



## RESIDENTIAL UTILITY CONSUMER OFFICE

[www.azruco.gov](http://www.azruco.gov)

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Katie Hobbs  
Governor

Cynthia Zwick  
Director

September 4, 2024

The Honorable Katie Hobbs  
Governor of Arizona  
1700 West Washington Street  
Phoenix, Arizona 85007

Dear Governor Hobbs:

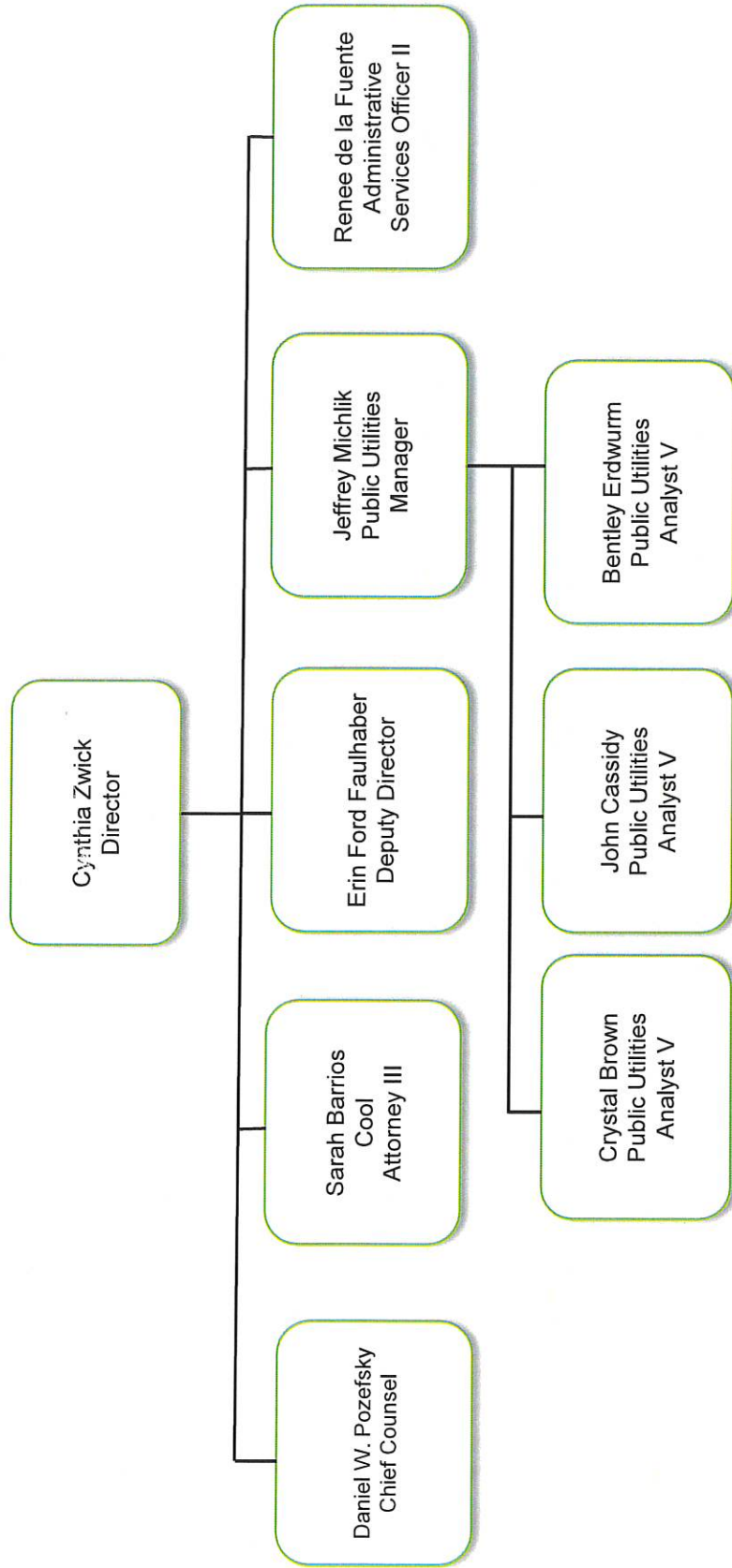
Enclosed, please find the operating budget request (“Budget Request”) for Fiscal Year 2026 from the Residential Utility Consumer Office (“RUCO”). The proposed budget will be funded through an assessment of large utilities pursuant to A.R.S. § 40-401.01.

With this budgeted level of funding, RUCO will be able to continue our record of safeguarding the interests of residential utility ratepayers.

Sincerely,

Cynthia Zwick  
Director

# RESIDENTIAL UTILITY CONSUMER OFFICE ORGANIZATION CHART





# State of Arizona Budget Request

State Agency

Residential Utility Consumer Office

A.R.S. Citation: A.R.S. §§ 40-461 et seq.

## Governor Hobbs:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2026.

To the best of my knowledge all statements and explanations contained in the estimates submitted are true and correct.

<b>Appropriated Funds</b>		<b>FY 2025 Expenditure Plan</b>	<b>FY 2026 Funding Issue</b>	<b>FY 2026 Total Request</b>
Total Amount Requested:		1,606.5	379.7	1,986.2
Residential Utility Consumer Office Revolving Fund		1,606.5	379.7	1,986.2
<b>Non-Appropriated Funds</b>		<b>FY 2025 Expenditure Plan</b>	<b>FY 2026 Funding Issue</b>	<b>FY 2026 Total Request</b>
		-	-	-
Residential Utility Consumer Office Total:		1,606.5	379.7	1,986.2

Agency Head: **Cynthia Zwick**

Title: **Director**

9/4/2024

(signature)

Phone: 6023644848

Prepared by: Erin Ford Faulhaber

Email Address: efordfaulhaber@azruco.gov

Date Prepared: September 4, 2024

## Revenue Schedule

**Agency:** Residential Utility Consumer Office

**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund

AFIS Code	Category of Receipt and Description	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
4633	Intrastate Utility Revenue Assessment	1,592.2	1,606.5	1,986.2
	<b>Residential Utility Consumer Office Revolving Fund Total:</b>	<b>1,592.2</b>	<b>1,606.5</b>	<b>1,986.2</b>

### Forecast Methodology

A legislative increase in the assessment for funding RUCO may be required during this legislative session. Discussion has begun with leadership at OSPB, our policy advisor and the government relations leadership within the Governor's office.

A.R.S. §40-401.01

To fund the residential utility consumer office the commission shall annually make a residential utility consumer assessment against each public service corporation, excepting corporations not required to hold certificates of convenience and necessity and member-owned nonprofit cooperative corporations.

B. The amount of the assessment to be made against each corporation pursuant to subsection A of this section shall be computed as follows:

1. Determine the amount appropriated by the legislature for operating the residential utility consumer office for the following fiscal year.

2. Subtract the monies estimated to remain unexpended in the residential utility consumer office revolving fund at the end of the current fiscal year from the amount determined in paragraph 1. The difference is the total amount to be raised by the assessment.

3. Add the gross operating revenues derived from intrastate operations serving residential consumers during the preceding calendar year for all corporations whose revenues reported pursuant to section 40-401, subsection F were more than five hundred thousand dollars.

4. For each corporation whose gross operating revenues derived from intrastate operations during the preceding calendar year reported pursuant to section 40-401, subsection F were greater than five hundred thousand dollars:

(a) Divide the corporation's gross operating revenues derived from intrastate operations serving residential consumers reported pursuant to subsection E of this section by the amount determined in paragraph 3.

