

Agency 5 Year Plan

UOA Residential Utility Consumer Office

Issue 1 Operational Excellence Through Continuous Improvement

Description: Beginning in FY22, RUCO standardized processes related to our representation of residential customers in rate proceedings, including: the development and presentation of direct and surrebuttal testimony; staff training in each of these critical areas; enhancing the quality and timeliness of testimony in the development of rate case positions.

This work continues with a focus on a balanced approach to testimony that evaluates the various positions in the case, with our priority being the impact on residential customers, just and reasonable rates and maintaining healthy utilities.

For FY24, these continue to be our priorities and focus which is essential, in light of the many cases that have been filed and in which RUCO is providing testimony.

Solutions:

Quality and timeliness of testimony, through consistent utilization of standard work and internal systems that are key to RUCO's success.

Increase the credibility & influence of RUCO Recommendations to the Arizona Corporation Commission (ACC) through recommendations that are well-researched, effectively articulated and accepted/adopted in our rate design, revenue requirement, rate base and other testimony.

Issue 2 High Performing, Collaborative and Professional Workforce

Description: In FY22/23 RUCO fully implemented the Arizona Management System (AMS) and now has an AMS score of 3.0. Our goal is to improve upon that performance going forward and adopt the new performance management system being implemented with GAO's leadership.

Our team is highly skilled and experienced, and are either CPAs, lawyers and/or certificated financial professionals. Working collaboratively, training will be provided to further enhance analyst specific skills, including verbal testimony at hearings.

RUCO ranked first in the 2023 Engagement Survey administered by ADOA, with a slight modification in our overall score. Focus will be on maintaining excellent participation and engagement next year.

Solutions:

High Performing and Professional Workforce by working with the Arizona Government Transformation Office to implement AMS, including getting the new Director up to speed.

Enhance the skills of the RUCO team through encouragement and support the engagement of staff in continuing professional education and other training opportunities.

Issue 3 Community Engagement and Education

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Description: For RUCO to be truly successful, we need to engage meaningfully in our community in order to understand the issues our stakeholders face. Only by understanding may we be responsive and act in the best interests of residential customers.

Throughout 2024, RUCO will hold community forums and/or meetings throughout Arizona in order to understand, rural, urban and tribal concerns and interests. Additionally, we will continue to maintain our relationships with the utility companies with which we engage to better understand their issues and concerns as well. We will also maintain the relationships we have with the members of the Arizona Corporation Commissioners and staff.

Education and outreach is also very important. There is a lack of awareness about the existence of RUCO and our role and the existence of the Arizona Corporation Commission. Helping residential customers understand RUCO's role, how rate cases work and the very important role the Commission plays in their everyday lives is an organizational priority.

Solutions:

Increase Community Engagement by continuing to meet with existing partners to understand their priorities and hold 10 community forums throughout Arizona to meet new stakeholders and to share information and answer their questions about RUCO and the utility regulatory process.

Issue 4 Optimize Value For Customers

Description: As stated above, throughout 2024 our engagement with stakeholders will result in better outcomes, or at least the presentation of better data and arguments, that support the needs of customers, while balancing the needs of utilities.

We will develop an engagement and education plan, as well as a communications plan for the dissemination of relevant and important information.

Several employees have indicated a timeline for leaving their job and the state by retiring. Those employees will be fully supported until they make that decision, but in order to protect the organization moving forward, resources need to be developed going forward to ensure there is no gap in expertise or service when those decisions are made. To that end, a succession plan will be developed during 2024.

Solutions:

Develop a succession plan and a timeline for its implementation by continuing to work with staff, identify a timeline for retirement and begin to create the recruitment process in order to efficiently fill positions that become available so that our work is not negatively affected, nor does the workload of existing staff become overly burdensome.

Resource Assumptions

	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate
Full-Time Equivalent Positions	10.0	10.0	10.0
General Fund	-	-	-
Other Appropriated Funds	1,699,300.0	1,699,300.0	1,699,300.0
Non-Appropriated Funds	-	-	-
Federal Funds	-	-	-