01-02-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of telecommunications service providers under the jurisdiction of the Public Utility Commission (PUC) at the end of the fiscal year pursuant to Chapter 52, Sect. 52.002 of the Public Utility Regulatory Act (PURA). As used herein, the term “telecommunications service providers” refers to investor owned telephone utility companies and non-profit telephone utility companies cooperatively owned by their members that have been granted Certificates of Convenience and Necessity (CCN) by the PUC.

Data Limitations: A degree of judgment is required when determining the effects of mergers and acquisitions (for example, whether the merger of two utilities results in a single, surviving utility).

Data Source: Performance results are determined annually from a master list of utilities holding CCNs.

Method of Calculation: Results for this measure are determined by analyzing the master list of utilities holding a CCN and evaluating what changes (if any) have taken place during the fiscal year being reported. Changes to this measure are based on the number of mergers, new CCNs, and whether any of the companies has been deregulated by the legislature.

Purpose/Importance: This measure identifies the total number of telecommunications service providers with CCNs over which the PUC has regulatory jurisdiction.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: OP
DESC: 01 Number of Rate Cases Completed for Regulated Electric Utilities

Cross Reference to Prior Biennium Measure Code: OP 01-02-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the total number of rate cases completed for regulated electric utilities during the reporting period. For purpose of this measure, rate cases are proceedings that result in adjustments to rates charged customers by electric utilities regulated by the Public Utility Commission (PUC). The Public Utility Regulatory Act (PURA) excludes an electric cooperative and municipally owned utility (MOU) from the definition of "electric utility." For purposes of this measure, however, a transmission rate proceeding filed by an electric cooperative or MOU is counted as an application by an electric utility.

Data Limitations: This measure counts the number of applications for rate changes filed by electric utilities, a factor beyond the control of the agency. Data reported under this measure include a broader set of electric rates cases, including both minor and major rate cases, than those tracked for EF 1-2-1-01 and EF 1-2-1-02. Therefore, the data for these measures may not necessarily correlate.

Data Source: The PUC's Agency Information System (AIS) tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: AIS is queried at the end of each reporting period. The query solicits the number of cases completed during the reporting period based on the AIS category and class codes contained in the query. For purposes of this definition, a case is considered complete when the final order is filed in the PUC's Central Records section (as denoted by the "date closed" field in AIS).

Purpose/Importance: This measure reflects the number of proceedings initiated by electric utilities (including electric cooperatives and MOUs for purposes of this measure), by the PUC, or by other parties that result in adjustments to rates charged to customers.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: OP
DESC: 02 Number of Rate Cases Completed for Telecommunications Providers

Cross Reference to Prior Biennium Measure Code: OP 01-02-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the total number of rate cases completed for regulated telecommunications providers during the period. For purpose of this measure, rate cases are proceedings that result in adjustments to rates charged customers by telecommunications providers regulated by the Public Utility Commission (PUC).

Data Limitations: The number of applications for rate changes filed by telecommunications utilities is a factor beyond the control of the agency.

Data Source: The PUC's Agency Information System (AIS) tracks all proceedings by assigned control numbers. Each AIS control number is assigned a category, class, and subclass in accordance with definitions in the PUC AIS Procedures and Classification Guide.

Method of Calculation: AIS is queried at the end of each reporting period. The query solicits the number of cases completed during the reporting period based on the AIS category and class codes contained in the query. For purposes of this definition, a case is considered complete when a final order is filed in the PUC's Central Records section (as denoted by the "date closed" field in AIS).

Purpose/Importance: This measure reflects the number of rate proceedings initiated by regulated telecommunications providers, by the PUC, or by other parties, that result in adjustments to rates charged to customers.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: OP
DESC: 03 Number of Investigations Conducted Concerning Telecom Service Quality

Cross Reference to Prior Biennium Measure Code: OP 01-02-01.03

MEASURE DEFINITION FOR 2010-2011:

Short Definition: The measure indicates the number of Public Utility Commission (PUC) investigations conducted pertaining to service quality standards for retail and wholesale telecommunications service.

Data Limitations: The number of investigations is affected by whether service providers achieve service quality requirements.

Data Source: The data for this measure are obtained from staff memoranda prepared upon completion of an investigation.

Method of Calculation: The number of service quality investigations conducted is determined by tabulating the staff report memoranda documenting the conclusion of each investigation. The report for this measure is the summation of the investigations conducted during the period. The investigations for retail and wholesale conclude on the date of staff's report memorandum.

Purpose/Importance: The purpose of the measure is to demonstrate regulatory oversight of telecommunications company violations of PUC service quality performance measures. The measure is important as a reflection of PUC efforts to achieve superior service quality in telecommunications in Texas.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: OP
DESC: 04 Number of Investigations Conducted Concerning Electric Service Quality

Cross Reference to Prior Biennium Measure Code: OP 01-02-01.04

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of investigations conducted by the Public Utility Commission (PUC) concerning electric service quality of transmission and distribution utilities.

Data Limitations: The number of investigations is affected by whether service providers achieve service quality requirements.

Data Source: The data for this measure are obtained from staff memoranda prepared upon completion of an investigation.

Method of Calculation: The number of service quality investigations conducted is determined by tabulating the staff report memoranda documenting the conclusion of each investigation. The report for this measure is the summation of the investigations conducted during the period. The investigation concludes on the date of staff's report memorandum.

Purpose/Importance: The purpose of the measure is to demonstrate regulatory oversight of transmission and distribution utility violations of PUC service quality. The measure is important as a reflection of PUC efforts to achieve superior service quality in electric service in Texas.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: OP
DESC: 05 Number Rules Adopted/Amended Relating to Elec Issues Other Than Competition

Cross Reference to Prior Biennium Measure Code: OP 01-02-01.05

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the number of new and amended electric rules that are not related to competitive issues, to which substantive modifications are made. A substantive modification is a change in the rule that affects how the rule is applied to the service providers and/or the customers of those providers. Repeals are not counted in this measure.

Data Limitations: Judgment must be used to determine whether a rule relates to competitive issues. This measure counts new rules and substantive modifications to existing rules; judgment must be used to determine whether a modification is substantive. Repeals are not counted in this measure

Factors beyond the Public Utility Commission's (PUC) control, such as state and federal legislative actions, advances in technology, and changes in the electric industry affect this measure.

Data Source: The Rules Coordinator collects the data for this measure by tracking the result of each final rulemaking decision made in open meeting.

Method of Calculation:

1. This measure is calculated based on the date the rule is adopted by the PUC, not the effective date of the rule.
2. The actual number of electric rules is determined by counting each section number adopted as assigned to the PUC in the Texas Administrative Code. Each section number is a separate rule.
3. For amended rules, a determination is made on whether the amendment consisted of substantive or non-substantive modification.
4. Following each open meeting, the final results are entered into the "Number of New or Modified Rules Adopted" tracking chart maintained by the Rules Coordinator.

Purpose/Importance: This measure indicates the level of PUC resources spent on electric rulemaking activities, not related to competitive issues.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 02 Regulate Providers Ensuring Companies Meet Service Quality Standards
STRATEGY: 01 Conduct Rate Cases for Regulated Telephone and Electric Utilities
TYPE: OP
DESC: 06 Number Rules Adopted Relating to Telecom Issues Other Than Competition

Cross Reference to Prior Biennium Measure Code: OP 01-02-01.06

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure counts the number of new and amended telecommunications rules that are not related to competitive issues, to which substantive modifications are made. A substantive modification is a change in the rule that affects how the rule is applied to service providers and/or the customers of those providers. Repeals are not counted in this measure.

Data Limitations: Judgment must be used to determine whether a rule relates to competitive issues. This measure counts new rules and substantive modifications to existing rules; judgment must be used to determine whether a modification is substantive. Repeals are not counted in this measure

Factors beyond the Public Utility Commission's (PUC) control, such as state and federal legislative actions, advances in technology, and changes in the telecommunications industry affect this measure.

Data Source: The Rules Coordinator collects the data for this measure by tracking the result of each final rulemaking decision made in open meeting.

Method of Calculation:

1. This measure is calculated based on the date the rule is adopted by the PUC, not the effective date of the rule.
2. The actual number of telecommunications rules is determined by counting each section number adopted as assigned to the PUC in the Texas Administrative Code. Each section number is a separate rule.
3. For amended rules, a determination is made on whether the amendment consisted of substantive or non-substantive modification.
4. Following each open meeting, the final results are entered into the "Number of New or Modified Rules Adopted" tracking chart maintained by the Rules Coordinator.

Purpose/Importance: This measure indicates the level of PUC resources spent on telecommunications rulemaking activities, not related to competitive issues.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At the target.

GOAL: 01 Ensure Competition, Choice, Just Rates, and Reliable Quality Service
OBJECTIVE: 03 Ensure Compliance with Statutes, Rules and Order
STRATEGY: 01 Conduct Investigations and Initiate Enforcement Actions
TYPE: OP
DESC: 01 Number of Enforcement Investigations Conducted

Cross Reference to Prior Biennium Measure Code: OP 02-02-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: The measure reports the number of enforcement investigations, not including investigations associated with the informal complaint resolution process, undertaken to determine whether the activities of a person or company comply with the statutes, rules, and orders enforced by the Public Utility Commission (PUC).