(b) Multiply the total amount to be raised by the assessment as determined in paragraph 2 by the amount determined in subdivision (a). The product is the amount of the assessment to be made against the corporation pursuant to this section.

C. Notwithstanding the amounts computed pursuant to subsection B of this section and section 40-401, subsection B, the sum of the amounts assessed under this section and section 40-401 shall not exceed one-quarter of one per cent of any such corporation's gross operating revenues derived from intrastate operations during the preceding calendar year.

D. The residential utility consumer assessment prescribed by subsections A and B of this section shall be levied by the commission not later than June 15 and shall be paid within fifteen days after mailing by certified mail to any such corporation notice thereof and a statement of the amount.

E. Each public service corporation shall, on or before May 1, file with the commission, under oath, a statement showing the gross operating revenues derived from intrastate operations during the preceding calendar year that were received from residential consumers.

F. The commission shall promulgate an order defining "residential consumer" for purposes of the residential utility consumer assessment prescribed by this section.

## Revenue Schedule

Agency: Residential Utility Consumer Office

## **Revenue Justification**

The Residential Utility Consumer Office ("RUCO") was established, pursuant to A.R.S. Section 40-462, to represent the interests of residential utility consumers in regulatory proceedings involving public service corporations before the Arizona Corporation Commission by advocating for reasonable utility rates and reliable and safe utility service. Pursuant to A.R.S. Section 40-401-01, funding for RUCO is accomplished through an assessment made annually by the Commission. Each utility with annual residential revenues in excess of \$500,000, except those not required to hold a Certificate of Convenience and Necessity is assessed.

All monies received by the Commission under the provisions of A.R.S. Section 40-401-01 are paid to the State Treasurer and placed in the RUCO Revolving Fund. Monies in the fund are used, subject to legislative appropriation, to operate RUCO and appropriated funds not spent by the end of the fiscal year do not revert to the general fund. Funds remaining at the end of the fiscal year are used to calculate the ratepayer assessment for next fiscal year.

FY26 Total Revenues Assessed by the ACC: \$1,986,215.

## Sources and Uses

**Agency:** Residential Utility Consumer Office

**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund

This fund consists of annual residential consumer assessments against each qualifying public service corporation. The fund is used to pay for the operation of the Residential Utility Consumer Office.

<b>Cash Flow Summary</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Estimate</b>	<b>FY 2026 Request</b>
Beginning Balance	1,181.7	1,290.2	1,143.7
Revenue (from Revenue Schedule)	1,592.2	1,606.5	1,986.2
<b>Total Available</b>	<b>2,773.9</b>	<b>2,896.7</b>	<b>3,129.9</b>
Total Appropriated Disbursements	1,483.8	1,753.0	1,986.2
Total Non-Appropriated Disbursements	-	-	-
Balance Forward to Next Year	1,290.2	1,143.7	1,143.7

<b>Appropriated Expenditure</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Estimate</b>	<b>FY 2026 Request</b>
<b>Expenditure Categories</b>			
Personal Services	0.0	926.3	1,133.7
Employee Related Expenditures	283.1	335.6	423.9
Professional & Outside Services	11.4	145.0	145.0
Travel In-State	1.1	8.6	8.6
Travel Out-Of-State	13.6	7.0	7.0
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	197.8	184.0	268.0
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	5.8	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	425.0	-	-
<b>Appropriated Expenditure Sub-Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>1,986.2</b>
Non-Lapsing Authority from Prior Years	119.4	145.0	-
Administrative Adjustments	1.6	1.5	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	425.0	-	-
IT Project Transfers	-	-	-
Proposed Fund Transfer	-	-	-

## Sources and Uses

<b>Agency:</b>	<b>Residential Utility Consumer Office</b>
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<b>Fund:</b>	<b>UO2175 Residential Utility Consumer Office Revolving Fund</b>
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Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
<b>Appropriated Expenditure Total:</b>	1,483.8	1,753.0	1,986.2
<b>Appropriated FTE</b>	9.0	9.0	11.5

<b>Non-Appropriated Expenditure</b>
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	FY 2024 Actuals	FY 2025 Estimate	FY 2026 Request
<b>Expenditure Categories</b>			
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	-	-	-
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	-	-	-
<b>Non-Appropriated Expenditure Sub-Total:</b>	-	-	-
Non-Lapsing Authority from Prior Years	-	-	-
Administrative Adjustments	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Proposed Fund Transfer	-	-	-
Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-



## Sources and Uses

<b>Agency:</b>	Residential Utility Consumer Office
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<b>Fund:</b>	UO2175 Residential Utility Consumer Office Revolving Fund
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<b>Non-Appropriated Expenditure Total:</b>	-	-	-
<b>Non-Appropriated FTE</b>	-	-	-

## Funding Issue List

**Agency:** Residential Utility Consumer Office

FY 2026

Priority	Funding Issue Title	Total FTE	Total Amount	General Fund	Other Appropriated Funds	Non- Appropriated Funds
1	Public Utilities Analyst V & Retention	1.0	146.9	-	146.9	-
2	Engineer & Retention	1.0	146.9	-	146.9	-
3	Part time Communications Director & Retention	0.5	85.9	-	85.9	-
<b>Total:</b>		<b>2.5</b>	<b>379.7</b>	<b>-</b>	<b>379.7</b>	<b>-</b>

## Funding Issue Detail

**Agency:** Residential Utility Consumer Office

**Issue:** 1 Public Utilities Analyst V & Retention **Calculated ERE:** 31.91  
**Uniform Allowance:**

**Program:** Ratepayer Representation  
**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)

Expenditure Categories		FY 2026
FTE	FTE	1.0
6000	Personal Services	80.0
6100	Employee Related Expenditures	31.9
<b>Subtotal Personal Services and ERE</b>		<b>111.9</b>
7000	Other Operating Expenditures	35.0
<b>Program/Fund Total:</b>		<b>146.9</b>

**Issue:** 2 Engineer & Retention **Calculated ERE:** 31.91  
**Uniform Allowance:**

**Program:** Ratepayer Representation  
**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)

Expenditure Categories		FY 2026
FTE	FTE	1.0
6000	Personal Services	80.0
6100	Employee Related Expenditures	31.9
<b>Subtotal Personal Services and ERE</b>		<b>111.9</b>
7000	Other Operating Expenditures	35.0
<b>Program/Fund Total:</b>		<b>146.9</b>

**Issue:** 3 Part time Communications Director & Retention **Calculated ERE:** 24.49  
**Uniform Allowance:**

## Funding Issue Detail

**Agency:** Residential Utility Consumer Office

**Issue:** 3 Part time Communications Director & Retention

**Program:** Ratepayer Representation  
**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)

	<b>Expenditure Categories</b>	<b>FY 2026</b>
FTE	FTE	0.5
6000	Personal Services	47.4
6100	Employee Related Expenditures	24.5
	<b>Subtotal Personal Services and ERE</b>	<b>71.9</b>
7000	Other Operating Expenditures	14.0
	<b>Program/Fund Total:</b>	<b>85.9</b>

## Funding Issue Narrative

**Agency:** Residential Utility Consumer Office

**Issue:** 1 Public Utilities Analyst V & Retention

**Description of Issue:** RUCO is requesting an increase in our annual budget of \$379,715 to allow us to increase our team by 2 full time analysts and 1 part time position.

\$146,900 of this request is to fill one of our authorized but unfunded 12 FTE positions. RUCO is currently involved in eight separate rate cases, with more being opened each month. In addition, we are addressing many other dockets related to energy efficiency, the renewable energy standards, integrated resource planning and more.

