

# CITIZENS' UTILITY RATEPAYER BOARD

## FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2022 – FY 2024**

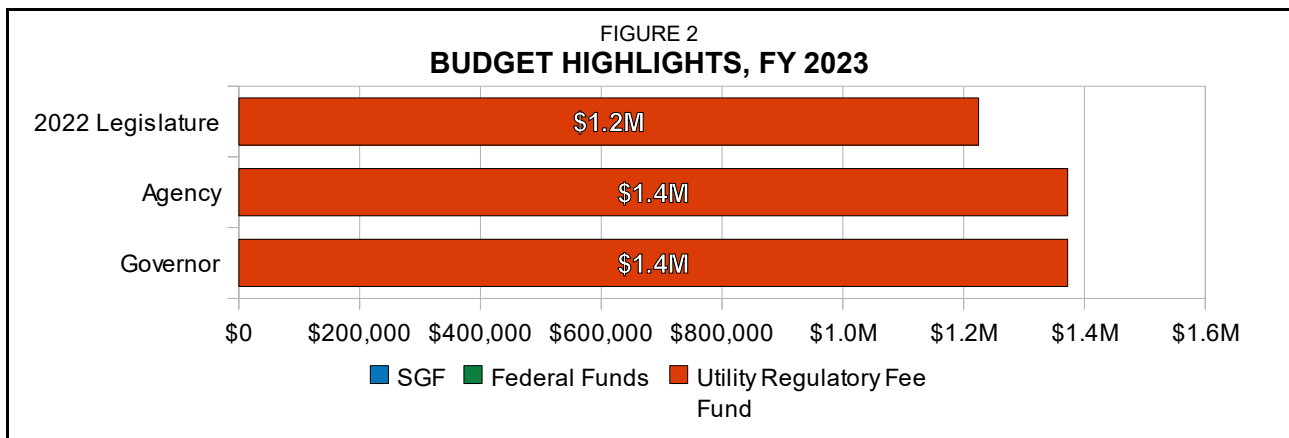
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
<b>Operating Expenditures:</b>					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	870,384	1,372,074	1,372,074	1,238,441	1,238,441
<i>Subtotal</i>	<i>\$ 870,384</i>	<i>\$ 1,372,074</i>	<i>\$ 1,372,074</i>	<i>\$ 1,238,441</i>	<i>\$ 1,238,441</i>
<b>Capital Improvements:</b>					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<b>TOTAL</b>	<b>\$ 870,384</b>	<b>\$ 1,372,074</b>	<b>\$ 1,372,074</b>	<b>\$ 1,238,441</b>	<b>\$ 1,238,441</b>
<b>Percentage Change:</b>					
State General Fund	--%	--%	--%	--%	--%
All Funds	(4.2) %	57.6 %	57.6 %	(9.7) %	(9.7) %
FTE Positions	7.0	9.0	9.0	9.0	9.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Citizens' Utility Ratepayer Board (CURB) acts as an advocate for residential and small commercial utility ratepayers in Kansas in order to protect their interests. CURB's mission is to provide ratepayers in Kansas with competent and quality legal representation before the Kansas Corporation Commission, the various courts, and the Kansas Legislature. CURB is funded by assessments levied against the public utilities in whose cases CURB can intervene.

### EXECUTIVE SUMMARY

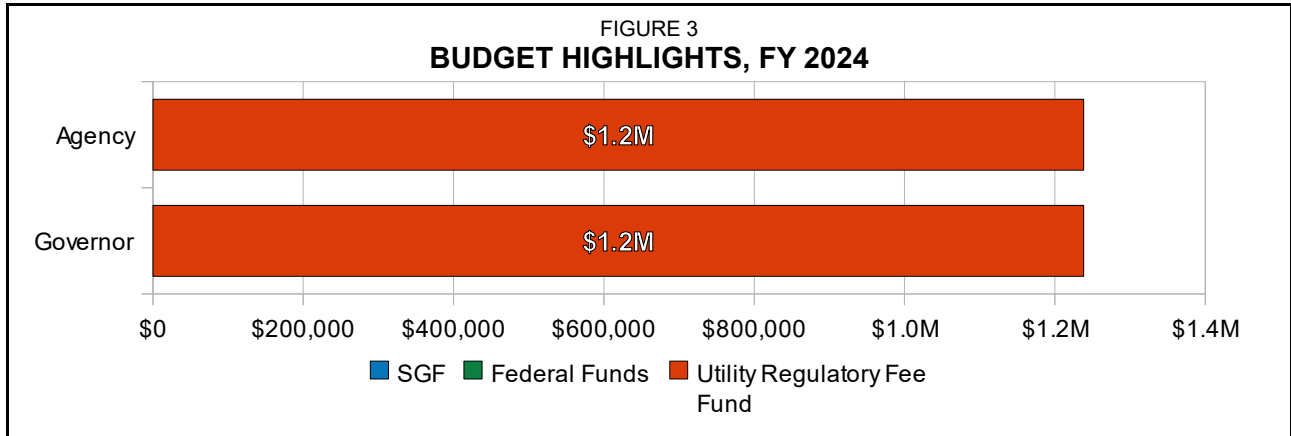
The 2022 Legislature approved a budget of \$1,224,634, all from the Utility Regulatory Fee Fund, in expenditures and 9.0 FTE positions, for the Citizens' Utility Ratepayer Board for FY 2023.