Data Limitations: The need for investigations is affected by whether entities subject to the PUC's jurisdiction engage in conduct that may constitute violations of a statute or PUC rule or order.

Data Source: Staff uses a database to track investigations.

Method of Calculation: Query the number of investigations from the enforcement database at the end of the reporting period to determine the number of enforcement investigations that were completed during the reporting period.

Purpose/Importance: This measure tracks progress in meeting the PUC's objective to ensure compliance with the statutes, rules, and orders enforced by the PUC.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above the target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: EF
DESC: 01 Percent Customer Information Product Distributed Electronically

Cross Reference to Prior Biennium Measure Code: EF 02-01-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition:

The Public Utility Commission (PUC) produces numerous customer education and utility information publications for external distribution to utility customers, legislative offices, other state agencies, and the media. These publications include consumer newsletters, utility advisories, PUC meeting notices, news releases, fact sheets, brochures, and other customer outreach materials. These are distributed by mail, email, online, fax, walk-ins, and at various events attended by PUC staff. The measure reports the percent of the total number of products distributed which are distributed electronically.

Data Limitations: None.

Data Source: Most publications and news releases are distributed to subscriber and/or media lists. For print publications, printing is strictly controlled and a count is kept of the number that is printed. Single-page fact sheets, brochures and other customer outreach materials are produced internally on an as-needed basis. These publications are maintained in a database file, as are records of the number of copies disseminated. In addition to the printed fact sheets mailed to customers, a large portion of the information products are produced in electronic format for email distribution and website content. Information Technology (IT) keeps count of information products disseminated via email distribution and a report of the number of information product downloads from the PUC website within the dates required of the measure.

Method of Calculation: The total number of customer information products distributed is obtained from OP 2-1-1.03. The number of copies disseminated electronically is tracked by counting the number of information products distributed through email and website downloads. IT provides the number of information products downloaded from the website within the time frame of the measure. The number of information products distributed via email to subscribers within the time frame of the measure is counted. The total number of products distributed electronically is divided by the total number of products distributed via all methods, and multiplied by 100 to obtain the result for the measure.

Purpose/Importance:

The purpose of this measure is to reflect the PUC's efficiency in educating and informing the public of their rights as utility customers in Texas, as reflected by the use of electronic media. This measure is important because it reflects the PUC's progress in meeting the objective to inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: EX
DESC: 01 Number of Calls Completed through Relay Texas

Cross Reference to Prior Biennium Measure Code: EX 02-01-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: Relay Texas is a telecommunications relay service (TRS) that provides telephone-interpreting service between people who can hear and those who are deaf, hard-of-hearing, or speech-disabled. Relay Texas also provides Video Relay Services (VRS) for those who use sign language during their calls. Users connect to a relay interpreter via video conferencing equipment via computer. The program is funded by the Texas Universal Service Fund and the service is provided by a TRS provider. This measure represents the total number of calls completed through Relay Texas during the reporting period.

Data Limitations: The measure does not indicate how many people use Relay Texas. The Public Utility Commission (PUC) maintains the originating NPA/NXX (Area Code and first three digits of a phone number) information only. There may be one relay user at this number, or hundreds, as in the case with the Texas School for the Deaf or large employers or persons with hearing loss with a PBX (Private Branch Exchange) system and several trunks.

Data Source: The data for this measure is obtained from the monthly invoices sent to the PUC by the TRS provider. Data includes intrastate and interstate calls, General Assistance calls, as well as busy/no answer calls.

Method of Calculation: This measure is calculated by adding together the amounts listed under "Number of Total Calls" listed on the Call Detail Report plus the total VRS calls (outbound or inbound, whichever is higher) on the monthly invoices for the twelve-month period of the fiscal year. Total calls include calls made by the relay agent for the caller as well as calls that arrive at the center but no outbound call is made. Once the inbound call is connected, the caller can make multiple outbound relay calls. For purposes of this measure, completed means that the relay agent completed the request for service, but not necessarily that the two parties were connected.

Purpose: This measure shows how many calls are made through Relay Texas each year. Each year the PUC and the contracted carrier provide outreach and education to the citizens of Texas about Relay Texas in order to increase use. An increase in the call volume helps to know if outreach measures are successful.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above the target level.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: OP
DESC: 01 Number of Website Hits to Customer Protection Home Page

Cross Reference to Prior Biennium Measure Code: OP 02-01-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of hits to the Customer Protection Home Page on the Public Utility Commission's (PUC's) website. A "hit" to the Customer Protection Home page identifies each time that page was accessed. External hits only are counted.

Data Limitations: Results of this measure indicate only the number of times the Customer Protection Home Page is hit; however, users may access customer protection information on the PUC's website without going through the Customer Protection Home Page. Therefore, results for this measure do not provide a completely accurate picture of how much customer information is being accessed.

Data Source: Using the access log file that is created by the web server, the PUC's webmaster reports the number of times the Customer Protection customer information home page is accessed during the reporting period.

Method of Calculation: Software reports the number of times each page in the PUC Web Site is accessed by persons using the World Wide Web.

Purpose/Importance: This measure is important because it tracks the PUC's progress in meeting the objective to inform customers about their choices, opportunities and rights pertaining to electric and telecommunications services.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: OP
DESC: 02 Number of Information Requests to Which Responses Were Provided

Cross Reference to Prior Biennium Measure Code: OP 02-01-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reports the total number of information requests received from external customers. Information requests are inquiries for assistance by the public that are processed by various departments at the Public Utility Commission (PUC).

Data Limitations: None

Data Source: Requests from the public are received via telephone, email, fax, written correspondence, and in person, and are directed to specific locations in the agency. Requests are recorded in electronic databases, spreadsheets, or in manually maintained written logs.

Method of Calculation: Each location in the agency that is responsible for responding to requests from the public tallies the number of responses through the use of excel spreadsheets, database queries, or by manual count of written records. The numbers are added together to produce the total for the agency.

Purpose: This measure reflects the number of customers seeking information and assistance from the PUC and indicates the level of public interest in PUC activities and the need for assistance from the agency.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 01 Inform Customers of Choices & Rights & Facilitate Information Access
STRATEGY: 01 Provide Information about Changes in Electric and Telecom Industries
TYPE: OP
DESC: 03 Number of Customer Information Products Distributed

Cross Reference to Prior Biennium Measure Code: OP 02-01-01.03

MEASURE DEFINITION FOR 2010-2011:

Short Definition: The Public Utility Commission (PUC) produces numerous customer education and utility information publications for external distribution to utility customers, legislative offices, other state agencies, and the media. These publications include consumer newsletters, utility advisories, PUC meeting notices, news releases, fact sheets, brochures, and other customer outreach materials. These are distributed by mail, email, online, fax, walk-ins, and at various events attended by PUC staff.

Data Limitations: None.

Data Source: Most publications and news releases are distributed to subscriber and/or media lists. For print publications, printing is strictly controlled and a count is kept of the number that is printed. Single-page fact sheets, brochures and other customer outreach materials are produced internally on an as-needed basis. These publications are maintained in a database file, as are records of the number of copies disseminated. In addition to the printed fact sheets mailed to customers, a large portion of the information products are produced in electronic format for email distribution and website content. Information Technology (IT) keeps count of information products disseminated via email distribution and a report of the number of information product downloads from the PUC website within the dates required of the measure.

Method of Calculation: The number of copies disseminated is tracked by counting the number of copies of printed materials created, and the number of information products distributed through email and website downloads. Copies of fact sheets and other publications are printed on an as-needed basis. A count of the number of publications printed is made. A separate count of the number of publications remaining in the publication slots is made and subtracted from the total number printed. IT provides the number of information products downloaded from the website within the time frame of the measure. The number of information products distributed via email to subscribers within the time frame of the measure is counted. These results are totaled and reported in the measure.

Purpose/Importance: The purpose of this measure is to reflect the PUC's efforts to educate and inform the public of their rights as utility customers in Texas, as well as to inform them of PUC activities related to telephone and electric services. This measure is important because it reflects the PUC's progress in meeting the objective to inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services.

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: At or above target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
STRATEGY: 01 Assist Customers in Resolving Disputes
TYPE: EF
DESC: 01 Average Number of Days to Conclude Customer Complaints

Cross Reference to Prior Biennium Measure Code: EF 02-02-01.02

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the average number of days it takes to close complaints that have been investigated using the informal complaint resolution process. A complaint is an oral or written communication received by the Public Utility Commission (PUC) expressing a customer's dissatisfaction with a telephone or electric service provider.

Data Limitations: None.

Data Source: Files on informal complaints are maintained in an automated database and include, among other things, the date of receipt by the PUC, nature of the complaint, the name of the complainant, the date the complaint is activated, and the date the complaint is concluded.

