

## **Economic Regulation**

### **Proposed Appropriation Language**

*For necessary expenses in carrying out the activities of the Office of Hearings and Appeals, \$1,047,000 to remain available until expended.*

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

#### **Explanation of Change**

The only change from the language proposed in FY 2003 is the proposed funding amount.



# **Economic Regulation Office of Hearings and Appeals**

## **Program Mission**

The Office of Hearings and Appeals (OHA) is responsible for all of the Department's adjudicatory processes. OHA also adjudicates cases arising under the Emergency Petroleum Allocation Act of 1973 (EPAA), and continues to conduct refund proceedings returning petroleum overcharge funds collected by the Department to parties who were directly injured by those overcharges, and to the States and Federal government for indirect restitution. OHA continues to receive refund applications, although at a lower rate than in past years. OHA also continues to work on isolated matters connected with EPAA-related enforcement proceedings that are before the Federal courts or that have been remanded to OHA. After this round of supplemental refunds, the remaining crude oil monies available for final restitution will total approximately \$258,000,000. Pursuant to Congressional direction, OHA will end all Economic Regulation activities by the end of FY 2004.

## **Strategic Objective**

**CM1:** Achieve effective and efficient management of the Department of Energy by implementing the President's Management Agenda initiatives on Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; and Budget and Performance Integration. This strategic objective is supported by the following:

## **Program Strategic Performance Goals**

**CM1-1:** Demonstrate efficient, effective, and economical management of the Department's human capital, financial resources, and physical assets.

- Distribute appropriate refunds of overcharge monies (totaling approximately \$260,000,000) remaining in the DOE escrow accounts for refined product restitution and for crude oil restitution.

## **Performance Indicator**

Number of cases resolved, proportion of decided cases upheld on appeal.

## Annual Performance Results and Targets

FY 2002 Results	FY 2003 Targets	FY 2004 Targets
Resolved 187 cases and direct final payments in the Subpart V Crude Oil proceedings.	Resolve final cases and direct final payments in the Subpart V Crude Oil proceedings.	Resolve the remaining cases in the Subpart V Crude Oil proceedings and terminate all activities.
Resolved 45 refined product refund cases.	OHA will direct final payments in the refined production proceedings.	Resolve the remaining cases in the refined product proceedings and terminate all activities.

## Significant Program Shifts

In FY 2004, the Office of Hearings and Appeals will have the following program changes:

- Record on Appeal: OHA will bring to closure and have a singularly successful record of having its decisions regarding the remaining petroleum overcharge matters upheld upon judicial review.
- Distribution of Refunds: OHA will complete all remaining petroleum overcharge cases and terminate all related activities.

## Funding Profile

(dollars in thousands)

	FY 2002 Comparable Appropriation	FY 2003 Request	FY 2004 Base	FY 2004 Request	FY 2004 Request vs. Base	
					\$ Change	% Change
Economic Regulation	1,996	1,487	1,487	1,047	-440	-30.0%
Total Economic Regulation	1,996	1,487	1,487	1,047	-440	-30.0%
Additional net budget authority to cover the cost of fully accruing retirement (non-add).....	(261)	(130)	(130)	(33)	(-97)	(76.6%)
Total, Staffing.....	16	8	8	2	-6	-75.0%

### Public Law Authorizations:

P.L. 107-63, "Department of Interior and Related Agencies Appropriation Act of 2002

P.L. 99-509, "Petroleum Overcharge Distribution and Restitution Act

P.L. 94-163, "Energy Policy and Conservation Act

## Funding Schedule

(dollars in thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Salaries and Benefits.....	1,561	987	800	-187	-19.0%
Travel.....	15	15	15	0	0.0%
Support Services.....	56	20	20	0	0.0%
Other Related Services.....	364	465	212	-253	-55.4%
<b>Total, Office of Hearings and Appeals.....</b>	<b>1,996</b>	<b>1,487</b>	<b>1,047</b>	<b>-440</b>	<b>-30.0%</b>
Additional net budget authority to cover the cost of fully accruing retirement (non-add)....	(261)	(130)	(33)	(97)	(-76.6%)

## Detailed Program Justification

(dollars in thousands)

	FY 2002	FY 2003	FY 2004
<b>Salaries and Benefits</b> .....	<b>1,561</b>	<b>987</b>	<b>800</b>
<p>Funding support 2 FTEs in FY 2004 due to termination of program activities. The funding will include pay raises and separation costs.</p>			
<b>Travel</b> .....	<b>15</b>	<b>15</b>	<b>15</b>
<p>For transportation to DOE field sites to conduct hearings on crude oil overcharge cases.</p>			
<b>Support Services</b> .....	<b>56</b>	<b>20</b>	<b>20</b>
<p>Funding for computer hardware and related contractual support services.</p>			
<b>Other Related Expenses</b> .....	<b>364</b>	<b>465</b>	<b>212</b>
<p>Funding for the Working Capital Fund expenses, which include rent, telephone, supplies, postage, building operations, equipment maintenance, printing and Automated Office Support System support and maintenance.</p>			
<b>Total, Program Direction</b>	<b>1,996</b>	<b>1,487</b>	<b>1,047</b>

## Explanation of Funding Change

<b>FY 2004 vs. FY 2003 (\$000)</b>
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### Salaries and Benefits

Decrease is due to reduction in FTEs from 8 in FY 2003 to 2 in FY 2004 to continue phase out by the end of the fiscal year.....	-187
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### Other Related Expenses

Decrease is reflects reduction in staff due to phase out by the end of FY 2004.....	<u>-253</u>
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<b>Total Funding Change, Program Direction.....</b>	<b><u>-440</u></b>
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