RUCO currently accomplishes our work with a team of 9 people: 2 lawyers, 4 analysts, an office manager, a deputy director and Executive Deputy Director.

**Proposal:** RUCO is currently involved in eight separate dockets, with more being opened each month. The range of issues include gas, water and wastewater rates, a rehearing to solar issues in a large electric case, the possible reopening of the Value of Solar docket and policy issues related to the test year.

The ACC has created a workshop process to explore whether the test year currently used to set rates should change from an historic test year to a future test year structure or a formula rate structure. The reason this is an issue is that it is a completely different model with which our team has no experience or expertise. We have been advised by other jurisdictions who have transitioned to a different rate-setting model, that the time needed to come up to speed and then process rate cases is 3-4 times what it currently takes with our current model. Put another way, one case takes the time of 4 cases now. It appears a new methodology will be implemented at the start of next calendar year, and candidly we do not possess the resources needed.

**Alternatives Considered:** We currently have five consultant contracts in place to assist with the workload and to provide the expertise that we currently lack, totaling to-date \$179,800. We will need to retain additional support as more cases are filed, and those cases begin to pancake from a processing perspective.

The analyst position (along with the engineering position) requested would allow RUCO to save approximately \$60,000 a year through the reduced use of outside contractors.

**Impact of Not Funding This Year:** The number of dockets in which RUCO is engaged has increased due to the restructuring of charges companies are permitted to track and expense out to customers (through adjusters), as well as increases in policy considerations that impact residential customers

There is currently no subject matter redundancy or overlap in the office, so if one analyst is out, there is no one else who is qualified to support their area of responsibility. This becomes a more serious issue as the number of cases or dockets to which we respond, continues to grow and deadlines overlap.

We rely on outside consultants to provide testimony in various areas of expertise.

**Statutory Reference:** A.R.S. § 40-462. Powers and Duties: The Director may:

Research, study and analyze residential utility consumer interests.

Prepare and present briefs, arguments, proposed rates or orders and intervene or appear on behalf of residential utility consumers before hearing officers and the corporation commission as a party in interest and also participate as a party in interest pursuant to §§ 40-254 and 40-254.01 in proceedings relating to rate making or rate design and involving public service corporations, except that the director shall not participate in any proceedings pursuant to this paragraph involving a member-owned nonprofit cooperative corporation.

Make and execute contracts and other instruments as necessary to perform his duties.

Hire employees as necessary to carry out this article and contract for special services as needed.

Employ such attorneys as are required to represent the interests of residential utility consumers.

The Director shall adopt administrative rules necessary to carry out the purposes of this article.

**Equipment to be Purchased (if applicable):** Office furniture and a laptop.

**Classification of New Positions:** Public Utility Analyst V, Grade 24

## Funding Issue Narrative

**Agency:** Residential Utility Consumer Office

**Issue:** 1 Public Utilities Analyst V & Retention

**Annualization(s):**

**Alignment with Agency's Strategic Plan or Statutory Responsibilities:** This request is aligned with RUCO's strategic plan and statutory responsibilities (see previous answer re: statutory authority).

Our strategic plan reflects the value and focus for this position, and all positions.

**Impact on Historically Underserved, Marginalized, or Adversely Affected Groups:** RUCO's focus is all residential customers, including our most vulnerable customers. With an Arizona poverty rate of 12.8% and rising energy costs for electric, gas, water and wastewater, achieving affordability plays an incredibly important role in each case. Additionally, the representation of communities of color are over-represented by the poverty numbers. Our work always includes this community

**How has feedback been incorporated from groups directly impacted by proposal?:** RUCO's Director meets regularly with advocates, human service providers and utility staff, throughout Arizona. The feedback received is taken into consideration as positions in various cases are evaluated and determined.

This activity will become more robust and more impactful as we begin to meet directly with customers throughout the state in the fall, however those with whom we have met support the request for additional funding to meet our need.

**Description of how this furthers the Governor's priorities:** Our work connects directly with several of the Governor's priority areas including: Housing and Human Services through our work achieving affordability which contributes to the affordability of housing, and boosts the economic well-being of families by keeping more money in their pockets rather than owing the utility companies. It impacts Resilience, Water and the Environment as we advocate for strong energy efficiency policies and we contribute to the Affordable and Thriving Economy priority as we put money back into the pockets of Arizonans throughout the state. We track the impacts of the cases in which we engage and have demonstrated a very real savings for customers, as much as \$33 million over several years of work.

**Issue:** 2 Engineer & Retention

**Description of Issue:** RUCO is requesting an increase in our annual budget of \$379,715 to allow us to increase our team by 2 full time analysts and 1 part time position.

\$146,900 of this request is to fill one of our authorized but unfunded 12 FTE positions. RUCO is currently involved in eight separate rate cases, with more being opened each month. In addition, we are addressing many other dockets related to energy efficiency, the renewable energy standards, integrated resource planning and more.

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**Alternatives Considered:** We currently have five consultant contracts in place to assist with the workload and to provide the expertise that we currently lack, totaling to-date \$179,800. We will need to retain additional support as more cases are filed, and those cases begin to pancake from a processing perspective.

The analyst position (along with the engineering position) requested would allow RUCO to save approximately \$60,000 a year through the reduced use of outside contractors.

## Funding Issue Narrative

**Agency:** Residential Utility Consumer Office

**Issue:** 2 Engineer & Retention

**Impact of Not Funding This Year:** The number of dockets in which RUCO is engaged has increased due to the restructuring of charges companies are permitted to track and expense out to customers (through adjusters), as well as increases in policy considerations that impact residential customers

There is currently no subject matter redundancy or overlap in the office, so if one analyst is out, there is no one else who is qualified to support their area of responsibility. This becomes a more serious issue as the number of cases or dockets to which we respond, continues to grow and deadlines overlap.

We rely on outside consultants to provide testimony in various areas of expertise.

**Statutory Reference:** A.R.S. § 40-462. Powers and Duties: The Director may:

Research, study and analyze residential utility consumer interests.

Prepare and present briefs, arguments, proposed rates or orders and intervene or appear on behalf of residential utility consumers before hearing officers and the corporation commission as a party in interest and also participate as a party in interest pursuant to §§ 40-254 and 40-254.01 in proceedings relating to rate making or rate design and involving public service corporations, except that the director shall not participate in any proceedings pursuant to this paragraph involving a member-owned nonprofit cooperative corporation.

Make and execute contracts and other instruments as necessary to perform his duties.

Hire employees as necessary to carry out this article and contract for special services as needed.

Employ such attorneys as are required to represent the interests of residential utility consumers.

The Director shall adopt administrative rules necessary to carry out the purposes of this article.

**Equipment to be Purchased (if applicable):** Office furniture and a laptop.

**Classification of New Positions:** ENVIRONMENTAL ENGINEER SPECIALIST 2, Grade 25

**Annualization(s):**

**Alignment with Agency's Strategic Plan or Statutory Responsibilities:** This request is aligned with RUCO's strategic plan and statutory responsibilities (see previous answer re: statutory authority).

Our strategic plan reflects the value and focus for this position, and all positions.

**Impact on Historically Underserved, Marginalized, or Adversely Affected Groups:** RUCO's focus is all residential customers, including our most vulnerable customers. With an Arizona poverty rate of 12.8% and rising energy costs for electric, gas, water and wastewater, achieving affordability plays an incredibly important role in each case. Additionally, the representation of communities of color are over-represented by the poverty numbers. Our work always includes this community

**How has feedback been incorporated from groups directly impacted by proposal?:** RUCO's Director meets regularly with advocates, human service providers and utility staff, throughout Arizona. The feedback received is taken into consideration as positions in various cases are evaluated and determined.