Method of Calculation: The average time to process an informal complaint is determined by dividing the total number of days to process all complaints completed during the reporting period by the number of complaints. The automated database is queried at the end of each reporting quarter to determine the number of complaints concluded during the reporting quarter and the number of calendar days that elapsed between the date received and the date closed, summed for all complaints closed.

Purpose/Importance: This measure reflects the efficiency, measured by days, with which the PUC completes investigations of customer complaints. Expedient complaint resolution promotes customer confidence in the utility marketplace and the PUC.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Lower than the target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
STRATEGY: 01 Assist Customers in Resolving Disputes
TYPE: EX
DESC: 01 Number Complaints Received for Unauthorized Changes in Service

Cross Reference to Prior Biennium Measure Code: EX 02-02-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of informal complaints received for unauthorized changes in electric or telephone services for practices known as “slamming” or “cramming.” Unauthorized changes in services can include a change in long distance or local telephone service providers, change in electric service providers, charges for voice mail, calling card programs, or internet services.

Data Limitations: None.

Data Source: Informal complaint files are maintained in an automated database and include, among other things, the date of receipt by the Public Utility Commission (PUC), nature of the complaint, the name of the complainant, the date the complaint is activated, and the date the complaint is concluded.

Method of Calculation: The automated database is queried after the end of each fiscal year. The query solicits only the number of complaints categorized as slamming and cramming received.

Purpose/Importance: This measure reflects the magnitude of problems customers have with unauthorized changes to customer accounts. In addition, this measure tracks the PUC’s progress in attaining the goal of assisting customers in resolving disputes concerning electric and telecommunications services.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: Lower than the target.

GOAL: 02 Educate Customers and Assist Customers
OBJECTIVE: 02 Resolve Complaints Consistent w/Laws & PUC Rules & Orders
STRATEGY: 01 Assist Customers in Resolving Disputes
TYPE: OP
DESC: 02 Number of Customer Complaints Concluded

Cross Reference to Prior Biennium Measure Code: OP 02-02-01.03

MEASURE DEFINITION FOR 2010-2011:

Short Definition: This measure reflects the number of investigated complaints that have been concluded using the informal complaint resolution process. A complaint is an oral or written communication received by the Public Utility Commission (PUC) expressing a customer's dissatisfaction with a telephone or electric service provider. An informal complaint is documented with the PUC by letter, electronically, or fax.

Data Limitations: The PUC has no control over the number of complaints filed by persons outside the agency against electric and telecommunications service providers.

Data Source: Informal complaint files are maintained in an automated database and include, among other things, the date of receipt by the PUC, nature of the complaint, the name of the complainant, the date the complaint is activated, and the date the complaint is concluded.

Method of Calculation: A complaint is activated when PUC Staff sends the service provider the information supplied by the customer. A complaint is concluded on the date the investigatory findings are communicated to the complainant as indicated by the date on the letter from the PUC, or the date entered in the database if a response was provided via the telephone. The automated database is queried after the end of each reporting quarter to determine the number of activated complaints concluded during the reporting quarter.

Purpose/Importance: This measure reflects the magnitude of problems customers have with their utility service...

Calculation Type: Cumulative.

New Measure: No.

Desired Performance: Below the target.

GOAL: 03 Electric Utility Restructuring
OBJECTIVE: 01 Provide Financial Assistance
STRATEGY: 01 Energy Assistance. Nontransferable
TYPE: EF
DESC: 01 % Low income Discount Program participants Who Enroll Automatically

This is a New Measure

MEASURE DEFINITION FOR 2010-2011:

Short Definition: Electric utility customers who receive food stamps or medical assistance are eligible for the low income electric discount program. Automatic enrollment is accomplished through computer matching of the food stamp and medical assistance program participant lists with customer lists provided by retail electric providers. This measure reports the percentage of low income discount program participants who are automatically enrolled.

Data Limitations: None.

Data Source: The low income discount program is administered by a third party contractor. This measure is calculated using the third party administrator's records.

Method of Calculation: Obtain from the low income discount administrator the number of eligible customers who were automatically enrolled in the program and the total number of customers enrolled in the program. Divide the number automatically enrolled by the total number and multiply by 100 to obtain result.

Purpose/Importance: Automatic enrollment is more cost effective than self enrollment because it is accomplished through computer matching rather than manual processing of forms.

Calculation Type: Noncumulative.

New Measure: Yes.

Desired Performance: At or above target.

GOAL: 03 Electric Utility Restructuring
OBJECTIVE: 01 Provide Financial Assistance
STRATEGY: 01 Energy Assistance. Nontransferable
TYPE: EF
DESC: 02 Average Number of Days for Retail Electric Provider Reimbursement

Cross Reference to Prior Biennium Measure Code: EF 03-01-01.01

MEASURE DEFINITION FOR 2010-2011:

Short Definition: The measure indicates the average number of days for the Public Utility Commission (PUC) to approve reimbursements from the System Benefit Fund to Retail Electric Providers (REPs) for their costs to implement the low-income discount program. The average number of days is based on the number of days between the agency's receipt of REP monthly reports and the agency's notification to the Comptroller of Public Accounts of the authorization to pay the REP. The term REPs may include municipally owned utilities and electric cooperatives that opt into competition.

Data Limitations: None.

Data Source: The data source for this measure is the EXPENSE DETAIL for SBF LIDA Pmt Timing report in HX database, which includes the date of receipt of the utility's monthly report and the date of authorization for reimbursement transmitted to the Comptroller of Public Accounts.

Method of Calculation: The calculation is the number of business days elapsed between the date the monthly activity report was received by the PUC and the date of the PUC's authorization to the Comptroller to disburse the funds to each REP, divided by the number of reporting REPs.

The numerator is the summation of the number of business days elapsed between the date the monthly activity report was received and the date the Comptroller is notified of the authorization to reimbursement for all reports.

The denominator is the number of REPs requesting reimbursement.

Purpose/Importance: The purpose of the measure is to reflect the agency's efficiency in processing reimbursement requests from REPs, which supports effective program operations. The measure's importance relates to the large scale of the program based on total annual program costs and the significance of the program in providing eligible low-income electric customers a discount on electric bills.

Calculation Type: Non-cumulative.

New Measure: No.

Desired Performance: At or below the target.

GOAL: 03 Electric Utility Restructuring
OBJECTIVE: 01 Provide Financial Assistance
STRATEGY: 01 Energy Assistance. Nontransferable
TYPE: EX
DESC: 01 Total Number of Low-Income-Discount Participants

This is a New Measure

MEASURE DEFINITION FOR 2010-2011:

Short Definition: The Texas Utilities Code § 39.903(h) requires retail electric providers (REP) to provide a discount of at least 10%, and up to 20%, of the amount the customer would have otherwise been charged for electric service. The percentage of the discount is established by the PUC annually, or as appropriated by the legislature. This measure reflects the number of eligible low-income customers who are enrolled in the program. A low-income customer is defined by statute as one whose household income is not more than 125% of the federal poverty guidelines, or who receives food stamps from the Texas Department of Human Services, or medical assistance from a state agency administering a part of the medical assistance program.

Data Limitations: None.

Data Source: Program enrollment is administered by a third party administrator, who is contracted by the agency. The administrator maintains a database of all customers enrolled in the low income discount program.

Method of Calculation: The measure is calculated by querying the database maintained by the low income discount administrator to determine the number of customers enrolled in the program

Purpose/Importance: The purpose of the measure is to show the number of low-income customers who are enrolled in the program. The measure's importance relates to the need to enroll as many eligible customers as possible to fully implement the program.

Calculation Type: Non-cumulative.

New Measure: Yes.

Desired Performance: At or above the target.

GOAL: 03 Electric Utility Restructuring
OBJECTIVE: 01 Provide Financial Assistance
STRATEGY: 02 Customer Education. Nontransferable
TYPE: EX
DESC: 01 Number Power-to-Choose Website Hits

This is a New Measure

MEASURE DEFINITION FOR 2010-2011:

Short Definition: The Power to Choose Website was created and is maintained as part of the customer education program required by Public Utility Regulatory Act §39.902. This Website contains information for electric customers living in areas open to competition to assist them in purchasing electricity in competitive markets. This measure reports the number of times the Website is accessed. External hits only are counted.

Data Limitations: None.

Data Source: Using the access log file that is created by the web server, the PUC's webmaster reports the number of times the Power to Choose Website is accessed during the reporting period.

Method of Calculation: Software reports the number of times each page in the Power to Choose Website is accessed by persons using the World Wide Web.

Purpose/Importance: This measure is important because it tracks the PUC's progress in meeting the objective to inform customers about their choices, opportunities and rights pertaining to electric and telecommunications services.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: At or above target.

GOAL: 03 Electric Utility Restructuring
OBJECTIVE: 01 Provide Financial Assistance
STRATEGY: 02 Customer Education. Nontransferable
TYPE: OP
DESC: 01 Number of Customer Information Products Distributed Through Outsourcing

This is a New Measure

MEASURE DEFINITION FOR 2010-2011:

Short Definition: The Public Utility Commission (PUC) uses one or more third party contractors to assist in the customer education program required by Public Utility Regulatory Act §39.902. This measure counts the number of information products distributed through these third party contractors.

