

Role and Overview

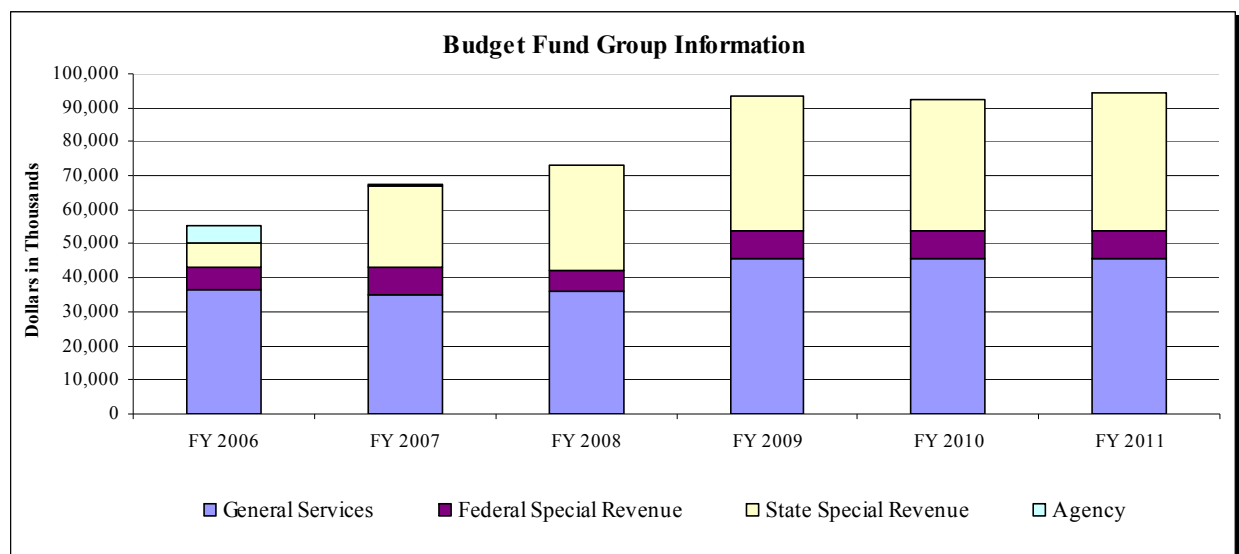
The Public Utilities Commission (PUCO) assures that all residential, business, and industrial consumers have access to adequate, safe, and reliable utility services at fair prices, while facilitating an environment that provides competitive choices. The PUCO regulates a wide variety of public utilities including electricity, natural gas, pipelines, heating and cooling, telephone services, waterworks, wastewater, railroads, household goods carriers, towing companies, water transportation, hazardous materials carriers, and commercial transportation carriers.

A chairman and four commissioners, who are appointed by the Governor for five-year terms, govern the PUCO. The chairman serves as the agency's director and chairs the Power Siting Board, which reviews all applications for building electric generating and transmission facilities in Ohio. The PUCO employs about 400 staff members and has an annual budget of approximately \$93.3 million. Additional information regarding the Public Utilities Commission is available at <http://www.puco.ohio.gov>.