This activity will become more robust and more impactful as we begin to meet directly with customers throughout the state in the fall, however those with whom we have met are support the request for additional funding to meet our need.

**Description of how this furthers the Governor's priorities:** Our work connects directly with several of the Governor's priority areas including: Housing and Human Services through our work achieving affordability which contributes to the affordability of housing, and boosts the economic well-being of families by keeping more money in their pockets rather than owing the utility companies. It impacts Resilience, Water and the Environment as we advocate for strong energy efficiency policies and we contribute to the Affordable and Thriving Economy priority as we put money back into the pockets of Arizonans throughout the state. We track the impacts of the cases in which we engage and have demonstrated a very real savings for customers, as much as \$33 million over several years of work.

## Funding Issue Narrative

**Agency:** Residential Utility Consumer Office

**Issue:** 3 Part time Communications Director & Retention

**Description of Issue:** RUCO is requesting an increase in our annual budget of \$379,715 to allow us to increase our team by 2 full time analysts and 1 part time position. RUCO is requesting \$85,900 to fill one of its 12 FTE positions. RUCO is currently involved in eight separate dockets, with more being opened each month.

RUCO accomplishes our work with a team of 9 people: 2 lawyers, 4 analysts, an office manager, a deputy director and Executive Deputy Director.

**Proposal:** RUCO is currently involved in eight separate dockets, with more being opened each month. The range of issues include gas, water and wastewater rates, a rehearing to solar issues in a large electric case, the possible reopening of the Value of Solar docket and policy issues related to the test year.

The ACC has created a workshop process to explore whether the test year currently used to set rates should change from an historic test year to a future test year structure or a formula rate structure. The reason this is an issue is that it is a completely different model with which our team has no experience or expertise. We have been advised by other jurisdictions who have transitioned to a different model, that the time needed to come up to speed and then process rate cases is 3-4 times it takes with our current model. Put another way, one case takes the time of 4 cases now. It appears a new methodology will be implemented at the start of next calendar year, and candidly we are not currently prepared.

**Alternatives Considered:** TBD

**Impact of Not Funding This Year:** One of our challenges is getting the word out to our constituents related to the various decisions being made, the cases being considered and the impact of those cases on customers, as well as learning more from the residential customers throughout Arizona that we serve. We need to be able to reach them, engage in a conversation with them and listen to their concerns in order to better identify our strategies for bringing about change within the rate-making process and decision making. This position will help us do that through various channels which we don't currently have access to, including social media.

Communication with our constituents, local elected officials and members of our community is essential for our success.

**Statutory Reference:** A.R.S. § 40-462. Powers and Duties: The Director may:

Research, study and analyze residential utility consumer interests.

Prepare and present briefs, arguments, proposed rates or orders and intervene or appear on behalf of residential utility consumers before hearing officers and the corporation commission as a party in interest and also participate as a party in interest pursuant to §§ 40-254 and 40-254.01 in proceedings relating to rate making or rate design and involving public service corporations, except that the director shall not participate in any proceedings pursuant to this paragraph involving a member-owned nonprofit cooperative corporation.

Make and execute contracts and other instruments as necessary to perform his duties.

Hire employees as necessary to carry out this article and contract for special services as needed.

Employ such attorneys as are required to represent the interests of residential utility consumers.

The Director shall adopt administrative rules necessary to carry out the purposes of this article.

**Equipment to be Purchased (if applicable):** Office furniture and a laptop.

**Classification of New Positions:** Part time Communications Director, Grade 27

**Annualization(s):**

**Alignment with Agency's Strategic Plan or Statutory Responsibilities:** This request is aligned with RUCO's strategic plan and statutory responsibilities (see previous answer re: statutory authority).

Our strategic plan reflects the value and focus for this position, and all positions.



## Funding Issue Narrative

**Agency:** Residential Utility Consumer Office

**Impact on Historically Underserved, Marginalized, or Adversely Affected Groups:**

RUCO's focus is all residential customers, including our most vulnerable customers. With an Arizona poverty rate of 12.8% and rising energy costs for electric, gas, water and wastewater, achieving affordability plays an incredibly important role in each case. Additionally, the representation of communities of color are over-represented by the poverty numbers. Our work always includes this community

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## RESIDENTIAL UTILITY CONSUMER OFFICE

[www.azruco.gov](http://www.azruco.gov)

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Katie Hobbs  
Governor

Cynthia Zwick  
Director

### **Request for new funding -- Residential Utility Consumer Office (RUCO):**

**Mission:** To professionally represent residential utility customers in regulatory proceedings before the Arizona Corporation Commission (ACC), advocating for fair and reasonable rates and quality utility services in a dynamic utility environment.

### **RUCO**

- Was established and funded by the legislature in 1983 to represent the interests of residential ratepayers in rate-related proceedings involving public service corporations before the ACC.
- We accomplish our work with a team of 9 people: 2 lawyers; 4 analysts; an office manager; Deputy Director and Director. This number has not changed in more than 20 years, though the work load has increases.
- We intervene in electric, gas, water, wastewater, and occasionally telecommunications cases.
- There are five regulated electric; four gas; 194 water; and 46 wastewater companies.
- Components of a rate case:
  - Rate base issues which include the plant the company is authorized to build and the amount of money they are able to recover from customers.
  - The cost of capital
  - Operations and maintenance costs to be recovered.
  - Rate Design or how the various costs will be allocated across customer class, basically who pays what amount of the revenue requirement or what the utility needs to recover their expenses.
  - The amount of the basic service charge which is a fixed cost that every residential customer pays every month regardless of energy use.
  - Various adjuster mechanisms which add costs to your bill every month (there are also occasions when there is a credit to your bill).

- The number of dockets in which RUCO is engaged has increases due to the restructuring of charges companies are permitted to track and expense out to customers (adjusters), as well as an increase in policy considerations that impact residential customers.
- There is currently no subject matter redundancy or overlap in the office, so if one analyst is out, there is no one else who is qualified to support their area of responsibility. This becomes a more serious issue as the number of cases or dockets to which we respond, continues to grow and deadlines overlap.
- We do not currently have an engineer in the office which impacts our ability to address a number of issues in gas, water and wastewater cases related to infrastructure needs and analysis, including pipeline safety, repairs, replacement and installation.
- We currently rely on outside consultants to provide testimony in various areas of expertise.

### **Current Workload**

- RUCO is currently involved in eight separate rate cases, along with additional policy and rule dockets, with more being opened each month. The range of issues include gas, water and wastewater rates, a rehearing related to solar issues in a large electric case, the possible reopening of the Value of Solar docket and policy issues related to the test year.
- The ACC has created a workshop process to explore whether the test year currently used to set rates should change from an historic test year to a future test year structure or a formula rate structure. The reason this is an issue is that it is a completely different model with which our team has no experience or expertise. We have been advised by other jurisdiction who have transitioned to a different model, that the time needed to come up to speed and then process rate cases is 3-4 times the time it takes with our current model. Put another way, one case takes the time of 4 cases now. It appears a new methodology will be implemented at the start of next calendar year, and candidly we are not currently prepared.
- As an Agency, we are committed to developing high quality, professional testimony, a process and product we are currently in the process of improving, with a great deal of success.
- We currently have five consultant contracts in place to assist with the workload and to provide the expertise that we currently lack, totaling to-date \$179,800. We will need to retain additional support as more cases are filed, and those cases begin to pancake from a processing perspective.

### **Our Impact**

- Each case in which RUCO intervenes save customers money, sometimes millions of dollars within the context of an overall revenue requirement.