The **agency** submits a revised estimate of \$1.4 million, all from the Utility Regulatory Fee Fund, and 9.0 FTE positions in FY 2023. This is an increase of \$147,440, or 12.0 percent, above the

amount approved by the 2022 Legislature. The agency is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases. The agency had a balance of \$147,440 in unspent money budgeted for professional services in FY 2022 that will be carried over into FY 2023.

The **Governor** concurs with the agency's FY 2023 revised estimate.



The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, and 9.0 FTE positions for FY 2024. This is a decrease of \$133,633, or 9.7 percent, below the agency's FY 2023 revised estimate. The decrease is due primarily to an expected decrease in expenditures for contractual services, primarily consulting services.

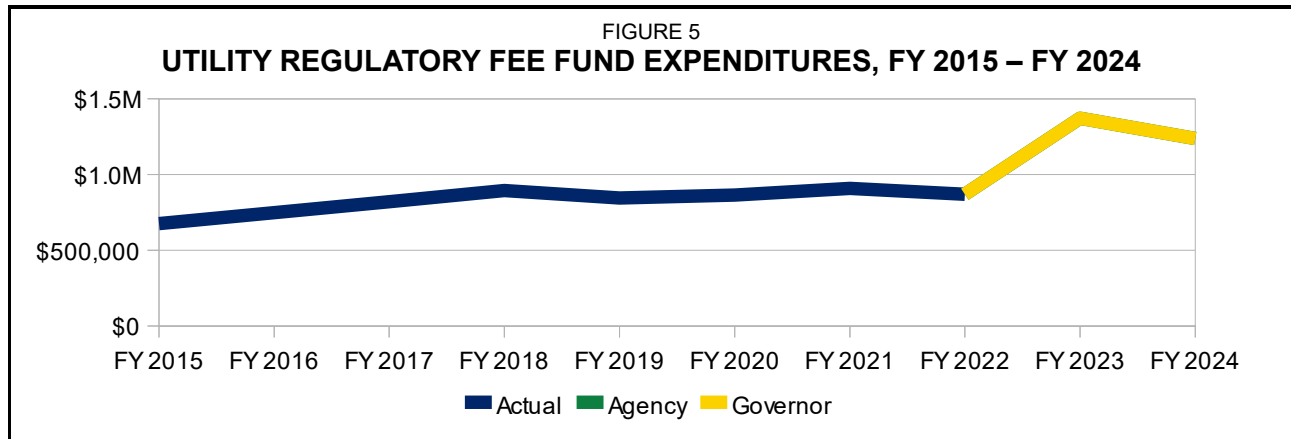
The **Governor** concurs with the agency's FY 2024 request.

## EXPENDITURES AND FINANCING

FIGURE 4  
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024**

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 622,849	\$ 841,010	\$ 841,010	\$ 847,474	\$ 847,474
Contractual Services	232,032	507,204	507,204	367,965	367,965
Commodities	2,516	6,270	6,270	6,802	6,802
Capital Outlay	12,987	17,590	17,590	16,200	16,200
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 870,384</i>	<i>\$ 1,372,074</i>	<i>\$ 1,372,074</i>	<i>\$ 1,238,441</i>	<i>\$ 1,238,441</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 870,384</i>	<i>\$ 1,372,074</i>	<i>\$ 1,372,074</i>	<i>\$ 1,238,441</i>	<i>\$ 1,238,441</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 870,384</b>	<b>\$ 1,372,074</b>	<b>\$ 1,372,074</b>	<b>\$ 1,238,441</b>	<b>\$ 1,238,441</b>
<b>Financing:</b>					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	870,384	1,372,074	1,372,074	1,238,441	1,238,441
<b>TOTAL</b>	<b>\$ 870,384</b>	<b>\$ 1,372,074</b>	<b>\$ 1,372,074</b>	<b>\$ 1,238,441</b>	<b>\$ 1,238,441</b>
FTE Positions	7.0	9.0	9.0	9.0	9.0