Data Limitations: None.

Data Source: Information about the number of information products distributed is obtained from the outside contractors.

Method of Calculation: The PUC's contracts require contractors which distribute customer education information to maintain records and report on the number of customer information products distributed. The number for the year is obtained from these reports.

Purpose/Importance: The purpose of this measure is to reflect the PUC's efforts to educate and inform the public of their rights as utility customers in Texas. This measure is important because it reflects the PUC's progress in meeting the objective to inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services.

Calculation Type: Cumulative.

New Measure: Yes.

Desired Performance: At or above target.

APPENDIX E.

IMPLEMENTING THE TEXAS TRANSFORMATION

MANAGED SERVICE DELIVERY

- 1. Has the agency considered use of managed services in order to focus more on its business needs?**

As the opportunities provided by the Department of Information Resources (DIR) have become more cost efficient, the Public Utility Commission (PUC) has begun to investigate managed services and use it as an integral part of the decision making process when implementing new technology projects. The PUC is participating in the State Data Center Services contract and continues to use the state TEX-AN communications contract. The agency is also a participant in the Texas Enterprise Resource Planning group and is looking forward to achieving the benefits of participating in a statewide ERP system.

MANAGED IT SUPPLY CHAIN

- 2. Does the agency leverage and obtain additional value from the Information and Communications Technology (ICT) Cooperative Contracts program; for example, by further negotiating not-to-exceed pricing?**

The PUC adheres to all state procurement rules in acquisition of information technology assets or services. The Commission uses DIR's Cooperative Contracts for all technology products and services in order to take advantage of the volume buying power of the state.

The Information Resources Manager (IRM) and Information Technology (IT) staff works with agency divisions to examine options and best possible solutions. Staff evaluates how the recommended solution will work with existing software and hardware, the amount of customer support the solution would require, and the maintenance and upgrade options. If the solution agreed upon by the IRM and the user requires additional equipment, the customer will follow agency guidelines for internal procurement. The IRM must approve all information technology purchases to ensure compatibility with PUC infrastructure and to ensure the agency is taking advantage of the DIR contracts.

If the information resource procurement is valued over certain threshold, the PUC will negotiate down DIR's not to exceed pricing to gain even more value for the agency.

SECURITY AND PRIVACY

3. Describe the agency's strategies to align with the State Enterprise Security Plan (<http://www.dir.state.tx.us/pubs/securityplan2007/index.htm>).

The PUC considers information resources as strategic assets that must be managed as valuable resources. The agency aligns its policies and procedures for security with the DIR security policies. The PUC uses a comprehensive approach to promote network security using awareness, education, and technological means to maintain a secure functional network environment. This approach, along with ongoing network testing conducted by DIR, along with application evaluation and testing ensures the development of a secured and hardened application platform in line with the State Enterprise Security Plan.

4. Describe the agency's policies, practices and programs, implemented or planned, that comply with relevant statutes and administrative rules to ensure the privacy of confidential data. Consider federal privacy requirements (e.g., the Health Insurance Portability and Accountability Act or the Family Educational Rights and Privacy Act) that apply to the agency. List the organizational units (program, offices, IT, legal, etc.) that manage privacy functions. Describe any future plans for improvement.

The PUC has implemented automated security tools, as well as cyber vulnerability detection, risk assessment and incident reporting strategies to secure agency data. The IT section has taken an active role in the implementation of user based security strategies and training PUC staff on security awareness. This in conjunction with comprehensive account management, antivirus, and spam protection tools ensures continued mitigation of internal security threats and vulnerabilities.

PUC data connections are managed in cooperation with the Texas Department of Information Resources (DIR). In alignment with the State Enterprise Security Plan, PUC has undergone annual Controlled Penetration Testing of our network and server environments in order to continue to secure and harden the PUC network and application environment.

TECHNOLOGY POLICY, BEST PRACTICES, AND PARTNERSHIPS

5. What current practices or plans are in place to improve usability and search ability of the agency's Web content? (2007 SSP, Strategy 4 1)

The PUC is committed to making its web site accessible according to the standards set forth by Federal and State governing bodies and is an active participant in the PESO working group. To improve the accessibility of our web site, we test all major redesign with screen readers and other tools. The PUC continues to investigate new technology to ensure we strive to meet the accessibility standards and increase the usability of the PUC website. The agency is in the process of standardizing document formats on the website and further developing our Spanish language information in order to increase accessibility.

6. What current practices or plans are in place to improve life cycle management of agency data and information? Include the agency's approach and ability to meet future open records and e-discovery requests. (2007 SSP, Strategy 4-1)

PUC employees are responsible for assisting in effectively managing electronic records. Executive Management, Division Directors, and Program Directors/Managers are responsible for working with the Records Management Officer (RMO) in the development or modification of electronic recordkeeping systems in order to ensure the agency is meeting the State of Texas requirements. They are also responsible for ensuring their employees are aware of the policy; and ensuring employee compliance. The RMO is responsible for providing training to agency personnel, validating compliance by performing periodic audits and reporting non-compliance to the agency management for corrective action.

The RMO, in cooperation with the IRM and agency personnel, shall ensure electronic state records, including those with historical or enduring value, are properly protected, maintained and accessible. Information Technology ensures that an electronic state record and any software, hardware, and/or documentation, including maintenance documentation, required to retrieve and read the electronic state record, are retained as long as the approved retention period for the record. It also provides for the recopying, reformatting, and other maintenance necessary to ensure the availability and usability of an electronic state record until the expiration of its retention period.

Electronic records including email and the data that support them, are clearly included in the statutory definition of a state record; therefore, electronic records that evidence the agency's business activity are handled in the same manner as other state records. Electronic records are created, maintained and disposed in accordance with the agency's approved records retention schedule.

7. Describe agency methods and standards (federal, state, industry), implemented or planned, intended to enhance data sharing (i.e., improve interoperability) with other entities. (2007 SSP, Strategy 4-2)

The PUC continues to evaluate and implement data sharing standards as it works with industry participants that interact with the agency. The current standards put in place have provided a high level of interoperability between all interested parties. This has been key to the successful exchange of data with limited interaction between the industry and agency staff.

The PUC has limited data sharing with other governmental entities and the interoperability is normally driven by the reciprocating agency. But as we move forward we will continue to look for DIR to provide leadership in developing standards for data sharing between state agencies and federal entities and look to implement those standards.

CORE MISSIONS

- 8. Does the agency have any plans to simplify or reduce the number of existing software platforms (e.g., operating systems, application development environments, database systems, office suites, other COTS applications)? If no, is the agency fully leveraging its technology to support both its current and future business environment?**

As an agency participating in the data center services program, the PUC will consolidate operations to the state data centers in Austin and San Angelo in the next 18 – 24 months. The consolidation includes migration to the DCS standard software platforms and tools for greater consistency across the state. Additionally, the PUC submits new infrastructure technology purchases through the DCS solution request process. The solution request process uses the DCS standard configurations and includes enterprise-level reviews of solutions to ensure alignment with the state's direction for data center services.

- 9. Describe any current or planned activities targeted at reducing the environmental resource consumption of technology equipment (recycling, consolidating, virtualizing, buying energy efficient equipment, etc.).**

As an agency participating in the data center services program, the PUC will consolidate operations to the state data centers in Austin and San Angelo in the next 18 – 24 months. The state data centers use highly efficient energy management systems, including double-conversion technology for the uninterruptible power supply (UPS) direct current (DC) units and specialized lighting design that utilizes 23 percent less electricity than the state energy allowance. In addition to migrating operations to the more efficient environment, the PUC will virtualize systems management by re-aggregating distributed systems into virtual systems, replace older, less efficient technology, and employ other emerging technology strategies to reduce the PUC's technology footprint. The Technology Plan delivered as part of the Data Center Services contract describes the PUC's consolidation and virtualization plans in detail.

APPENDIX F

WORKFORCE PLAN 2008

I. Agency Overview

In 1975, Texas became the last state in the country to provide for state-wide comprehensive regulation of electric and telecommunications utilities by creating the Public Utility Commission (PUC). For approximately the first twenty years of the PUC's existence, the agency's primary role was traditional regulation of electric and telecommunications utilities. Although the PUC originally regulated water utilities, jurisdiction was transferred to the Texas Water Commission in 1986. Significant legislation enacted by the Texas Legislature in 1995, along with the Federal Telecommunications Act of 1996 (FTA), dramatically changed the PUC's role by allowing for competition in telecommunications wholesale and retail services, and by creating a competitive electric wholesale market. In 1999, the Legislature provided for restructuring of the electric utility industry, further changing the PUC's mission and focus. More recently, in 2005, the Legislature provided for further deregulation of telecommunications markets with the passage of Senate Bill 5.

Although the PUC's traditional regulatory functions have decreased over the past eleven years, many of those functions have been replaced by other, more challenging responsibilities. Restructuring of the utility industry is not simply elimination of regulation. Effective oversight of competitive wholesale and retail markets is necessary to ensure that customers receive the benefits of competition.