- We are able to preserve programs and policies that support all residential customers, including:
  - Reduced utility bills;
  - Energy efficiency and demand response programs;
  - Bill assistance and low-income discount programs;
  - As well as serve as a voice for the millions of Arizona ratepayers in the cases that impact their everyday lives, financially and through the assistance of safe and affordable water, electric, gas and wastewater services. RUCO is the only entity speaking on behalf of residential customers in all elements of every case.

**Our Request:**

- RUCO is funded through an annual utility company assessment, which is ultimately passed along through a separate charge on utility bills to individual utility customers to support our work. The assessment is collected and managed by staff at the ACC. Each year the revolving fund receives approximately \$1,200,000. Our current budget appropriation is \$1,606,500. We receive no general fund dollars.
- There is currently no funding available in our budget for any additional staffing, nor is there funding available for any merit increases, should those be appropriate.
- The three positions, a financial analyst, an engineer, and a part-time communications person would add approximately \$379,700 to our budget and would include salary and ERE of \$111,900 per position (\$80,000 annual salary); \$71,900 for the part-time communications position (\$47,350 annual salary), as well as approximately \$84,000 for related expenses including education and training, shared services and furniture and computer equipment for a total operating budget of \$1,986,200.
- The two analyst positions would allow us to save approximately \$60,000 a year through the reduced use of outside contractors.

Thank you for considering our request, and please let me know if you have any questions.

Cynthia Zwick  
Director  
[czwick@azruco.gov](mailto:czwick@azruco.gov)  
602.686.9902

## Summary of Expenditure and Budget Request for All Funds

**Agency:** Residential Utility Consumer Office

<b>Appropriated Funds</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Expenditure Plan</b>	<b>FY 2026 Funding Issue</b>	<b>FY 2026 Total Request</b>
<b>Program:</b>				
UOA-1-0 Ratepayer Representation	937.8	1,606.5	379.7	1,986.2
<b>Appropriated Funds Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Expenditure Categories</b>				
FTE	9.0	9.0	2.5	11.5
Personal Services	0.0	926.3	207.4	1,133.7
Employee Related Expenditures	283.1	335.6	88.3	423.9
<b>Subtotal Personal Services and ERE</b>	<b>283.1</b>	<b>1,261.9</b>	<b>295.7</b>	<b>1,557.6</b>
Professional & Outside Services	11.4	145.0	-	145.0
Travel In-State	1.1	8.6	-	8.6
Travel Out-Of-State	13.6	7.0	-	7.0
Other Operating Expenditures	197.8	184.0	84.0	268.0
Non-Capital Equipment	5.8	-	-	-
Transfers-Out	425.0	-	-	-
<b>Expenditure Categories Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Residential Utility Consumer Office Total for All Funds:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Appropriated and Non-Appropriated</b>	<b>FY 2024 Actuals</b>	<b>FY 2025 Expenditure Plan</b>	<b>FY 2025 Funding Issue</b>	<b>FY 2026 Total Request</b>
UOA-1-0 Ratepayer Representation	937.8	1,606.5	379.7	1,986.2
<b>Residential Utility Consumer Office Total for All Funds:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

## Summary of Expenditure and Budget Request for Selected Funds

<b>Agency:</b>	<b>Residential Utility Consumer Office</b>
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<b>Fund:</b>	<b>UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)</b>
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	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program:</b>				
UOA-1-0 Ratepayer Representation	937.8	1,606.5	379.7	1,986.2
<b>Residential Utility Consumer Office Revolving Fund (Appropriated) Summary Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Expenditure Categories</b>				
FTE	9.0	9.0	2.5	11.5
Personal Services	0.0	926.3	207.4	1,133.7
Employee Related Expenditures	283.1	335.6	88.3	423.9
<b>Subtotal Personal Services and ERE</b>	<b>283.1</b>	<b>1,261.9</b>	<b>295.7</b>	<b>1,557.6</b>
Professional & Outside Services	11.4	145.0	-	145.0
Travel In-State	1.1	8.6	-	8.6
Travel Out-Of-State	13.6	7.0	-	7.0
Other Operating Expenditures	197.8	184.0	84.0	268.0
Non-Capital Equipment	5.8	-	-	-
Transfers-Out	425.0	-	-	-
<b>Expenditure Categories Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

## Program Budget Unit Summary of Expenditure and Budget Request for All Funds

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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**Program:** UOA-1-0 Ratepayer Representation

**Expenditure Categories**

FTE	9.0	9.0	2.5	11.5
Personal Services	0.0	926.3	207.4	1,133.7
Employee Related Expenditures	283.1	335.6	88.3	423.9
<b>Subtotal Personal Services and ERE</b>	<b>283.1</b>	<b>1,261.9</b>	<b>295.7</b>	<b>1,557.6</b>
Professional & Outside Services	11.4	145.0	-	145.0
Travel In-State	1.1	8.6	-	8.6
Travel Out-Of-State	13.6	7.0	-	7.0
Other Operating Expenditures	197.8	184.0	84.0	268.0
Non-Capital Equipment	5.8	-	-	-
Transfers-Out	425.0	-	-	-
<b>Expenditure Categories Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

**Fund Source**

**Appropriated Funds**

Residential Utility Consumer Office Revolving Fund (Appropriated)	937.8	1,606.5	379.7	1,986.2
<b>Appropriated Funds Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Ratepayer Representation Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

**Sub Program:** UOA-1-1 Ratepayer Representation

**Expenditure Categories**

FTE	9.0	9.0	2.5	11.5
Personal Services	0.0	926.3	207.4	1,133.7
Employee Related Expenditures	283.1	335.6	88.3	423.9
<b>Subtotal Personal Services and ERE</b>	<b>283.1</b>	<b>1,261.9</b>	<b>295.7</b>	<b>1,557.6</b>
Professional & Outside Services	-	-	-	-
Travel In-State	1.1	8.6	-	8.6
Travel Out-Of-State	13.6	7.0	-	7.0
Other Operating Expenditures	197.8	184.0	84.0	268.0
Non-Capital Equipment	5.8	-	-	-
Transfers-Out	425.0	-	-	-

## Program Budget Unit Summary of Expenditure and Budget Request for All Funds

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program:</b> UOA-1-0 Ratepayer Representation				
<b>Sub Program:</b> UOA-1-1 Ratepayer Representation				

<b>Expenditure Categories Total:</b>	926.4	1,461.5	379.7	1,841.2
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**Fund Source**

<b>Appropriated Funds</b>				
Residential Utility Consumer Office Revolving Fund (Appropriated)	926.4	1,461.5	379.7	1,841.2
<b>Appropriated Funds Total:</b>	926.4	1,461.5	379.7	1,841.2
<b>Ratepayer Representation Total:</b>	926.4	1,461.5	379.7	1,841.2

**Sub Program:** UOA-1-2 SLI Professional Witnesses

**Expenditure Categories**

FTE	-	-	-	-
Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	-	-	-	-
Professional & Outside Services	11.4	145.0	-	145.0
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	11.4	145.0	-	145.0

**Fund Source**

<b>Appropriated Funds</b>				
Residential Utility Consumer Office Revolving Fund (Appropriated)	11.4	145.0	-	145.0
<b>Appropriated Funds Total:</b>	11.4	145.0	-	145.0
<b>Ratepayer Representation Total:</b>	11.4	145.0	-	145.0



**Program Budget Unit Summary of Expenditure and Budget Request  
for All Funds**

<b>Agency:</b>	<b>Residential Utility Consumer Office</b>
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<b>FY 2024 Actuals</b>	<b>FY 2025 Expenditure Plan</b>	<b>FY 2026 Funding Issue</b>	<b>FY 2026 Total Request</b>
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**Program Budget Unit Summary of Expenditure and Budget Request  
for Selected Funds**

