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# Auditor's Summary

## Audit of the Public Utilities Commission

Report No. 18-05



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**THE PUBLIC UTILITIES COMMISSION'S (PUC)** workload is demanding. It regulates 1,759 entities, including all chartered, franchised, certificated, and registered public utility companies that provide electricity, gas, telephone, telecommunications, private water and sewage, as well as motor and water carrier transportation providers in the State. When a person, company, or in some instances, the PUC itself initiates a matter for the commission's review and disposition, the commission opens a proceeding, commonly known as a docket. Dockets vary widely in complexity; some are worked on by a team of attorneys, engineers, and auditors; others are handled by a single staffer. Processing times range from a few months to several years. In FY2017, the PUC opened 426 new dockets, issued a total of 859 decisions and orders, and had 163 open dockets that were carried over to FY2018.

### What we found

In Report No. 18-05, *Audit of the Public Utilities Commission*, we found that staff turnover is high, with 45 of the PUC's 56 employees (80 percent) working for the commission for 5 years or less. Nineteen employees (34 percent) are recent hires and have only been employed at the PUC for a year or less. However, we also found that the PUC does not have clearly documented administrative procedures for its docket processing, from the initial intake of filings and scanning of the application to staff recommendations to the drafting and approval of the decision and order. Having such documentation is important for any staff, but it is particularly critical for the PUC, with the vast majority of its employees being relatively new.

In addition, the PUC's \$2.8 million Document Management System (DMS) is almost universally considered by management and staff to be difficult to

use, unreliable, slow, and obsolete, with staff developing elaborate workarounds to accommodate for the system's shortcomings. Yet the PUC has no firm plans to fix or replace this problematic system, even though DMS' \$1.6 million maintenance contract will expire next year and will likely need to be extended. Without long-term, strategic planning, the PUC will continue to spend money maintaining a broken system.

### Why did these problems occur?

The PUC has not devoted the time and resources toward long-term planning to address its critical issues. The PUC's annual report includes its "Goals and Objectives of the Commission" (Statement of Goals), which is missing action plans and performance measures that would link to the commission's actual work and activities. The Statement of Goals also does not address the current challenges facing the commission, such as staff retention, improving or replacing DMS, and inconsistent docket processing.

### Why do these problems matter?

The PUC's work is as important as it is complicated. Yet institutional knowledge at the commission appears to be in short supply, with the overwhelming majority of its staff with a tenure at the commission of five years or less. Without agency-wide strategies and action plans to provide staff with the necessary tools, training, and support, maintaining institutional knowledge will continue to be a persistent challenge, one that the PUC appears to be losing.

