# **EXHIBIT D.1**



#### OFFICE OF PERSONNEL MANAGEMENT Administrator's Office

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September 21, 2016

Senator Uvalde Lindsey, Co-Chairperson Representative Lanny Fite, Co-Chairperson Uniform Personnel Classification and Compensation Plan Subcommittee Arkansas Legislative Council State Capitol Building, Room 315 Little Rock, Arkansas 72201

#### Dear Co-Chairs:

The Office of Personnel Management submits a request from the Arkansas Public Service Commission (PSC) for your review. The Public Service Commission has requested one position from the OPM Surrender Pool established by Ark. Code Ann. §21-5-225(a)(1). The position being surrendered along with the classification requested is listed below:

POSITION SURRENDERED	TITLE	CLASS CODE	GRADE
22087759	PSC Utilities Specialist	X078C	C118
CLASSIFICATION	REQUESTED		
	Engineer, Professional Engineer	B023C	C124

### **JUSTIFICATION**

The Public Service Commission is requesting to surrender a PSC Utilities Specialist for an Engineer, P.E. PSC requests the Engineer, P.E. position in order to address increasing engineering needs at the agency, particularly with reference to changing rate making mechanisms established by Act 725 of 2015. This position is critical as the agency is confronted with increasing numbers of requests for authority to construct electric distribution and transmission facilities and authority to build or acquire additional electric generating capacity. If approved, this would allow the agency to attract, hire and retain qualified employees with the required skill sets and properly utilize the position as intended.

Senator Uvalde Lindsey, Co-Chairperson Representative Lanny Fite, Co-Chairperson September 21, 2016 Page 2 of 2

## RECOMMENDATION

The Office of Personnel Management has reviewed the agency's request and **recommends** approval of one (1) OPM Surrender Pool position classified as Engineer, Professional Engineer, B023C, grade C124. Your consideration of this request is appreciated.

Sincerely,

Kay Burbull
Kay Barnhill

State Personnel Administrator

Chief Fiscal Officer of the State

Date

SEP 09 2016

KB/as:1-2

Ted J. Thomas Chairman (501) 682-5806

Elana C. Wills Commissioner (501) 682-5809

Lamar B. Davis Commissioner (501) 682-5809

# ARKANSAS PUBLIC SERVICE COMMISSION UTILITIES DIVISION

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Little Rock, Arkansas 72203-0400
http://www.Arkansas.gov/psc



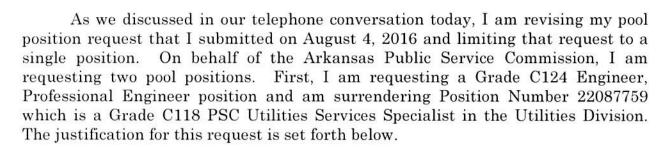
John P. Bethel Director (501) 682-1794

September 8, 2016

Ms. Kay Barnhill State Personnel Administrator Arkansas Department of Finance and Administration Office of Personnel Management, Administrator's Office 1509 West Seventh Street, Suite 201 Little Rock, AR 72203-3278

Re: Pool Position Requests

Dear Ms. Barnhill:



Position number 22087759: This position is currently a Grade C118 PSC Utilities Services Specialist. I am requesting a Grade C124 Engineer, Professional Engineer position. The position is needed to enable the Agency to hire an additional Professional Engineer to assist in addressing the numerous issues confronting the utility industry. The additional Professional Engineer better meets the staffing needs of the Agency than does the PSC Utility Services Specialist position. Given the increasing number and complexity of issues, it is critical to upgrade the position to provide staffing with the education and work experience necessary to address those issues. The Professional Engineer position matches the needs for that position.

There are additional requirements and expectations for the Agency's professional staff that will add responsibilities and require the knowledge and skills of an additional Professional Engineer. Act 725 of 2015 established the opportunity



Ms. Kay Barnhill September 8, 2016 Page 2

for utilities to request a formula rate plan mechanism. This rate making mechanism will require Staff to review annual rate adjustment filings for the

participating utilities. Currently, one utility has an approved mechanism in place, and another utility has a pending request to establish a mechanism. I anticipate that all seven of the investor owned electric and natural gas utilities will establish a formula rate plan which will require the annual review of seven filings annually which will require the Agency to maintain a professional staff with a thorough knowledge of rate making and utility operational issues. Additionally, Act 827 established additional requirements for net metering customers, and that development, coupled with the continuing development of renewable generating technologies, will require the Agency to maintain a professional staff with knowledge of those fields and the rate making and operational implications of distributed generation facilities. Pursuant to Act 740 of 2007, the Commission has jurisdiction over pole attachments, and the Commission is currently engaged in modifying its Pole Attachment Rules. As a result, it is likely that the Commission will be engaged in resolving issues between the pole owners and attaching entities. This will require Agency staff with knowledge and expertise in the field. Environmental Protection Agency has issued a number of regulations that affect electric generating facilities. It is critical that the Agency maintain professional Staff members with familiarity with the effects of those environmental regulations on the operation and assessment of the continued cost effectiveness of those facilities. Further, as additional opportunities to obtain electric capacity and energy to serve electric utility customers grows, it will be critical to maintain experienced professional staff members to examine and assess resource planning options in the future. This is not an exhaustive list of the increasing issues and responsibilities confronting the Agency. The requested Professional Engineer position is necessary to attract an individual with the knowledge, skills, and abilities to meet these growing regulatory responsibilities that require the knowledge, skills, and abilities of a Professional Engineer.

Additionally, the Agency is confronted with increasing numbers of requests for authority to construct electric distribution and transmission facilities and authority to build or acquire additional electric generating capacity. The analysis and consideration of these requests requires the knowledge and skills of a Professional Engineer. Utilities are also required to submit resource plans describing the identified needs for additional resources and the plans to meet those needs. Evaluation of those plans also requires the knowledge and skills of a Professional Engineer. The current and expected work load in subjects requiring the expertise of a Professional Engineer is growing. There is a need for an

Ms. Kay Barnhill September 8, 2016 Page 3

additional Professional Engineer to address these and other issues. This change will not impact current employees.

Based upon the foregoing, I respectfully request that you approve the Agency's requests for this pool position. I have enclosed the requisite Office of Personnel Management form. I appreciate your consideration of this request. If you need any additional information, please contact Vikki Hearn or me.

Sincerely,

John P. Bethel

Enclosures

RECEIVED



Business Are	a Agency/Institution		Date			
0450	Public Service Commission	09/08/16				
Position(s) to	be Surrendered					
Position/Item Nu	mber Classification Title	Pay	Grade Class Code			
22087759	PSC Utilities Services Specialist	C118	XZ078C			
Classification	(s) Requested					
N/A	Classification Title	Pay	Grade Class Code			
	Engineer, Professional Engineer	C124	B023C			
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	position requested is critical to the operation of this Agency/Insched. (Justification should be detailed and not less than one type		ication for this request is			
B. Suffi	ficient funds are available to fund this position at the requested grade.					
C. This	is a full time position that will not be used for any other purpose	e than that which is outline	d in the attached narrative			
	The position to be surrendered is the highest grade position available and the loss of this position will not adversely affect the operation of this Agency/Institution.					
E. No c	current employee will be displaced by this action.					
	Agency Personnel Rep		Date			
Vikki Hearn		09/08/16				
,	Agency Director		Date			
John Bethel		09/08/16				

Business Area	Agency/Institution			Date	
0450	Public Service Commission		09/08/16	09/08/16	
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	Agency Personnel Rep		Date	5	
Vikki Hearn		09/08/16			
	Agency Director		Date		
John Bethel	100 10	09/08/16			