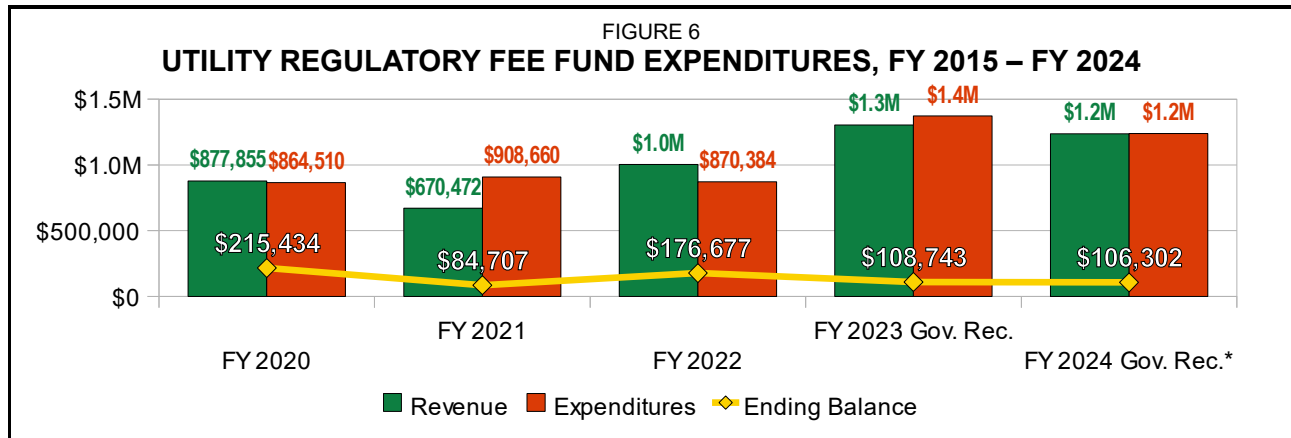
## UTILITY REGULATORY FEE FUND



The Citizens' Utility Ratepayer Board is a fee-funded agency. The only source of funds for the agency is the Utility Regulatory Fee Fund, a statutory fee fund financed through quarterly assessments on gas, electric, and telephone companies in Kansas, as required by KSA 66-1502 and KSA 66-1503. One assessment is based on end-of-year expenditures plus anticipated increases for the ensuing year, which is then prorated among the utilities. That amount cannot exceed the greater of \$100 or 0.2 percent of a company's gross operating revenue derived from intrastate operations in the prior calendar year.

Another assessment is made for actual costs incurred by CURB during an investigation of a particular public utility. This assessment cannot exceed three-fifths of 1.0 percent (*i.e.*, 0.6 percent) of the utility's gross operating revenue derived from intrastate operations in the prior calendar year.

## UTILITY REGULATORY FEE FUND



\* For FY 2024, the lowest month ending balance for the Utility Regulatory Fee Fund will occur in June, with a balance of \$106,302.

The ending balance of the Utility Regulatory Fee Fund decreased by \$130,727, or 60.7 percent, from FY 2020 to FY 2021. Although the ending balance in FY 2022 increased by \$91,970, or 108.6 percent, above the ending balance in FY 2021, the agency estimates the ending balance will decrease in both FY 2023 and FY 2024. Those decreases are mainly attributable to increased expenditures requested by the agency.

While the agency estimates higher year over year revenues, those increases in revenue are offset by higher expenditures.

