Legislative Requirement:

Efficiency Audits of the Public Utility Commission of Texas and the Office of Public Utility Counsel

Lisa R. Collier, CPA, CFE, CIDA
State Auditor

October 26, 2026

Members of the Legislative Audit Committee:

The State Auditor's Office contracted with Weaver to conduct efficiency audits of the Public Utility Commission of Texas and the Office of Public Utility Counsel, as required by Texas Government Code, Section 327.002. Texas Government Code, Section 327.003, allows the State Auditor's Office to contract with an external auditor to conduct these audits. These audits are being reported together to align with the most recent Sunset Commission report.

Public Utility Commission of Texas (Commission)

Weaver identified the following opportunities for the Commission to improve efficiency:

- **Case Management System Adoption.** The Commission was scheduled to deploy a new case management system in October 2026. While the Commission has completed significant development work for the system adoption, it should establish a change management framework to retire duplicate tracking and confirm expected efficiencies.
- **Invoice Processing.** Incomplete purchasing and approval steps, manual invoice tracking, and limited staffing continuity contribute to the Commission making late payments and incurring interest costs. Reassessing the sequence of purchasing and payment activities; defining responsibilities and timeframes for actions outside Accounts Payable; and strengthening training, cross-training, invoice monitoring, and backup coverage would help the Commission more efficiently process vendor payments.
- **Case Tracking.** The Commission's processes for tracking approximately 1,000 cases are decentralized, spanning multiple functions and systems with no management view of status, aging, or workload. While the new case management system is intended to address these issues, the Commission can increase efficiency by defining the intended end state, including the system of record; the role of the Agency Information System; and centralized reporting of case status, aging, workload, and reasons for delay. These actions would give management a view of the full caseload and allow the agency to reallocate resources now spent maintaining parallel tools.

Office of Public Utility Counsel (Office)

Weaver identified the following opportunities for the Office to improve efficiency:

- **Market Data Analytics.** The Office has the authority to request and receive critical electricity market data. The Office has established measures of analytics activity and utilization that take effect in fiscal year 2028. Adding outcome measures would allow the Office to show how its analytical work supports its statutory responsibilities and to track the consulting costs saved by performing analyses internally.

- **Case Tracking and Performance Reporting.** The Office's case tracking and performance reporting relies on manual compilation, resulting in rework and correction of reported results. Streamlining these processes through a common source of case and project information, standardized classification, and documented changes between reported versions could help reduce duplicate data entry, reporting rework, and risk of errors.

For both the Commission and the Office, auditors did not identify any duplication, overlap, or conflict with other state agencies or misalignment between their rules in the Texas Administrative Code and statutory authority and missions.

The Commission and the Office provided implementation plans, which are presented in the attached report. Overall, both the Commission and the Office agreed to implement Weaver's recommendations.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA
State Auditor

cc: The Honorable Greg Abbott, Governor
Members of the Public Utility Commission of Texas
Ms. Connie Corona, Executive Director, Public Utility Commission of Texas
Mr. Benjamin Markley, Chief Executive and Public Counsel, Office of Public Utility Counsel

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TEXAS GOVERNMENT EFFICIENCY AUDIT

An Efficiency Audit of the Public Utility Commission of Texas and Office of Public Utility Counsel

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This report was prepared under contract with the Texas State Auditor's Office

PUCT & OPUC Efficiency Audit | October 2026



Executive Summary

To address the requirements in Texas Government Code, Chapter 327, under the authority of the Texas State Auditor's Office, Weaver reviewed the Public Utility Commission of Texas (PUCT) and the Office of Public Utility Counsel (OPUC) to evaluate selected state resources in the following areas: financial resources, personal and real property assets, technology, and staffing.

- **PUCT Background | p. 6**
- **OPUC Background | p. 16**
- **Audit Objective | p. 22**

For PUCT, we identified three Opportunities for Efficiency related to change management for system implementation, accounts payable and payment processing, and decentralized case tracking and workload visibility. For OPUC, we identified two Opportunities for Efficiency, one related to Market Data Analytics performance measurement and one related to case tracking and performance reporting.

The audit did not identify duplication, overlap, or conflict between PUCT's or OPUC's activities and those of other state agencies, or misalignment between the agency's rules in the Texas Administrative Code and its statutory authority and mission.

Summary of Results:

The results are presented as Opportunities for Efficiency:

- Items that present efficiency opportunities that reside within the applicable agency's operating environment and that the applicable agency has the standing and authority to act upon.

Results at a Glance

Public Utility Commission of Texas

Opportunities for Efficiency

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- PUCT has not established a change management framework to achieve the expected efficiencies from its new Case Management System.
- Incomplete purchasing and approval steps, manual invoice tracking, and limited staffing continuity contribute to late payments and prompt payment interest.
- Decentralized case tracking and an undefined system end state prevent a single view of case status and workload.