The PUC's responsibilities under PURA include the following:

Electric

- Within ERCOT, jurisdiction over rates and quality of service of transmission and distribution utilities
- Within ERCOT, establishing wholesale transmission rates for investor owned utilities, cooperatives, and municipally owned utilities
- Outside ERCOT, regulation of vertically integrated investor owned utilities
- Overseeing administration of utility energy efficiency programs
- Issuance of certificates of convenience and necessity for proposed transmission lines
- Licensing of retail electric providers
- Registration of power generation companies and aggregators
- Oversight of competitive wholesale markets and supervision of ERCOT
- Fostering the development of renewable resources
- Oversight of competitive retail markets, including designation of providers of last resort

- Facilitation of restoration of services following major disasters
- Participation in Homeland Security efforts of electric utilities
- Resolution of customer complaints, using informal processes whenever possible
- Implementation of a customer education program for retail electric choice
- Administration of low-income discount program

Telecommunications:

- Arbitration of interconnection agreements and post interconnection disputes pursuant to the Federal Telecommunications Act
- Oversight of competitive retail markets
- Administration of the Universal Service Fund, including the Lifeline program for low-income customers
- Administration of the Relay Texas and Specialized Telecommunications Assistance programs
- Facilitation of restoration of services following major disasters
- Participation in Homeland Security efforts of telecommunications providers
- Resolution of customer complaints, using informal processes whenever possible
- Issuance of Service Provider Certificates of Operating Authority and Certificates of Operating Authority to local service providers
- Issuance of State Issued Certificates of Franchise Authority to cable and video service providers
- Registration of long distance providers, automatic dial announcing devices, and pay telephones
- Administration of the Texas No-Call List

The PUC's divisions are organized based on function and program area. The Customer Protection Division which includes the call center, informal complaint resolution function, and customer education efforts, handle both electric and telecommunications matters. The Competitive Markets, Oversight & Enforcement, and Infrastructure & Reliability Divisions also oversee activities in both the telecommunications and electric industries. When organizational changes are needed to respond to changing duties prescribed in PURA, or changes in the industries that the Commission oversees, the agency attempts to make those organizational changes in ways that are the least disruptive to agency staff and persons who do business with the Commission.

A. Agency Mission

The mission of the agency is to protect customers, foster competition, and promote high quality utility infrastructure.

B. Agency Goals, Objectives, and Strategies (Business Functions)

GOAL 1: To ensure fair competition, customer choice, just and reasonable rates, system reliability, a high level of service quality, and the opportunity for technological advancement in the electric and telecommunication industries.

OBJECTIVE 1-1: Maintain innovative policies to foster competition in telecommunications and retail electric markets, such that by the end of fiscal year 2013, 85 percent of Texas cities are served by three or more certified telecommunications providers, and 95 percent of residential electric customers in areas of the state open to competition have at least five providers for electric service.

STRATEGY 1-1-1: Foster and monitor market competition by evaluating the relevant electric and telecommunications markets, and develop policies to enhance effectiveness of competition and benefits for customers; and register and license competitive service providers. Develop rules, conduct studies and prepare reports responsive to changes in electric and telecom markets.

OBJECTIVE 1-2: Regulate service providers such that by 2013, 90 percent of telecommunications customers are served by exchanges that meet service quality standards and 95 percent of electric customers are served by companies meeting service quality standards.

STRATEGY 1-2-1: Conduct rate cases for regulated telephone and electric utilities under the Administrative Procedures Act and methods of alternative dispute resolution to evaluate whether revenue requirements, cost allocation, rate design, and affiliate transactions are reasonable and in compliance with all laws and PUC rules; register and license regulated service providers; evaluate utility infrastructure and quality of service.

- OBJECTIVE 1-3:** To ensure compliance with statutes, rules, and orders such that by 2013, 75 percent of all settlement agreements entered in formal enforcement proceedings will contain specific provisions regarding low future violations of the same type will be avoided.
- STRATEGY 1-3-1:** Conduct investigations and initiate enforcement actions to ensure compliance with relevant law, PUC rules, and orders.
- GOAL 2:** To serve the public by distributing customer education information, administering customer service programs, and assisting customers in resolving disputes concerning electric and telecommunications services.
- OBJECTIVE 2-1:** Inform customers about their choices, opportunities, and rights pertaining to electric and telecommunications services through 2013.
- STRATEGY 2-1-1:** Provide information and distribute materials to customers on changes in the electric and telecommunications industries. Respond to requests for information from the public and media. Conduct outreach activities, administer Relay Texas and the Specialized Telecommunications Assistance Program (STAP) responsibilities.
- OBJECTIVE 2-2:** To resolve complaints consistent with relevant law and PUC rules and orders, such that all customer complaints will be concluded within the targeted average number of days each fiscal year through 2013.
- STRATEGY 2-2-1:** Assist customers in resolving disputes concerning electric and telecommunications services consistent with statutes and rules.
- GOAL 3:** To achieve specific legislative objectives by administering special programs for energy assistance to low-income Texans, and for customer education information in regions subject to electric competition (nontransferable).
- OBJECTIVE 3-1:** Administer financial assistance such that by 2013, 93 percent of eligible low-income utility customers receive a reduction in their annual electric service bill.

- STRATEGY 3-1-1:** Reimburse retail electric providers from the System Benefit Fund for electric service billing discounts; administer automated and self enrollment of eligible participants for the billing discounts.
- STRATEGY 3-1-2:** Produce and disseminate customer education information for electric market competition through outsourcing; address customer inquiries through a third party call center and Web site.
- GOAL 4:** Indirect administration.
- OBJECTIVE 4-1:** Indirect administration.
- STRATEGY 4-1-1:** Central administration.
- STRATEGY 4-1-2:** Information resources.
- STRATEGY 4-1-3:** Other support services.

C. Anticipated Changes Over Five Years

The Commission does not anticipate significant changes in its mission, but there have been changes in the Commission's goals, objectives and strategies during the strategic planning period of 2009 – 2013. In the 2002 strategic planning cycle, the PUC made revisions to its budget structure to reflect the changes in the agency's powers and duties, and does not anticipate the need to make significant changes within the next five years absent statutory changes.

The agency's structure and functions have changed significantly over the past decade as a result of reforms. Prior to industry restructuring, the primary function of the agency was processing major rate cases for the telephone and electric industries. This required very specialized technical skills from engineers, accountants, financial analysts, and attorneys to analyze utility rate applications and provide recommendations for Commission action. While the PUC continues to have rate jurisdiction over some utilities and utility functions, the focus of the PUC's mission is to oversee competitive markets to assure that customers receive the benefits of competition.

Now, the Commission relies more on the specialized skills of economists and market analysts for monitoring the telecommunications and electric power markets for compliance with applicable statutes, rules, and PUC orders. Enforcement activities require the skills of investigators and attorneys. The agency's call center, which responds to customer inquiries and complaints regarding utility services, has increased in size due to customers' increased needs for information about purchasing utility services in competitive markets, and for

assistance in resolving problems with service providers. For the foreseeable future, the PUC will need to retain staff experts in accounting, financial analysis, and rate design to perform the remaining traditional rate-setting functions.

II. Supply Analysis: Current Workforce Profile

A. Critical Workforce Skills

The Commission employs qualified individuals in a myriad of program disciplines. Strong employee competencies are critical to meet ongoing business objectives and goals.

Current critical workforce skills include the following:

1. *Management and Leadership*

Performance Management
Planning
Training and mentoring

2. *Technical Skills*

Knowledge of applicable federal and state laws and regulations
Litigation and settlement facilitation
Rules development
Investigation
Market analysis
Rate setting
Licensing of providers
Accounting and financial analysis
Engineering
Policy development

3. *Customer Assistance*

Call center customer service
Informal complaint resolution

4. *Information Management*

Web development and maintenance
Database development
Electronic filing and reporting

5. *Agency Administration*

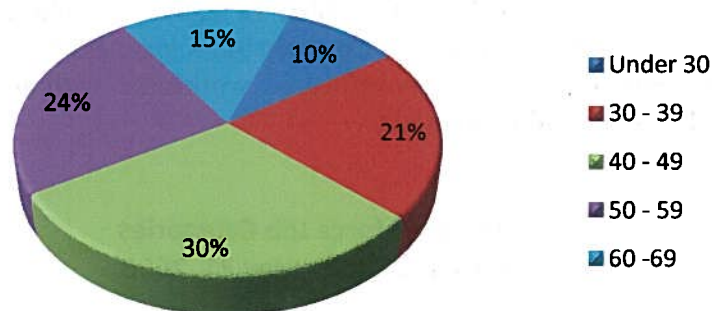
Fiscal management
Human Resources management
Contract management
Purchasing
IT Support

B. *Workforce Demographics*

Gender and Age

As of May 31, 2008, the Commission had a total of 170 full-time, and two part-time employees and one part-time temporary employee. Of the total employees, there were 89 females (51.4%) and 84 males (48.6%). The average age of Commission employees is 46 years, and 113 (65%) of the employees are over the age of 40.