## FY 2023 ANALYSIS

FIGURE 7  
**SUMMARY OF BUDGET REQUEST, FY 2023**

	SGF		Special Revenue Funds	All Funds	FTE
<b>Legislative Approved:</b>					
Amount Approved by 2022 Legislature	\$	-	\$ 1,224,634	\$ 1,224,634	9.0
1. No Changes		-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$	-	\$ 1,224,634	\$ 1,224,634	9.0
<b>Agency Revised Estimate:</b>					
2. Contractual Services (Carry-over Funds)	\$	-	\$ 148,426	\$ 148,426	--
3. All Other Adjustments		-	(986)	(986)	--
<i>Subtotal—Agency Revised Estimate</i>	\$	-	\$ 1,372,074	\$ 1,372,074	9.0
<b>Governor's Recommendation:</b>					
4. No Changes	\$	-	-	-	--
<b>TOTAL</b>	<b>\$</b>	<b>-</b>	<b>\$ 1,372,074</b>	<b>\$ 1,372,074</b>	<b>9.0</b>

### **LEGISLATIVE APPROVED**

Subsequent to the 2022 Session, no adjustments were made to the \$1,224,634 appropriated to the Citizens' Utility Ratepayer Board in FY 2023 by the 2022 Legislature.

1. **NO CHANGES.** No adjustments were made to the \$1.2 million, all from the Utility Regulatory Fee Fund, appropriated to the Citizens' Utility Ratepayer Board by the 2022 Legislature.

### **AGENCY ESTIMATE**

The **agency** submits a revised estimate of \$1.4 million, all from the Utility Regulatory Fee Fund, in FY 2023. This is an increase of \$147,440, or 12.0 percent, above the amount approved by the 2022 Legislature.

The **agency** estimate includes the following adjustments:

2. **CONTRACTUAL SERVICES.** The agency is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases. The agency utilizes different types of consultants to review large utility filings and advise and provide testimony before the Kansas Corporation Commission (KCC). Consultants include engineers, economists, and technical experts. In FY 2022, \$147,440 was unspent and will be carried over into FY 2023.
3. **ALL OTHER ADJUSTMENTS.** The agency's request includes other adjustments resulting in a net decrease of expenditures across all other expenditure categories. Specifically, the agency's estimated expenditures for capital outlay decreased.

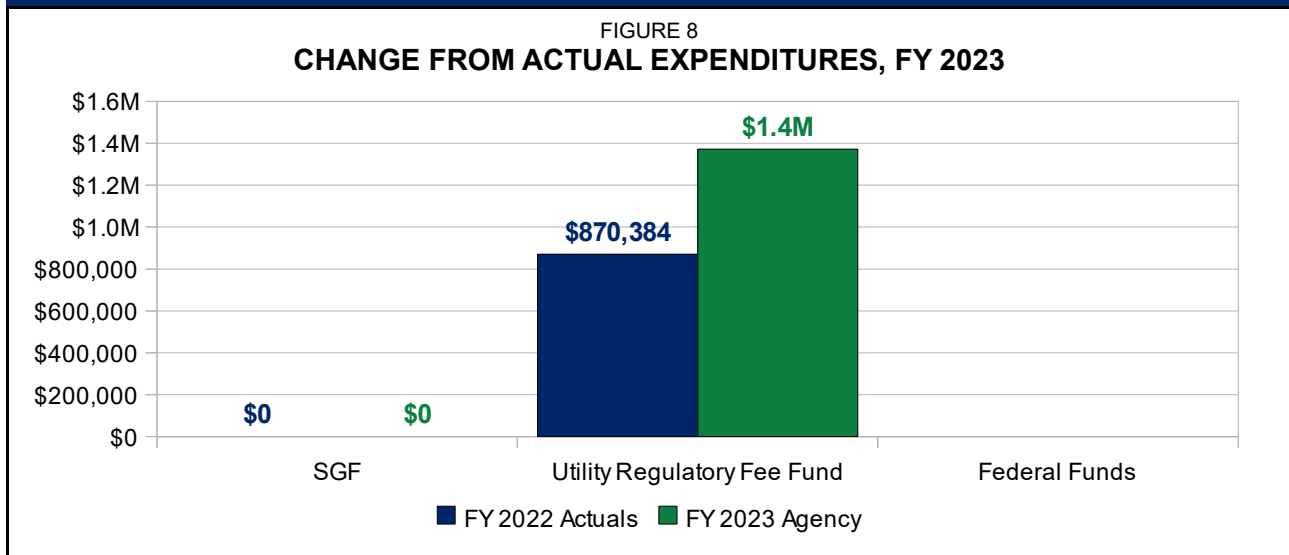
The **agency** request also includes a revised estimate of 9.0 FTE positions, the same number of positions as approved by the 2022 Legislature.