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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**Program:** UOA-1-0 Ratepayer Representation

**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund

**Appropriated**

Personal Services	0.0	926.3	207.4	1,133.7
Employee Related Expenditures	283.1	335.6	88.3	423.9
<b>Subtotal Personal Services and ERE</b>	<b>283.1</b>	<b>1,261.9</b>	<b>295.7</b>	<b>1,557.6</b>
Professional & Outside Services	11.4	145.0	-	145.0
Travel In-State	1.1	8.6	-	8.6
Travel Out-Of-State	13.6	7.0	-	7.0
Other Operating Expenditures	197.8	184.0	84.0	268.0
Non-Capital Equipment	5.8	-	-	-
Transfers-Out	425.0	-	-	-
<b>Expenditure Categories Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Residential Utility Consumer Office Revolving Fund Total:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Program Total for Select Funds:</b>	<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

**Sub Program:** UOA-1-1 Ratepayer Representation

**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund

**Appropriated**

Personal Services	0.0	926.3	207.4	1,133.7
Employee Related Expenditures	283.1	335.6	88.3	423.9
<b>Subtotal Personal Services and ERE</b>	<b>283.1</b>	<b>1,261.9</b>	<b>295.7</b>	<b>1,557.6</b>
Professional & Outside Services	-	-	-	-
Travel In-State	1.1	8.6	-	8.6
Travel Out-Of-State	13.6	7.0	-	7.0
Other Operating Expenditures	197.8	184.0	84.0	268.0
Non-Capital Equipment	5.8	-	-	-
Transfers-Out	425.0	-	-	-
<b>Expenditure Categories Total:</b>	<b>926.4</b>	<b>1,461.5</b>	<b>379.7</b>	<b>1,841.2</b>

## Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program:</b> UOA-1-0 Ratepayer Representation				
<b>Sub Program:</b> UOA-1-1 Ratepayer Representation				
<b>Fund:</b> UO2175 Residential Utility Consumer Office Revolving Fund				
Residential Utility Consumer Office Revolving Fund Total:	926.4	1,461.5	379.7	1,841.2
<b>Sub Program Total for Select Funds:</b>	<b>926.4</b>	<b>1,461.5</b>	<b>379.7</b>	<b>1,841.2</b>

**Sub Program:** UOA-1-2 SLI Professional Witnesses

**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund

**Appropriated**

Personal Services	-	-	-	-
Employee Related Expenditures	-	-	-	-
<b>Subtotal Personal Services and ERE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Professional & Outside Services	11.4	145.0	-	145.0
Travel In-State	-	-	-	-
Travel Out-Of-State	-	-	-	-
Other Operating Expenditures	-	-	-	-
Non-Capital Equipment	-	-	-	-
Transfers-Out	-	-	-	-
<b>Expenditure Categories Total:</b>	<b>11.4</b>	<b>145.0</b>	<b>-</b>	<b>145.0</b>
<b>Residential Utility Consumer Office Revolving Fund Total:</b>	<b>11.4</b>	<b>145.0</b>	<b>-</b>	<b>145.0</b>
<b>Sub Program Total for Select Funds:</b>	<b>11.4</b>	<b>145.0</b>	<b>-</b>	<b>145.0</b>

## Program Summary of Expenditure and Budget Request

**Agency:** Residential Utility Consumer Office

**Program:** Ratepayer Representation

<b>Program Summary</b>		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
UOA-1-1	Ratepayer Representation	926.4	1,461.5	379.7	1,841.2
UOA-1-2	SLI Professional Witnesses	11.4	145.0	-	145.0
<b>Ratepayer Representation Summary Total:</b>		<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

<b>Expenditure Categories</b>		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
FTE	FTE	9.0	9.0	2.5	11.5
6000	Personal Services	0.0	926.3	207.4	1,133.7
6100	Employee Related Expenditures	283.1	335.6	88.3	423.9
<b>Subtotal Personal Services and ERE</b>		<b>283.1</b>	<b>1,261.9</b>	<b>295.7</b>	<b>1,557.6</b>
6200	Professional & Outside Services	11.4	145.0	-	145.0
6500	Travel In-State	1.1	8.6	-	8.6
6600	Travel Out-Of-State	13.6	7.0	-	7.0
7000	Other Operating Expenditures	197.8	184.0	84.0	268.0
8500	Non-Capital Equipment	5.8	-	-	-
9100	Transfers-Out	425.0	-	-	-
<b>Expenditure Categories Total:</b>		<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

<b>Fund Source</b>		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Appropriated Funds</b>					
	Residential Utility Consumer Office	937.8	1,606.5	379.7	1,986.2
UO2175	Revolving Fund (Appropriated)				
<b>Appropriated Funds Total:</b>		<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Ratepayer Representation Summary Total:</b>		<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

**Program Summary of Expenditure and Budget Request for  
Selected Funds**

**Agency:** Residential Utility Consumer Office

**Program:** Ratepayer Representation

**Fund:** UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)

<b>Program Expenditures</b>		<b>FY 2024 Actuals</b>	<b>FY 2025 Expenditure Plan</b>	<b>FY 2026 Funding Issue</b>	<b>FY 2026 Total Request</b>
UOA-1-1	Ratepayer Representation	926.4	1,461.5	379.7	1,841.2
UOA-1-2	SLI Professional Witnesses	11.4	145.0	-	145.0
<b>Residential Utility Consumer Office Revolving Fund (Appropriated) Summary Total:</b>		<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Appropriated Funding</b>					
6000	Personal Services	0.0	926.3	207.4	1,133.7
6100	Employee Related Expenditures	283.1	335.6	88.3	423.9
<b>Subtotal Personal Services and ERE</b>		<b>283.1</b>	<b>1,261.9</b>	<b>295.7</b>	<b>1,557.6</b>
6200	Professional & Outside Services	11.4	145.0	-	145.0
6500	Travel In-State	1.1	8.6	-	8.6
6600	Travel Out-Of-State	13.6	7.0	-	7.0
7000	Other Operating Expenditures	197.8	184.0	84.0	268.0
8500	Non-Capital Equipment	5.8	-	-	-
9100	Transfers-Out	425.0	-	-	-
<b>Expenditure Categories Total:</b>		<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Fund UO2175 - A Total:</b>		<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>
<b>Ratepayer Representation Total:</b>		<b>937.8</b>	<b>1,606.5</b>	<b>379.7</b>	<b>1,986.2</b>

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program: UOA-1-0 Ratepayer Representation</b>				
<b>FTE</b>				
FTE	9.0	9.0	2.5	11.5
<b>Expenditure Category Total:</b>	-	-	-	-
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	9.0	9.0	2.5	11.5
<b>Appropriated Funds Total:</b>	<b>9.0</b>	<b>9.0</b>	<b>2.5</b>	<b>11.5</b>
<b>Fund Source Total:</b>	<b>9.0</b>	<b>9.0</b>	<b>2.5</b>	<b>11.5</b>
<b>Personal Services</b>				
Personal Services	0.0	926.3	207.4	1,133.7
<b>Expenditure Category Total:</b>	<b>0.0</b>	<b>926.3</b>	<b>207.4</b>	<b>1,133.7</b>
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	0.0	926.3	207.4	1,133.7
<b>Appropriated Funds Total:</b>	<b>0.0</b>	<b>926.3</b>	<b>207.4</b>	<b>1,133.7</b>
<b>Fund Source Total:</b>	<b>0.0</b>	<b>926.3</b>	<b>207.4</b>	<b>1,133.7</b>
<b>Employee Related Expenditures</b>				
Employee Related Expenses	-	335.6	88.3	423.9
FICA Taxes	61.1	-	-	-
Medical Insurance	106.7	-	-	-
Basic Life	0.1	-	-	-
Long-Term Disability (ASRS)	0.9	-	-	-
Dental Insurance	0.7	-	-	-
Workers' Compensation	5.8	-	-	-
Arizona State Retirement System	69.0	-	-	-
Alternate Retirement Contributions – Reemployed Retirees	23.5	-	-	-
Personnel Board Pro-Rata Charges	7.1	-	-	-
Information Technology Pro Rata Charge	5.0	-	-	-
Accumulated Sick Leave Fund Charge	3.3	-	-	-