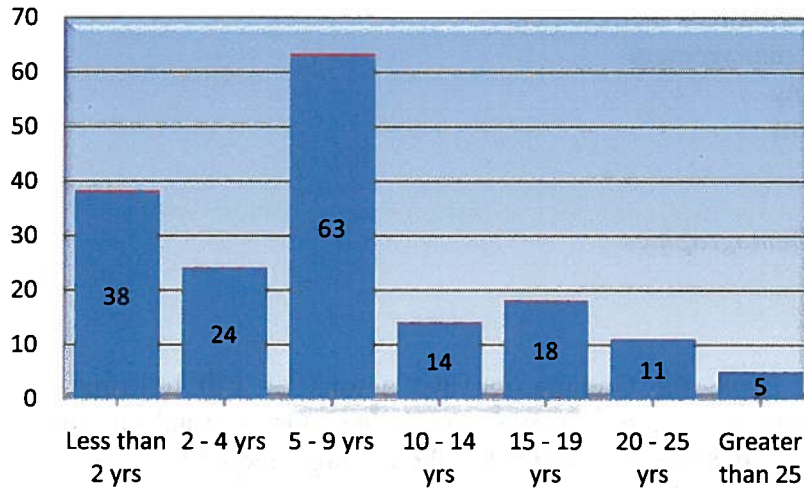
**Age of PUC Workforce
as of May 31, 2008**



Tenure

Of the Commission staff, 62 (36%) employees have fewer than five years of service with the agency. There are 77 employees (44%) with five to fourteen years service with the PUC and 34 employees (20%) who have 15 or more years of service with the PUC. The table below reflects tenure of PUC employees. Thirty-eight employees (22%) have fewer than two years of agency service.

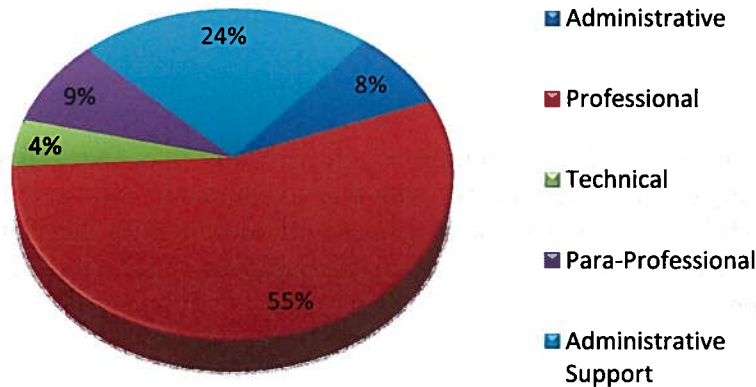
**PUC Workforce Tenure
 As of May 31, 2008**



Job Categories

The main job categories of Commission employees are identified in the table below. The “Professional” category has the largest number of agency employees, which reflects the qualifications required to accomplish the Commission’s business goals. As a result of these requirements, the agency has a highly educated workforce with many of the employees holding advanced degrees and credentials.

**PUC Workforce Job Categories
 March 1, 2008 - May 31, 2008**



Diversity

The following three tables profile the Commission's full-time and part-time workforce of 173 employees for the third quarter of fiscal year 2008 (March 1, 2008 through May 31, 2008). The workforce comprises 51.4% females and 48.6% males. The tables compare the African American, Hispanic and female employees in the Commission Workforce to the State Civilian Workforce, as reported by the Civil Rights Division of the Texas Workforce Commission.

Gender – Racial – Ethnic Diversity Fiscal Year 2008, Third Quarter							
Male	Female	White	Black	Hispanic	Asian	Other	Total
84	89	113	17	38	5	0	173
48.6%	51.4%	65.3%	9.8%	22.%	2.9%	0%	100%

All employees on payroll as of May 31, 2008.

Gender – Occupational Diversity Fiscal Year 2008, Third Quarter					
Job Category	Male		Female		Female Goal
Administrative	10	71.4%	4	28.6%	37.3%
Professional	57	60%	38	40%	53.2%
Technical	7	87.5%	1	12.5%	53.8%
Administrative Support	5	12.2%	36	87.8%	64.7%
Skilled Craft	0	0.0%	0	0.0%	4.8%
Service / Maintenance* (Para-Professional)	5	33.3%	10	66.7%	39%
Total	84		89		

Racial – Ethnic – Occupational Diversity Fiscal Year 2008, Third Quarter													
Job Category	White		Black Goal			Hispanic			Goal	Asian		Other	
Administrative	12	85.8%	1	7.1%	6.6%	1	7.1%	14.2%	0	0.0%	0	0.0%	
Professional	68	71.6%	6	6.3%	8.3%	16	16.8%	13.4%	5	5.3%	0	0.0%	
Technical	6	75%	0	0.0%	12.4 %	2	25%	20.2%	0	0.0%	0	0.0%	
Administrative Support	20	48.8%	7	17.1%	11.2 %	14	34.1%	24.1%	0	0.0%	0	0.0%	
Skilled Craft	0	0.0%	0	0.0%	6%	0	0.0%	37.5%	0	0.0%	0	0.0%	
Service / Maintenance * (Para-Professional)	7	46.7%	3	20%	13.8%	5	33.3%	40.7%	0	0.0%	0	0.0%	

Percentage goals represent the State Civilian Workforce, as reported by the Civil Rights Division (CRD) of the Texas Workforce Commission in the EEO/Minority Hiring Practices Report in January 2007. The CRD analyzes the workforce using an 80% benchmark from the EEOC Uniform Guidelines on Employee Selection to determine utilization within each occupational category. Highlighted sections indicate areas in which the percentage of Commission employees in those categories meet or exceed the percentage in the State Civilian Workforce using the 80% benchmark. Shaded sections identify those areas where the percentage of Commission employees in those categories is below the percentage in the State Civilian Workforce using the 80% benchmark.

When using the EEOC Uniform Guidelines and applying the 80% benchmark, the agency exceeded the percentage goal for Female employees in the Administrative Support and Para-Professional occupations. In the ethnic categories, we exceeded the goals for Black employees in the Administrative, Administrative Support and Para-Professional occupations and for Hispanic employees in the Professional, Technical, Administrative Support and Para-Professional occupations. The agency did not attain the goals and Female employees are underutilized in the Administrative (1.2%), Professional (2.6%) and Technical (30.5%) occupations. In the ethnic categories, Black employees are underutilized in the Professional

(.34%) and Technical (9.9%) occupations and Hispanic employees are underutilized in the Administrative (4.3%) occupation. The PUC does not employ staff for Protective Services and Skilled Craft occupations.

*The Protective Services and Para-Professional categories have been combined with the Service/Maintenance category. Prior to 2005, these categories were reported as separate groups and are no longer contained in the Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2004.

C. Employee Turnover and Projected Attrition

Turnover is important in any organization and the Commission is no exception. Throughout its existence, the agency has faced the difficult challenge of retaining qualified and experienced staff. The PUC has experienced high turnover, peaking at 30.7% in fiscal year 2003 as a result of legislatively mandated reductions. The agency was required to terminate 37 employees pursuant to a Reduction-in-Force (RIF) in 2003. This resulted in an overall increase in the turnover rate for FY 2003. Without the RIF, the agency turnover would have been 16.3%, a .7% increase from 2002. The following table compares the average PUC turnover to that of all state agencies for the last five years.

EMPLOYEE TURNOVER					
Fiscal Year	2003	2004	2005	2006	2007
PUC	30.7%	15.8%	21.6%	16.7%	17.9%
All Agencies*	17.9%	41.8%**	18.9%	17.9%	19.2%

* Information obtained from the State Auditors Office E-Class System.

**The high statewide turnover in FY 2004 is due to the reorganization of the health and human services agencies.

Despite significant statutory post-employment restrictions that apply only to the PUC, the agency generally experiences a higher turnover rate than other state agencies much of which is loss of employees to industry. More lucrative positions in industry-related firms have been the major reason for the agency’s high turnover.

In addition, there are organizational areas in the Commission that generate turnover due to the stressful nature of the work and limited career ladder movement. In prior fiscal years, the Customer Protection Division had difficulty retaining qualified employees due to the stressful nature of the jobs in the agency call center. Customer Care Representatives in the call center assist customers who are often angry about their telephone or electric service. “Burnout” is associated with call center jobs, and the Commission is continually challenged to minimize the negative effects associated with complaints-related jobs (including employee stress and turnover). In an effort to decrease the stress and turnover, the Customer Protection

Division utilizes continuous improvement processes to make changes to work procedures. As a result, there has been a significant improvement in employee morale and drop in turnover in this area in recent years.