### **GOVERNOR'S RECOMMENDATION**

The **Governor** concurs with the agency's FY 2023 revised estimate.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

## FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1.4 million, all from the Utility Regulatory Fee Fund, in FY 2023. This is an increase of \$501,690, or 57.6 percent, above the FY 2022 actual expenditures. The increase is partly attributable to \$147,440 carried over for consultant services from FY 2022 into FY 2023. The remaining changes are attributable to base salary increases approved by the Legislature, changes to employer contributions to fringe benefits, and the agency regularly budgeting above estimated expenditures to ensure adequate funds are available in the occurrence of increased case filings.

## FY 2024 ANALYSIS

FIGURE 9  
**SUMMARY OF BUDGET REQUEST, FY 2024**

	SGF	Special Revenue Funds	All Funds	FTE	
<b>Agency Revised Estimate, FY 2023</b>	\$	-	\$ 1,372,074	\$ 1,372,074	9.0
<b>Agency Request:</b>					
1. Contractual Services	\$	-	\$ (139,239)	\$ (139,239)	--
2. All Other Adjustments		-	5,606	5,606	--
<i>Subtotal—Agency Estimate</i>	\$	-	\$ 1,238,441	\$ 1,238,441	9.0
<b>Governor’s Recommendation:</b>					
3. No Changes	\$	-	\$ -	\$ -	--
<b>TOTAL</b>	<u>\$</u>	<u>-</u>	<u>\$ 1,238,441</u>	<u>\$ 1,238,441</u>	<u>9.0</u>

### **AGENCY REQUEST**

The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, for FY 2024. This is a decrease of \$133,633, or 9.7 percent, below the FY 2023 revised estimate.

The **agency** request includes the following adjustments:

1. **CONTRACTUAL SERVICES.** The agency is authorized in the appropriations bill to carry over unspent consultant services funds. In FY 2023, \$147,440 was carried over from FY 2022. Currently, there are no carry-over funds budgeted for FY 2024, creating a decrease in contractual services expenditures included in the budget request.
2. **ALL OTHER ADJUSTMENTS.** The remaining changes are attributable to increases in employer contributions to fringe benefits.

The **agency** request also includes 9.0 FTE positions, which is the same number of positions as estimated in the agency’s FY 2023 revised estimate.

### **GOVERNOR’S RECOMMENDATION**

The **Governor** concurs with the agency's FY 2024 request.

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2024 request.

## PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10  
**EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024**

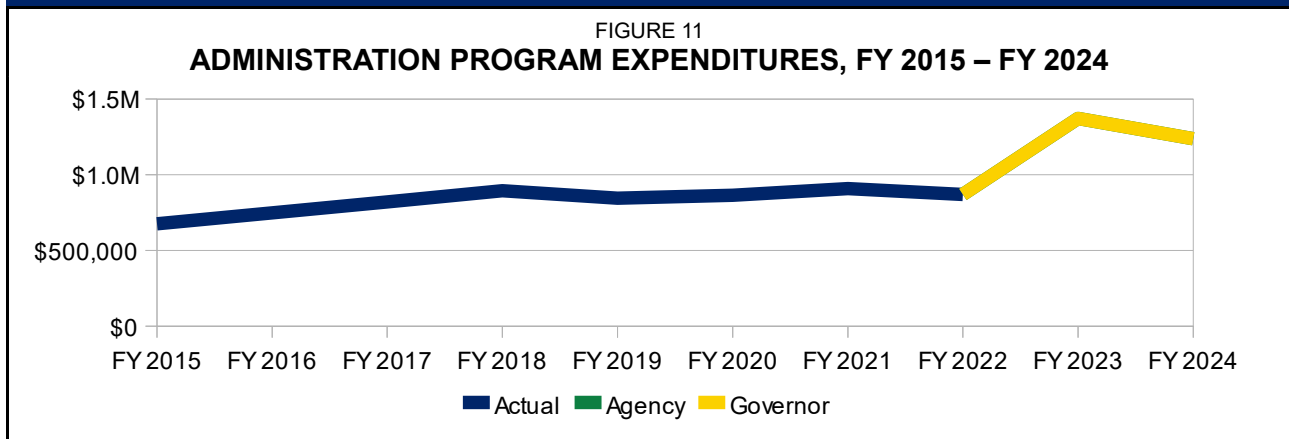
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
<b>Expenditures:</b>					
Administration	\$ 870,384	\$ 1,372,074	\$ 1,372,074	\$ 1,238,441	\$ 1,238,441
<b>FTE Positions:</b>					
Administration	7.0	9.0	9.0	9.0	9.0

### **PERFORMANCE MEASURES**

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.