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

		FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program: UOA-1-0 Ratepayer Representation</b>					
<b>Expenditure Category Total:</b>		283.1	335.6	88.3	423.9
<b>Fund Source</b>					
<b>Appropriated Funds</b>					
UO2175	Residential Utility Consumer Office Revolving Fund (Appropriated)	283.1	335.6	88.3	423.9
<b>Appropriated Funds Total:</b>		283.1	335.6	88.3	423.9
<b>Fund Source Total:</b>		283.1	335.6	88.3	423.9
<b>Professional &amp; Outside Services</b>					
Professional and Outside Services		-	145.0	-	145.0
External Legal Services		11.4	-	-	-
<b>Expenditure Category Total:</b>		11.4	145.0	-	145.0
<b>Fund Source</b>					
<b>Appropriated Funds</b>					
UO2175	Residential Utility Consumer Office Revolving Fund (Appropriated)	11.4	145.0	-	145.0
<b>Appropriated Funds Total:</b>		11.4	145.0	-	145.0
<b>Fund Source Total:</b>		11.4	145.0	-	145.0
<b>Travel In-State</b>					
Travel In-State		-	8.6	-	8.6
Mileage - Private Vehicle		0.4	-	-	-
Car Rental In-State		0.1	-	-	-
Lodging		0.4	-	-	-
Meals with Overnight Stay		0.1	-	-	-
Meals without Overnight Stay		0.1	-	-	-
Other Miscellaneous In- State Travel		0.1	-	-	-
<b>Expenditure Category Total:</b>		1.1	8.6	-	8.6
<b>Fund Source</b>					
<b>Appropriated Funds</b>					
UO2175	Residential Utility Consumer Office Revolving Fund (Appropriated)	1.1	8.6	-	8.6
<b>Appropriated Funds Total:</b>		1.1	8.6	-	8.6
<b>Fund Source Total:</b>		1.1	8.6	-	8.6

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program: UOA-1-0 Ratepayer Representation</b>				
<b>Travel Out-Of-State</b>				
Travel Out of State	-	7.0	-	7.0
Airfare and Other Common Carrier Charges	4.6	-	-	-
Lodging Out-of-State	7.8	-	-	-
Meals with Overnight Stay	0.5	-	-	-
Meals without Overnight Stay	0.2	-	-	-
Other Miscellaneous Out-of- State Travel	0.4	-	-	-
<b>Expenditure Category Total:</b>	<b>13.6</b>	<b>7.0</b>	<b>-</b>	<b>7.0</b>
<b>Fund Source</b>				
<b>Appropriated Funds</b>				
UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	13.6	7.0	-	7.0
<b>Appropriated Funds Total:</b>	<b>13.6</b>	<b>7.0</b>	<b>-</b>	<b>7.0</b>
<b>Fund Source Total:</b>	<b>13.6</b>	<b>7.0</b>	<b>-</b>	<b>7.0</b>
<b>Other Operating Expenditures</b>				
Other Operating Expenses	-	184.0	84.0	268.0
Risk Management Charges to State Agencies	3.0	-	-	-
Internal Service Computer Processing, Hosting, Maintenance and Support Costs	4.5	-	-	-
External Programming and System Development Costs	6.8	-	-	-
Charges Imposed Related to AFIS.	0.6	-	-	-
External Telecommunications Charges	10.0	-	-	-
Certificate of Participation (COP) Building Rent Charges to State Agencies	115.0	-	-	-
Miscellaneous Rent	0.0	-	-	-
Internal Accounting, Budgeting & Financial Services	15.4	-	-	-
Repair & Maintenance - Buildings	1.2	-	-	-
Repair & Maintenance - Other Equipment	4.1	-	-	-
Repair & Maintenance - Other	1.2	-	-	-
Office Supplies	9.2	-	-	-
Conference Registration / Attendance Fees	4.7	-	-	-



## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program: UOA-1-0 Ratepayer Representation</b>				
Other Education & Training Costs	1.3	-	-	-
Dues	8.0	-	-	-
Books, Subscriptions & Publications	12.8	-	-	-
Other Miscellaneous Operating	0.1	-	-	-
<b>Expenditure Category Total:</b>	<b>197.8</b>	<b>184.0</b>	<b>84.0</b>	<b>268.0</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	197.8	184.0	84.0	268.0
<b>Appropriated Funds Total:</b>	<b>197.8</b>	<b>184.0</b>	<b>84.0</b>	<b>268.0</b>
<b>Fund Source Total:</b>	<b>197.8</b>	<b>184.0</b>	<b>84.0</b>	<b>268.0</b>

**Non-Capital Equipment**

Computer Equipment – Non- Capitalized Purchases	4.8	-	-	-
Purchased or licensed software / website	1.0	-	-	-
<b>Expenditure Category Total:</b>	<b>5.8</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	5.8	-	-	-
<b>Appropriated Funds Total:</b>	<b>5.8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Source Total:</b>	<b>5.8</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Transfers-Out**

Transfers Out – Not Subject to Cost Allocation	425.0	-	-	-
<b>Expenditure Category Total:</b>	<b>425.0</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	425.0	-	-	-
<b>Appropriated Funds Total:</b>	<b>425.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Source Total:</b>	<b>425.0</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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**Program:** UOA-1-0 Ratepayer Representation

**Employee Retirement Coverage**

Retirement System	FTE	Personal Services	Fund#
Arizona State Retirement System	9.0	926.3	UO2175-A

**Sub Program:** UOA-1-1 Ratepayer Representation

**FTE**

	FTE	Personal Services	Fund#	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
FTE	9.0	9.0	2.5				11.5
<b>Expenditure Category Total:</b>	-	-	-				-

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	9.0	9.0	2.5				11.5
<b>Appropriated Funds Total:</b>	<b>9.0</b>	<b>9.0</b>	<b>2.5</b>				<b>11.5</b>
<b>Fund Source Total:</b>	<b>9.0</b>	<b>9.0</b>	<b>2.5</b>				<b>11.5</b>

**Personal Services**

Personal Services	0.0	926.3	207.4				1,133.7
<b>Expenditure Category Total:</b>	<b>0.0</b>	<b>926.3</b>	<b>207.4</b>				<b>1,133.7</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	0.0	926.3	207.4				1,133.7
<b>Appropriated Funds Total:</b>	<b>0.0</b>	<b>926.3</b>	<b>207.4</b>				<b>1,133.7</b>
<b>Fund Source Total:</b>	<b>0.0</b>	<b>926.3</b>	<b>207.4</b>				<b>1,133.7</b>

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program:</b> UOA-1-0 Ratepayer Representation				