Length of Service

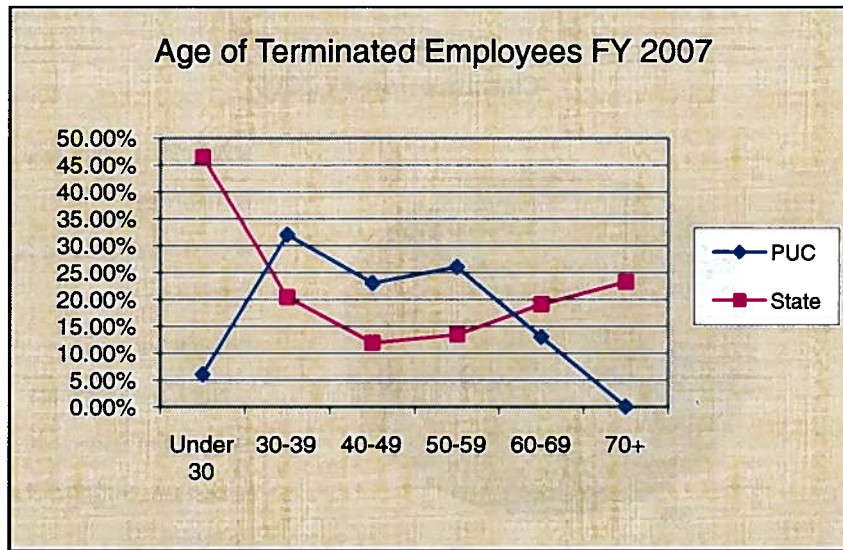
Among terminating employees in fiscal year 2007, those with less than two years of service had the highest turnover (45.2%) followed by 25.8% among employees with five to nine years of service. Two employees retired from the agency in fiscal year 2007. One of the retirees had 10 years of service and the other had less than ten years of service with the agency.

The highest percentage (68%) of terminating employees had fewer than five years service with the agency. Efforts to decrease turnover and retain staff beyond the first five years should provide greater continuity for Commission operations and allow employees to develop critical agency knowledge for training entry-level personnel.

Tenure of Terminating Employees Compared To Tenure of All Employees FY 2007				
Tenure in Years	Terminating Employees	% Terminating Employees	All Employees	% All Employees
Less than 2	14	45.2%	28	17%
2 – 4	7	22.6%	34	20.6%
5 – 9	8	25.8%	54	32.7%
10 – 14	1	3.2%	14	8.5%
15 – 19	0	0%	21	12.7%
20 – 24	1	3.2%	9	5.5%
25 +	0	0%	5	3%
Total	31	100%	165	100%

Age

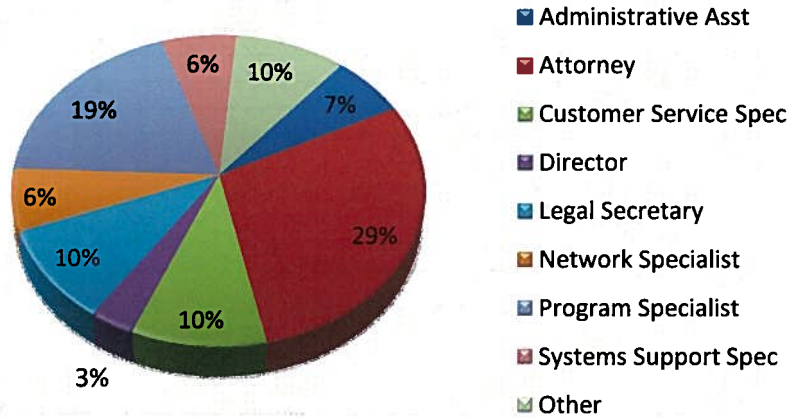
The highest percentage of turnover occurred among employees in the 30-39 years of age group. About 39% of the Commission's turnover in FY 2007 was employees under the age of 40.



Occupations

During fiscal year 2007, a total of 31 employees separated from employment with the Commission. The table below provides detail for this turnover activity by classification. Of the 31 terminations, the Attorney title reflected the single greatest turnover rate (29%) for one classification series, followed by the Program Specialist (19%) classification. The Legal Secretary and Customer Service Specialist classifications each reflect a 10% turnover while the Administrative Assistant classification reflected 7% turnover. Both the Network Specialist and Systems Support Specialist experience 6% turnover and the Director classification had 3% turnover. Other classifications experienced turnover rates of 3% individually, but collectively they comprised a total turnover rate of 10%.

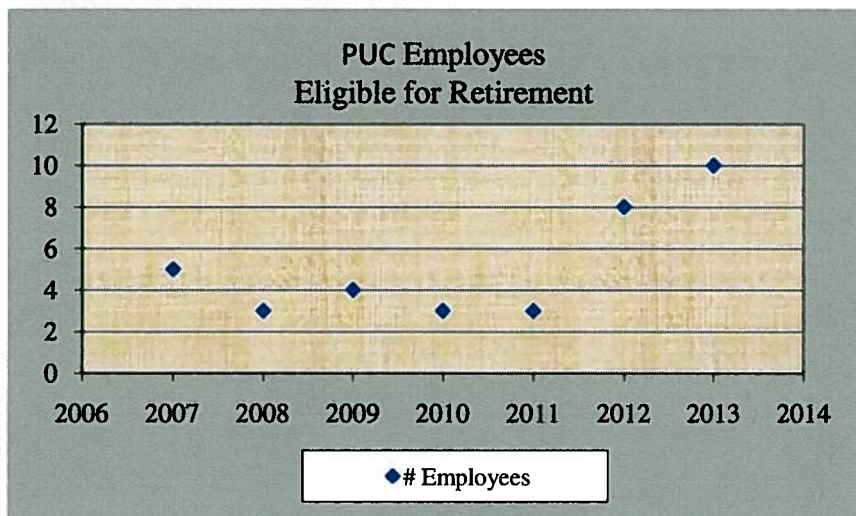
Turnover by Job Classification-FY 2007



D. Retirement Eligibility

Two employees retired in fiscal year 2007. Of the employees potentially eligible in 2007, five remain with the agency. Based on PUC information, during FY 2008 – 2013, 31 employees (18%) may become eligible to retire from state service. Between now and 2013, a total of 56 employees (32.5%) could potentially leave the Commission based on retirement eligibility.

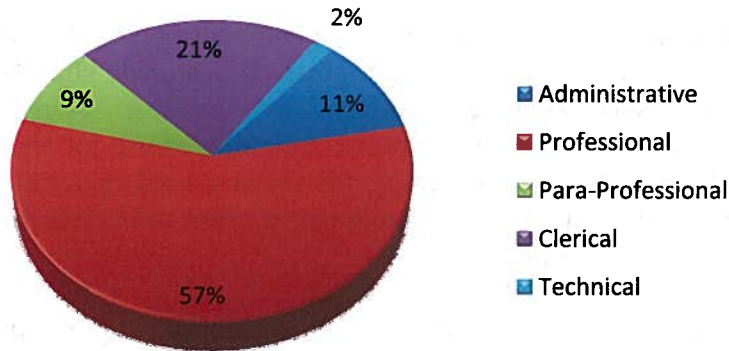
Turnover due to retirement is important to agency operations because of the loss of institutional knowledge and expertise. It also affects the level of succession planning the organization should implement to attract new employees and/or train existing staff in key competencies to assume important functions and leadership roles.



Retirees by Category

The largest percentages of employees who may become eligible to retire over the next five years are in the *professional* (57%) category. The second largest percentage of employees potentially eligible to retire is in the *clerical* support (21%) category. Turnover as a result of retirement eligibility could have a significant impact on high-level key positions. Four employees (11.4%) in key management positions could be eligible to retire over the next biennium. All of the key management employees are in the *administrative* category and 50% will be eligible due to the Rule of 80 between 2008 and 2010.

**Employees Eligible for Retirement
By Job Category
2008 - 2013**



Projected Attrition

In fiscal year 2007, the agency had a 17.9% turnover rate which is a 1.2% increase from fiscal year 2006. As of June 30, 2008, seventeen (9.7%) employees have terminated their employment with the agency.

As market conditions continue to improve in central Texas over the next five years and as the economy strengthens, the agency anticipates that retaining high quality staff will continue to be a challenge. The decrease in state benefits provided to state employees also impacts the ability of state agencies to attract and keep qualified employees.

III. Demand Analysis: Future Workforce Profile

A. Critical Functions

- Economists and Market Analysts
- Customer Care Representatives
- Utility Infrastructure Analysts
- Enforcement (Investigators and Attorneys)

B. Expected Workforce Changes

The changing demands in the Commission's oversight role in a market competition environment within the electric and telecommunication industries will create more emphasis on recruiting and retaining employees as economists, market analysts, enforcement investigators, attorneys and customer care representatives.

Following the implementation of local telephone competition in September 1995 and electric utility restructuring in January 2002, the Commission has made changes to its workforce to ensure it has the necessary expertise to perform new functions. Many of the new functions are performed by employees with the requisite expertise whose job duties were modified to include the new functions. In some cases, the agency used opportunities associated with attrition to eliminate positions that were no longer needed and create new jobs more aligned with the agency's current mission.

During the 78th Legislative Session, the agency's overall FTE cap was decreased from 242 to 210.9. During the session, the legislature also passed HB 3442 which imposed new requirements related to state agency management-to-staff ratios. As a result of the legislation, the agency has made changes to its management structure in order to comply with the new mandates. To ensure meeting the 2007 management-to-staff ratio mandates, the agency has reviewed positions and span of control and made necessary organizational changes.