Agency Priorities

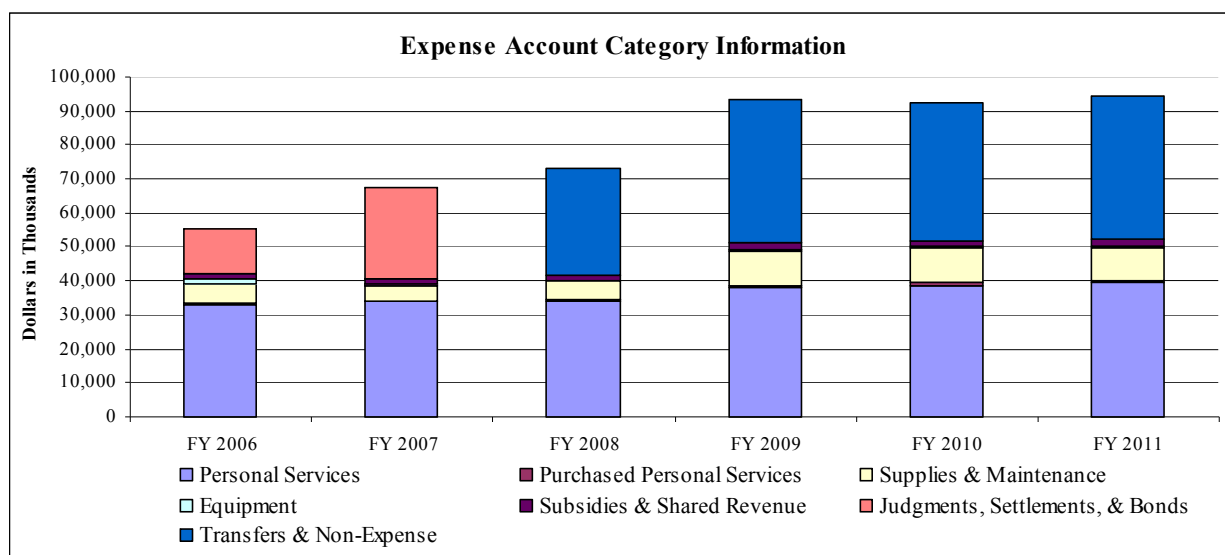
- Mandate the availability of adequate, safe, and reliable utility service to all business, industrial, and residential consumers.
- Ensure financial integrity and service reliability in the Ohio utility industry.
- Promote utility infrastructure investment through appropriate regulatory policies and structures.
- Regulate utilities' rates and terms of service for monopoly and non-competitive services.
- Monitor and enforce compliance with rules and statutory protections against deceptive, unfair, unsafe, and anti-competitive utility practices.
- Safeguard the security of Ohio's regulated motor carrier and rail operations, through aggressive inspection, training, monitoring, and education programs.
- Enhance safety at all public highway-railroad grade crossings in Ohio through education and the installation of lights and gates and other safety devices.
- Resolve through mediation, arbitration, and adjudication disputes between utilities and residential, commercial, and industrial customers, as well as between competing utilities.
- Foster competition by establishing and enforcing a fair competitive framework for all utilities.

Summary of Budget History and Recommendations



State of Ohio
Public Utilities Commission

(In Thousands) BUDGET FUND GROUP	ACTUAL			EST. FY 2009	% CHANGE FY 08-09	RECOMMENDED			
	FY 2006	FY 2007	FY 2008			FY 2010	% CHANGE	FY 2011	% CHANGE
General Services	36,575	35,189	36,108	45,685	26.5	45,685	0.0	45,685	0.0
Federal Special Revenue	6,713	7,768	5,932	8,009	35.0	8,050	0.5	8,050	0.0
State Special Revenue	6,898	24,273	31,155	39,623	27.2	38,769	-2.2	40,795	5.2
Agency	5,131	171	0	0	0.0	0	0.0	0	0.0
TOTAL	55,317	67,400	73,195	93,318	27.5	92,504	-0.9	94,530	2.2



- Due to changes in the method of coding transactions in the state accounting system, the Transfers & Non-Expense category expenditures have been aggregated and reported as the Judgments, Settlements and Bonds category in fiscal years 2006 and 2007.
- The increase in the Transfers & Non-Expense account category is due to implementation of the wireless 9-1-1 program, which provides financial assistance to counties to help subsidize the cost of the service.

(In Thousands) EXPENSE ACCOUNT CATEGORY	ACTUAL			EST. FY 2009	% CHANGE FY 08-09	RECOMMENDED			
	FY 2006	FY 2007	FY 2008			FY 2010	% CHANGE	FY 2011	% CHANGE
Personal Services	33,117	33,837	34,005	38,056	11.9	38,722	1.8	39,538	2.1
Purchased Personal Services	557	408	528	695	31.5	838	20.6	766	-8.5
Supplies & Maintenance	5,614	4,481	5,326	10,081	89.3	9,981	-1.0	9,398	-5.8
Equipment	1,509	600	403	614	52.3	500	-18.5	448	-10.5
Subsidies & Shared Revenue	1,319	1,444	1,541	1,896	23.1	1,895	-0.1	1,891	-0.2
Judgments, Settlements, & Bonds	13,200	26,630	0	0	0.0	0	0.0	0	0.0
Transfers & Non-Expense	0	0	31,391	41,976	33.7	40,567	-3.4	42,489	4.7
TOTAL	55,317	67,400	73,195	93,318	27.5	92,504	-0.9	94,530	2.2

PROGRAM SERIES 01: Utility Regulation

The Public Utilities Commission of Ohio is the only state agency that regulates the operations of public utility companies. The PUCO implements appropriate regulatory safeguards that ensure Ohio's residential and business consumers have access to adequate, safe, secure, and reliable utility services at fair prices, while facilitating an

environment that provides competitive choices. The PUCO regulates the electric, natural gas, telephone, water, rail, and transportation industries through a comprehensive regulatory program that encompasses infrastructure development, registration and certification, economic and financial integrity monitoring, service reliability, and safety enforcement.