**Sub Program:** UOA-1-1 Ratepayer Representation

**Employee Related Expenditures**

Employee Related Expenses	-	335.6	88.3	423.9
FICA Taxes	61.1	-	-	-
Medical Insurance	106.7	-	-	-
Basic Life	0.1	-	-	-
Long-Term Disability (ASRS)	0.9	-	-	-
Dental Insurance	0.7	-	-	-
Workers' Compensation	5.8	-	-	-
Arizona State Retirement System	69.0	-	-	-
Alternate Retirement Contributions – Reemployed Retirees	23.5	-	-	-
Personnel Board Pro-Rata Charges	7.1	-	-	-
Information Technology Pro Rata Charge	5.0	-	-	-
Accumulated Sick Leave Fund Charge	3.3	-	-	-
<b>Expenditure Category Total:</b>	<b>283.1</b>	<b>335.6</b>	<b>88.3</b>	<b>423.9</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	283.1	335.6	88.3	423.9
<b>Appropriated Funds Total:</b>	<b>283.1</b>	<b>335.6</b>	<b>88.3</b>	<b>423.9</b>
<b>Fund Source Total:</b>	<b>283.1</b>	<b>335.6</b>	<b>88.3</b>	<b>423.9</b>

**Professional & Outside Services**

Professional and Outside Services	-	-	-	-
<b>Expenditure Category Total:</b>	-	-	-	-

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	-	-	-	-
<b>Appropriated Funds Total:</b>	-	-	-	-
<b>Fund Source Total:</b>	-	-	-	-

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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**Program:** UOA-1-0 Ratepayer Representation

**Sub Program:** UOA-1-1 Ratepayer Representation

**Travel In-State**

Travel In-State	-	8.6	-	8.6
Mileage - Private Vehicle	0.4	-	-	-
Car Rental In-State	0.1	-	-	-
Lodging	0.4	-	-	-
Meals with Overnight Stay	0.1	-	-	-
Meals without Overnight Stay	0.1	-	-	-
Other Miscellaneous In- State Travel	0.1	-	-	-
<b>Expenditure Category Total:</b>	<b>1.1</b>	<b>8.6</b>	<b>-</b>	<b>8.6</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	1.1	8.6	-	8.6
<b>Appropriated Funds Total:</b>	<b>1.1</b>	<b>8.6</b>	<b>-</b>	<b>8.6</b>
<b>Fund Source Total:</b>	<b>1.1</b>	<b>8.6</b>	<b>-</b>	<b>8.6</b>

**Travel Out-Of-State**

Travel Out of State	-	7.0	-	7.0
Airfare and Other Common Carrier Charges	4.6	-	-	-
Lodging Out-of-State	7.8	-	-	-
Meals with Overnight Stay	0.5	-	-	-
Meals without Overnight Stay	0.2	-	-	-
Other Miscellaneous Out-of- State Travel	0.4	-	-	-
<b>Expenditure Category Total:</b>	<b>13.6</b>	<b>7.0</b>	<b>-</b>	<b>7.0</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	13.6	7.0	-	7.0
<b>Appropriated Funds Total:</b>	<b>13.6</b>	<b>7.0</b>	<b>-</b>	<b>7.0</b>
<b>Fund Source Total:</b>	<b>13.6</b>	<b>7.0</b>	<b>-</b>	<b>7.0</b>

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
<b>Program:</b> UOA-1-0 Ratepayer Representation				

**Sub Program:** UOA-1-1 Ratepayer Representation

**Other Operating Expenditures**

Other Operating Expenses	-	184.0	84.0	268.0
Risk Management Charges to State Agencies	3.0	-	-	-
Internal Service Computer Processing, Hosting, Maintenance and Support Costs	4.5	-	-	-
External Programming and System Development Costs	6.8	-	-	-
Charges Imposed Related to AFIS.	0.6	-	-	-
External Telecommunications Charges	10.0	-	-	-
Certificate of Participation (COP) Building Rent Charges to State Agencies	115.0	-	-	-
Miscellaneous Rent	0.0	-	-	-
Internal Accounting, Budgeting & Financial Services	15.4	-	-	-
Repair & Maintenance - Buildings	1.2	-	-	-
Repair & Maintenance - Other Equipment	4.1	-	-	-
Repair & Maintenance - Other	1.2	-	-	-
Office Supplies	9.2	-	-	-
Conference Registration / Attendance Fees	4.7	-	-	-
Other Education & Training Costs	1.3	-	-	-
Dues	8.0	-	-	-
Books, Subscriptions & Publications	12.8	-	-	-
Other Miscellaneous Operating	0.1	-	-	-
<b>Expenditure Category Total:</b>	<b>197.8</b>	<b>184.0</b>	<b>84.0</b>	<b>268.0</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	197.8	184.0	84.0	268.0
<b>Appropriated Funds Total:</b>	<b>197.8</b>	<b>184.0</b>	<b>84.0</b>	<b>268.0</b>
<b>Fund Source Total:</b>	<b>197.8</b>	<b>184.0</b>	<b>84.0</b>	<b>268.0</b>

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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**Program:** UOA-1-0 Ratepayer Representation

**Sub Program:** UOA-1-1 Ratepayer Representation

**Non-Capital Equipment**

Computer Equipment – Non- Capitalized Purchases	4.8	-	-	-
Purchased or licensed software / website	1.0	-	-	-
<b>Expenditure Category Total:</b>	<b>5.8</b>	-	-	-

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	5.8	-	-	-
<b>Appropriated Funds Total:</b>	<b>5.8</b>	-	-	-
<b>Fund Source Total:</b>	<b>5.8</b>	-	-	-

**Transfers-Out**

Transfers Out – Not Subject to Cost Allocation	425.0	-	-	-
<b>Expenditure Category Total:</b>	<b>425.0</b>	-	-	-

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	425.0	-	-	-
<b>Appropriated Funds Total:</b>	<b>425.0</b>	-	-	-
<b>Fund Source Total:</b>	<b>425.0</b>	-	-	-

**Employee Retirement Coverage**

Retirement System	FTE	Personal Services	Fund#
Arizona State Retirement System	9.0	9.0	UO2175-A

## Program Expenditure Schedule

**Agency:** Residential Utility Consumer Office

	FY 2024 Actuals	FY 2025 Expenditure Plan	FY 2026 Funding Issue	FY 2026 Total Request
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**Program:** UOA-1-0 Ratepayer Representation

**Sub Program:** UOA-1-2 SLI Professional Witnesses

**Professional & Outside Services**

Professional and Outside Services	-	145.0	-	145.0
External Legal Services	11.4	-	-	-
<b>Expenditure Category Total:</b>	<b>11.4</b>	<b>145.0</b>	<b>-</b>	<b>145.0</b>

**Fund Source**

**Appropriated Funds**

UO2175 Residential Utility Consumer Office Revolving Fund (Appropriated)	11.4	145.0	-	145.0
<b>Appropriated Funds Total:</b>	<b>11.4</b>	<b>145.0</b>	<b>-</b>	<b>145.0</b>
<b>Fund Source Total:</b>	<b>11.4</b>	<b>145.0</b>	<b>-</b>	<b>145.0</b>

**Employee Retirement Coverage**

Retirement System	FTE	Personal Services	Fund#
	-	-	

## Program Expenditure Schedule

<b>Agency:</b>	<b>Residential Utility Consumer Office</b>
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<b>Administrative Costs Summary</b>	<b>FY 2026</b>
Personal Services	43.5
ERE	20.0
All Other	35.0
<b>Administrative Costs Total:</b>	<b>98.5</b>

<b>Administrative Costs / Total Expenditure Ratio</b>	<b>Request</b>	<b>Admin %</b>
FY 2026	1,986.2	5.0%