Since FY 2000, HR staffing at the agency has decreased by three positions. Human Resources has continued to assess internal processes and streamline HR operations through the use of improved administrative processes and integrated, automated systems. The adequacy of HR staffing will need to be continually assessed, and the possibility of automating internal HR systems to be more employee self-driven may need to be considered.

C. Future Skills Needed

The Commission will continue to maintain a highly educated professional workforce. Knowledge, skills and abilities central to the core functions of the Commission will remain an integral part of employee qualifications. The PUC does not anticipate significant changes in the critical skills required of its workforce over the next five years. If electric retail competition is implemented throughout the state, the requirement for some functions would

decrease or be eliminated. For example, the PUC must retain expertise related to regulation of power generation assets as long as it has regulatory authority over vertically integrated electric utilities. In the meantime, the agency must maintain the ability to regulate vertically integrated companies as well as oversee competitive retail and wholesale markets.

D. Anticipated Employee Increases/Decreases

The Commission does not anticipate an increase in total staffing during the next five years. The workforce is expected to remain constant, although the actual number of employees may fluctuate by 10-12 positions at any given time. Gradually changing workforce needs will be handled through attrition and conversion of vacant positions to new responsibilities, as well as training existing employees with necessary education and expertise to perform new job duties.

E. Future Critical Functions

The changing demands in the Commission's oversight role in a market competition environment within the electric and telecommunication industries will drive changes to the Commission's future critical functions. Fewer resources are expected to be allocated to traditional regulatory functions, such as ratemaking activities, than in the past. More resources will be allocated to market oversight, enforcement, and customer assistance.

IV. Gap Analysis

An examination of the workforce data indicates the Commission may face the loss of its institutional knowledge and expertise through retirements and loss of employees to the private sector. The ability to offer a combination of salary and employee benefits that will attract employees with the necessary education and experience will be a key factor in the success of the agency's workforce.

V. Strategy Development

The Commission has developed workforce goals to address the potential deficit between the current workforce and future demands. The strategies will need to be reviewed periodically to determine their effectiveness in achieving the PUC's workforce goals.

GOAL ONE: Recruit professionals with the requisite skills to complement the Commission's existing workforce and take steps to retain these professionals.

Rationale: The demand for educated, licensed and/or certified staff in the electric and telecommunication industries requires special agency efforts.

Competition with the private sector for the same labor supply creates a disadvantage for state agencies due to salary differences.

Action Steps:

- Continue to market the “total” state compensation and benefits program to potential applicants/employees.
- Take advantage of opportunities to participate in university sponsored career fairs and to expand the Commission’s volunteer internship program.
- Improve recruiting techniques by streamlining application procedures.
- Require managers to work with new employees to attempt to align PUC employment opportunities with the employee’s individual career goals.

GOAL TWO:

Retain qualified and experienced staff, ensuring smooth business operations and excellent customer service.

Rationale:

The Commission’s experience with high turnover in a competitive market for certain skills supports the need for this goal.

Action Steps:

- Increase employee career planning assistance through training programs and participation in continuous professional development initiatives that enhance the employee’s current job performance and future opportunities within the agency.
- Ensure that managers and supervisors, especially those new to these responsibilities, have adequate training in how to recruit, train and retain quality staff.
- Manage available funds to award merit increases to provide a fair balance of rewarding employee performance and maximizing retention of key personnel.

GOAL THREE:

Review FTE allocations to ensure conformance to current agency priorities and workload.

Rationale:

Varying workload demands and shifting priorities can change the appropriate allocation of agency resources.

Action Steps:

- Continue to assess all vacancies created by employee departures to determine whether the position should be modified or relocated in the agency.
- When a need for additional staffing in a given area is identified and vacant positions are not available, offer current employees the opportunity to relocate within the agency.
- Encourage employees to cross train in related skill areas to provide flexibility in staff assignments.

GOAL FOUR: Develop a formal agency succession plan.

Rationale: It is critical that the agency have a leadership development program and identify potential staff with leadership and other critical skills in the event the agency experiences the loss of key staff members in leadership/critical positions (through retirement or otherwise).

Action Steps:

- Continue to concentrate on leadership development across the agency.
- Identify training programs that focus on development of needed critical skills and competencies.
- Develop skills of staff level employees through training and mentoring to provide in-house candidates for management positions that become available.
- Identify capable successor candidates interested in leadership and critical positions early and provide appropriate opportunities for growth.

Conclusion

During the next five years, the Commission must ensure that it does not experience a deficit in leadership and knowledge talent. As the labor force segment age 25 to 34 years declines, there will be fewer younger workers to fill vacant positions. Also, Texas population is expected to grow from 16.9 to almost 24 million by 2030, increasing demands for state and local government services.

Available talent, as well as the state's ability to develop and retain a competent, qualified workforce will be a limiting or enabling factor for state government in general. An effective workforce plan will translate into successful strategic goal achievement, program initiatives and sustained momentum for an efficient, well-run agency. The Commission's strategies encompass a realigned workforce plan to meet future business objectives by developing an effective succession management and talent retention program.

APPENDIX G

Survey of Organizational Excellence

The Public Utility Commission strongly encouraged all employees to participate in the Survey of Organizational Excellence conducted by the University of Texas, School of Social Work in September, 2006. The purpose of the survey is to assess the quality of the Commission's internal operating performance through the eyes of its employees. The University has many years of experience surveying state employees for their opinions on aspects of organizational effectiveness. The survey is detailed but easy to complete; all surveys were completed electronically. Employees submitted responses directly to the University without name identification, and the University provided the agency summary results rather than individual response data.

The survey questionnaire is organized into five *workplace dimensions* intended to address the total work environment. Each dimension consists of several *survey constructs* designed to profile areas of strength and concern that could be targeted for potential management interventions. Overall, the survey results indicate that the Commission has continued to improve in every dimension of the workplace. The agency improved on 18 out of the total 20 constructs as compared to the agency's survey results in 2004, which were also relatively high. The results this year also exceeded statewide benchmarks on all 20 constructs for survey responses from all agencies. Commission results also compared very favorably to average scores for agencies with similar staffing and organizations with a similar mission.

The five constructs that received the highest scores from employees relate to three workplace dimensions for *accommodations, organizational features and information*. The two strongest scores relate to accommodations in response to the agency's physical environment and information with respect to availability. Commission employees perceive that the agency's physical environment or total work atmosphere is a safe working environment. The information construct reflects the availability of information and the extent that employees know where to get needed information, and when they get it, that they know how to use it.

Constructs that are scored lowest identify the areas of employees' greatest concern. The five lowest rated constructs were *fair pay, internal information, supervisory effectiveness, employee development, and organization change orientation*. All five areas of concern, however, reflected improvement over the scores in 2004 and exceeded the statewide benchmark. *Fair pay* was the lowest scoring construct in the 2006 survey; however, the scores had the highest construct increase over the 2004 survey results. *Fair pay* continues to lead the list of employee concerns.

The *fair pay* construct assesses the employee's evaluation of the competitiveness of the total compensation package and comparison to similar jobs elsewhere. Salary compensation is a continuing issue for many Commission employees due partly to the comparative wealth of the telecommunications and electric industries.

The Commission's professional employees generally have acquired expensive educational training and certifications, and have attained valuable technical expertise in their jobs. These employees routinely interact with utility company staff with comparable training and expertise that are compensated at significantly greater rates. Other regulatory agencies experience similar challenges. Limited options are available to Commission management for addressing this concern, which contributes to employee turnover. Commission management strives to excel in supporting employee job needs over which the agency has greater control than compensation, such as a positive working environment and computer support, which can offset concern regarding compensation.

The survey results also provided detailed demographic statistics for respondent groups. The University distributed 178 surveys to Commission employees and received 123 responses, a high rate of return at 69%. The agency's management staff encouraged employee participation with reminders of the importance of the survey and the allowance of work time for completing responses. Of the total respondents, 51% were female, and 67% were Anglo-American (6% were African-American and 20% were Hispanic-American). The staff age groups providing the greatest number of responses were the 40-49 years group with 27% and the 30-39 years group with 26% of the total responses. Nearly 33% (41) of all respondents reported having a graduate degree and 34% (42) reported having a Bachelor's degree.

Eighty-one percent (100) of the respondents were not in supervisory roles and 100% were working 40 hours per week or more. Twenty-four percent (29) had received a promotion within two years, and 62% (76) had received a merit salary increase within two years. Eighty percent of the responding employees said they planned to be working with the agency in two years. The greatest number of respondents (24%, 30) had been with the agency 6 to 10 years and the next greatest number of respondents (23%, 28) had tenure of 3 to 5 years. Sixty-three percent reported being the primary wage earner in their household, and 62% reported that there was more than one wage earner in the household. Nineteen percent of the respondents reported they were the only person in their household, 33% reported two persons in the household, and 20% reported households of four persons. The salary range of the bulk (21%, 26) of respondents was \$50,000 to \$60,000, and 83% of the total number of respondents had lived in Texas over 10 years.