Program 01.01: Safety and Service Quality, Oversight, and Enforcement

This program monitors and enforces compliance with state and federal safety and service quality regulations in a wide variety of public utilities including electricity, natural gas, pipelines, heating and cooling, telephone services, waterworks, wastewater, railroad, household goods carriers, tow trucks, water transportation, hazardous materials carriers, and commercial transportation carriers.

The Executive Recommendation will fund the following objectives:

- Continue the implementation of the regulations of multiple federal agencies, including (but not limited to) US Department of Transportation, Federal Motor Carrier Safety Administration, and the Federal Rail Commission;
- Provide for the implementation of the Commercial Vehicle Information Systems and Networks; and
- Fund the operation of the hazardous materials civil forfeiture program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
GSF	5F60	870622	Utility & Railroad Regulation	14,538,375	14,565,887
GSF	5F60	870624	NARUC/NRRI Subsidy	67,940	67,940
GSF	5F60	870625	Motor Transportation Regulation	3,764,927	3,774,348
GSF	5Q50	870626	Telecommunications Relay Service	2,150,000	2,150,000
FED	3330	870601	Gas Pipeline Safety	496,601	496,565
FED	3500	870608	Motor Carrier Safety	7,045,676	7,139,377
FED	3V30	870604	Commercial Vehicle Information System/network	16,000	16,000
SSR	4A30	870614	Grade Crossing Protection Device-State	1,349,757	1,349,757
SSR	4L80	870617	Pipeline Safety-State	187,621	187,621
SSR	4U80	870620	Civil Forfeitures	284,986	284,986
SSR	5600	870607	Special Assessment	33,000	33,000
SSR	5610	870606	Power Siting Board	229,701	230,285
SSR	5BP0	870623	Wireless 911 Administration	34,417,000	36,443,000
SSR	6610	870612	Hazardous Materials Transportation	900,000	900,000
TOTAL FOR PROGRAM				65,481,584	67,638,766

Program 01.02: Registration and Certification

This program registers and certifies public utilities operating in the State of Ohio including electric, natural gas, heating and cooling, telephone, waterworks, wastewater, railroad, household goods, towing, water transportation, hazardous materials, and commercial transportation carriers. Through the establishment of a fair and reasonable regulatory framework, the PUCO protects the public interest and facilitates competitive choices where feasible while also assuring adequate utility infrastructure.

The Executive Recommendation will fund the following objective:

- Support the registration and certification of more than 8,000 intrastate carriers; 2,500 hazardous materials carriers; 7,000 rail cars; 3,000 hazardous materials rail cars; 7,500 rail grade crossings; and more than 1,000 power, utility, and telecommunication companies each calendar year.

State of Ohio
Public Utilities Commission

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
GSF	5F60	870622	Utility & Railroad Regulation	3,552,357	3,544,686
GSF	5F60	870624	NARUC/NRRI Subsidy	18,960	18,960
GSF	5F60	870625	Motor Transportation Regulation	1,969,619	1,960,660
GSF	5Q50	870626	Telecommunications Relay Service	600,000	600,000
FED	3330	870601	Gas Pipeline Safety	101,358	101,394
FED	3500	870608	Motor Carrier Safety	305,984	212,283
FED	3V30	870604	Commercial Vehicle Information System/network	84,000	84,000
SSR	4S60	870618	Hazardous Materials Registration	464,325	464,325
SSR	4S60	870621	Hazardous Materials Base State Registration	373,346	373,346
SSR	5590	870605	Public Utilities Territorial Administration	2,000	2,000
SSR	5600	870607	Special Assessment	34,000	34,000
SSR	5610	870606	Power Siting Board	116,742	104,803
TOTAL FOR PROGRAM				7,622,691	7,500,457

Program 01.03: Tariff and Economic Oversight

This program provides for the review and approval of the utilities' rules and regulations to ensure that they comply with state and federal regulations. Rates and terms for monopoly and non-competitive utility services are set by the PUCO. Utility activities and markets are closely monitored to ensure financial integrity within the utility industry, safeguards for the consumers, enforcement of regulations, and the enhancement of the state's economy.