Figure 1. Results at a glance for the Public Utility Commission of Texas, presented as three Opportunities for Efficiency



Opportunities for Efficiency:

The Public Utility Commission of Texas has opportunities to improve efficiency by:

- Establishing a change management framework for the new Case Management System, including an implementation roadmap, success measures, and a transition plan for retiring redundant tracking tools.
- Reassessing the sequence of purchasing and payment activities, defining responsibilities and timeframes for actions outside Accounts Payable, and strengthening training, cross-training, invoice monitoring, and backup coverage.
- Defining the intended end state for case management, including the system of record, the role of the Agency Information System, and centralized reporting of case status, aging, workload, and reasons for delay across the Commission.

Summary of Management's Implementation Plan:

Auditors made a recommendation to address the inefficiency identified during this audit (see Page 9). Management agreed with the recommendation and provided information on the planned implementation of the corrective action (see the Board Management's Implementation Plan starting on Page 9).



Results at a Glance

Office of Public Utility Counsel

Opportunities for Efficiency

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- Approved Market Data Analytics measures focus on activity rather than analytical outcomes, and OPUC does not track consulting costs avoided through internal analyses.
- Case tracking and performance reporting rely on manual compilation across disconnected files, resulting in duplicate entry, rework, and reissued corrected results.

Figure 2. Results at a glance for the Office of Public Utility Counsel, presented as two Opportunities for Efficiency.

Opportunities for Efficiency:

The Office of Public Utility Counsel has opportunities to improve efficiency by:

- Supplementing approved Market Data Analytics measures with internal measures that show how analytical work supports OPUC's statutory responsibilities, and tracking the consulting costs avoided by performing analyses internally.
- Streamlining case tracking and performance reporting through a common source of case and project information, standardized classification of OPUC matters, and documented changes between reported versions, including evaluation of capabilities available in OPUC's existing Microsoft 365 and SharePoint environment.

Summary of Management's Implementation Plan:

Auditors made a recommendation to address the inefficiency identified during this audit (see Page 18). Management agreed with the recommendation and provided information on the planned implementation of the corrective action (see the Board Management's Implementation Plan starting on Page 18).



Section I: Public Utility Commission of Texas



Background

Public Utility Commission of Texas

The Public Utility Commission of Texas (PUCT or the Commission) is the state agency responsible under the Public Utility Regulatory Act (PURA), Texas Utilities Code, Title 2, for regulating the rates and services of electric and telecommunications utilities, and under Texas Water Code Chapter 13 for regulating the rates and services of water and sewer utilities. The Legislature created PUCT in 1975 and transferred economic regulation of water and wastewater utilities from the Texas Commission on Environmental Quality to PUCT in 2013. PUCT's mission is to protect customers, foster competition, and promote high-quality utility infrastructure. Five commissioners appointed to staggered six-year terms govern PUCT, with one commissioner designated as Chairman, and an Executive Director selected by the commissioners manages the agency's staff and daily operations.