## ADMINISTRATION PROGRAM



**STATUTORY BASIS:** • KSA 66-1223.

- PROGRAM GOALS:**
- Represent CURB constituents in Kansas Corporation Commission cases to keep rates reasonably low.
  - Intervene in Kansas Corporation Commission cases where necessary to protect CURB constituents from unreasonable utility business practices.
  - Represent CURB constituents before the Kansas Legislature to provide input on and to analyze proposed legislation.
  - Represent CURB constituents in complaint cases filed with the Kansas Corporation Commission.
  - Research, develop, and articulate policies and/or best practices intended to provide benefit to CURB's constituents.

The Administration Program is the agency's only budgetary program; however, the program has four areas of focus which could be considered sub-programs: (1) KCC rate cases, (2) KCC non-rate cases, (3) legislative work, and (4) outreach work.

FIGURE 12  
**ADMINISTRATION PROGRAM, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Outcome Measure:</b>					
1. Percent of Total Filed Rate Cases in which CURB Intervened	100.0%	100.0%	100.0%	100.0%	100.0%
2. Percent of Rate Reduction in Utility Rate Cases*	0.00%	116.00%	72.50%	75.00%	75.00%
3. Rate Savings less Rate Expenses (in millions)	\$0	\$24	\$35	\$35	\$35
4. Percent of Total Filed Utility Practices / Programs Cases in which Curb Analyzed/Intervened	100.00%	100.00%	98.00%	95.00%	95.00%
5. Annual Savings from CURB Analysis/Involvement in Utility Practices/Programs Cases v. Cost of Outsourcing Representation*	\$531,000	\$1,100,000	\$493,250	\$500,000	\$500,000
6. Percent of Legislative Bills Decided in Line with Comments and/or Proposals by CURB*	62.5%	13.3%	40.2%	35.0%	35.0%

FIGURE 12  
**ADMINISTRATION PROGRAM, PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
<b>Output Measure:</b>					
7. Number of Constituents who Contacted CURB regarding Questions or Complaints*	57	33	43	40	40
8. Total Number of Filed Rate Cases in which CURB Intervened*	3	2	3	3	3
9. Total Number of Filed Utility Practices/Programs Cases in which CURB Intervened*	54	29	39	35	35
10. Total Number of Utility-Related Legislative Bills Analyzed and/or Presented to Kansas Legislature*	16	15	12	10	10
<b>Financing</b>	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	908,660	870,384		1,372,074	1,238,441
<b>TOTAL</b>	<u>\$ 908,660</u>	<u>\$ 870,384</u>		<u>\$ 1,372,074</u>	<u>\$ 1,238,441</u>
<b>Percentage Change:</b>					
SGF	-- %	-- %		-- %	-- %
All Funds	5.1 %	(4.2) %		57.6 %	(9.7) %
FTE Positions	7.0	7.0		9.0	9.0

\*The Governor's Office does not utilize this measure for evaluation purposes.

**PERFORMANCE ANALYSIS**

**KCC RATE CASES**

The agency notes that its statutory authority centers first on representation of residential and small commercial ratepayers before the KCC. The agency also states it has obtained millions of dollars of utility rate savings as well as prevented business practices sponsored by utilities that are adverse to consumer interests. Results of these efforts can be seen in performance measures relating to intervention in rates cases and rate reduction.

**OTHER KCC CASES**

The agency notes it not only intervenes in rate cases, but also other cases such as utilities. Similar measures relating to case intervention and cost savings track the agency's performance in this area.

**LEGISLATIVE WORK**

The agency notes its statutory authority centers second on the representation of residential and small commercial ratepayers before the Kansas Legislature. The agency states it provides testimony before and analysis for the House and Senate Utilities Committees.

**OUTREACH WORK**

The agency notes that it plays an integral role in advising consumers about their rights in utility complaint cases, both in the jurisdiction of the KCC and otherwise. The agency tracks the number of constituents it provides advice to and the savings gained from utilizing CURB's services rather than outsourcing representation.