The Executive Recommendation will fund the following objective:

- Fund investigations and audits conducted through the financial analysis and audits division.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
GSF	5F60	870622	Utility & Railroad Regulation	16,364,895	16,345,054
GSF	5F60	870624	NARUC/NRRI Subsidy	71,100	71,100
GSF	5F60	870625	Motor Transportation Regulation	337,283	336,821
GSF	5Q50	870626	Telecommunications Relay Service	2,250,000	2,250,000
SSR	5590	870605	Public Utilities Territorial Administration	2,000	2,000
SSR	5600	870607	Special Assessment	33,000	33,000
SSR	5610	870606	Power Siting Board	301,450	312,805
SSR	6380	870611	Biofuels/municipal Waste Technology	40,000	40,000
TOTAL FOR PROGRAM				19,399,728	19,390,780

State of Ohio
Public Utilities Commission

LINE ITEM SUMMARY - Public Utilities Commission

FUND	ALI	ALI NAME	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 RECOMMENDED	% CHANGE	FY 2011 RECOMMENDED	% CHANGE
5F60	870622	Utility & Railroad Regulation	31,456,552	30,787,159	30,197,914	34,455,627	34,455,627	0.0	34,455,627	0.0
5F60	870624	NARUC/NRRI Subsidy	147,163	147,163	111,054	158,000	158,000	0.0	158,000	0.0
5F60	870625	Motor Transportation Regulation	4,971,312	4,254,291	4,426,141	6,071,829	6,071,829	0.0	6,071,829	0.0
5Q50	870626	Telecommunications Relay Service	0	0	1,373,225	5,000,000	5,000,000	0.0	5,000,000	0.0
TOTAL General Services			36,575,027	35,188,613	36,108,334	45,685,456	45,685,456	0.0	45,685,456	0.0
3330	870601	Gas Pipeline Safety	659,857	470,293	438,469	597,959	597,959	0.0	597,959	0.0
3500	870608	Motor Carrier Safety	6,007,990	7,202,905	5,440,814	7,351,660	7,351,660	0.0	7,351,660	0.0
3V30	870604	Commercial Vehicle Information System/network	45,489	94,413	52,366	59,600	100,000	67.8	100,000	0.0
TOTAL Federal Special Revenue			6,713,336	7,767,611	5,931,649	8,009,219	8,049,619	0.5	8,049,619	0.0
4A30	870614	Grade Crossing Protection Device-State	903,948	1,063,418	1,224,069	1,349,757	1,349,757	0.0	1,349,757	0.0
4L80	870617	Pipeline Safety-State	151,088	180,837	164,523	187,621	187,621	0.0	187,621	0.0
4S60	870618	Hazardous Materials Registration	518,442	375,925	359,473	464,325	464,325	0.0	464,325	0.0
4S60	870621	Hazardous Materls Base State Registration	302,815	314,266	274,665	373,346	373,346	0.0	373,346	0.0
4U80	870620	Civil Forfeitures	292,515	232,257	235,744	284,986	284,986	0.0	284,986	0.0
5590	870605	Public Utilities Territorial Administration	0	0	0	0	4,000	.0	4,000	0.0
5600	870607	Special Assessment	59,467	0	0	0	100,000	.0	100,000	0.0
5610	870606	Power Siting Board	396,781	274,673	296,593	647,893	647,893	0.0	647,893	0.0
5BP0	870623	Wireless 911 Administration	3,372,649	21,028,935	27,860,660	35,375,000	34,417,000	-2.7	36,443,000	5.9
6380	870611	Biofuels/municipal Waste Technology	38,926	21,392	4,454	40,000	40,000	0.0	40,000	0.0
6610	870612	Hazardous Materials Transportation	861,304	781,659	734,742	900,000	900,000	0.0	900,000	0.0
TOTAL State Special Revenue			6,897,935	24,273,361	31,154,923	39,622,928	38,768,928	-2.2	40,794,928	5.2
4G40	870616	Base State Registration Program	5,130,520	170,791	0	0	0	.0	0	.0
TOTAL Agency			5,130,520	170,791	0	0	0	.0	0	.0
TOTAL Public Utilities Commission			55,316,817	67,400,376	73,194,906	93,317,603	92,504,003	-0.9	94,530,003	2.2