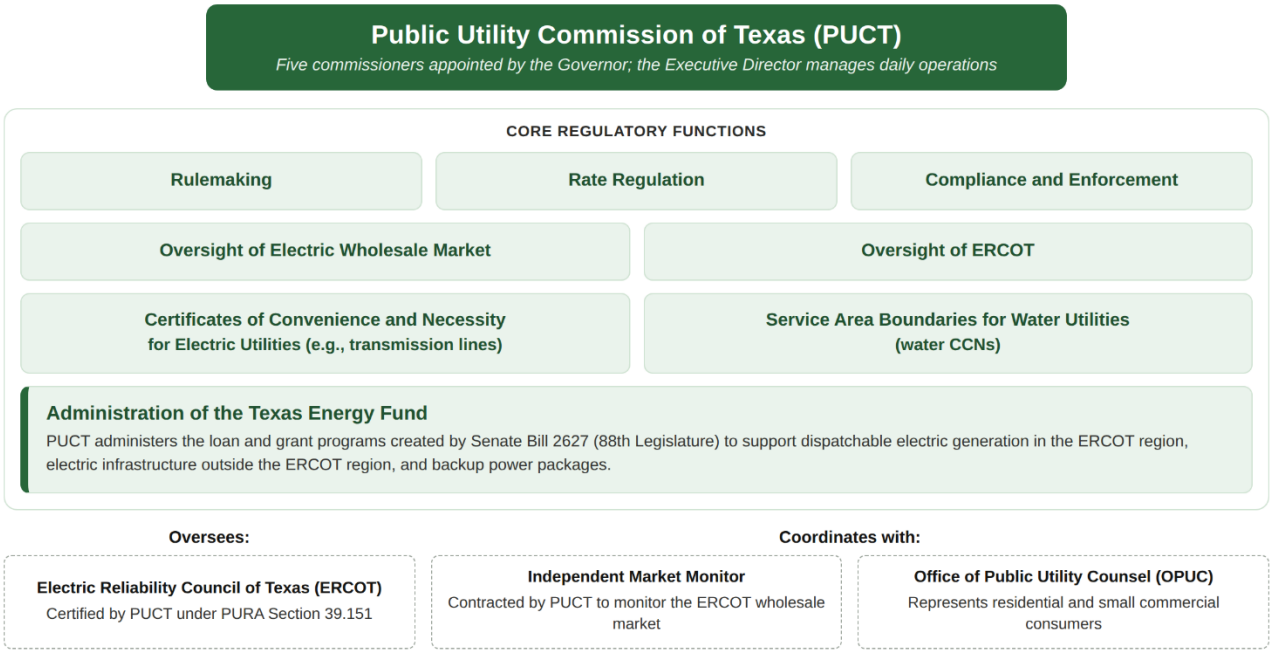


Figure 3. Public Utility Commission of Texas agency overview. Source: Public Utility Commission of Texas; Texas Utilities Code Section 39.151.

PUCT's regulatory and administrative functions are supported primarily through General Revenue, the General Revenue-Dedicated Water Resource Management Account No. 153, and appropriated receipts. PUCT also administers the Texas Energy Fund, which provides loans and grants to support dispatchable electric generation in the ERCOT region, electric infrastructure outside the ERCOT region, and backup power packages. PUCT's fiscal year 2026 operating budget totals approximately $8.35 billion, of which $8.3 billion is Texas Energy Fund authority and approximately $45.9 million is General Revenue and General Revenue-Dedicated funding.



Beyond its direct regulatory functions, PUCT oversees the Electric Reliability Council of Texas (ERCOT), the independent organization PUCT certifies under PURA Section 39.151 to manage the ERCOT power region, which accounts for about 90 percent of the electricity consumed in Texas. ERCOT is a nonprofit corporation that does not own generation or transmission assets and is directly responsible and accountable to PUCT, which has authority to oversee and investigate ERCOT's finances, budget, and operations. PUCT's oversight includes reviewing and approving ERCOT's budget, system administration fee, performance measures, bylaws, and protocols. The PUCT Chairman and a commissioner designated by the Chairman serve as ex officio nonvoting members of ERCOT's 12-member board. PUCT also contracts with an Independent Market Monitor to monitor ERCOT's wholesale electric market.

Public Utility Commission of Texas at a Glance

Electric, telecommunications, and water and sewer utility regulation

346

Full-Time Equivalent Positions

Budgeted, fiscal year 2026

Principal Divisions & Offices

Office of Policy & Docket Management, Consumer Protection, Infrastructure, Legal, Market Analysis, Rate Regulation, Rules & Projects, Compliance & Enforcement, and administrative and support services

Coordinated Entities

ERCOT, Independent Market Monitor, and Office of Public Utility Counsel

ERCOT | Certified by PUCT under PURA Section 39.151. PUCT approves ERCOT's budget, system administration fee, bylaws, and protocols.

Program Footprint

Market competition, utility regulation, enforcement, Texas Energy Fund, and customer assistance

Funding Sources

General Revenue, General Revenue-Dedicated Water Resource Management Account No. 153, and appropriated receipts; Texas Energy Fund

Systems Analyzed

CAPPS and new case management system



Detailed Audit Results

The detailed results are organized as Opportunities for Efficiency, and within each category they are presented in numerical order. The Appendix describes the resource and operational areas evaluated during the audit and the procedures Weaver performed within each area.

Opportunities for Efficiency:

OPPORTUNITY 1

PUCT Should Establish a Change Management Framework for Case Management System Adoption to Retire Duplicate Tracking and Confirm Expected Efficiencies

The Public Utility Commission of Texas (PUCT or Commission) is scheduled to deploy a new Case Management System on October 12, 2026. The system is intended to become the central platform for contested case management, replacing an operating model in which case activity is tracked across disconnected tools.

The Commission has completed significant development work, including collecting feedback from process owners, developing user stories, carrying out system development activities using an agile methodology, and initiating training. Carrying this development work through deployment with defined success measures and a plan for retiring the existing trackers would allow the Commission to confirm the operational efficiencies and show where the system falls short.

The original vision for the system contemplated formal requirements gathering, user acceptance testing, training, implementation, change management, development of key performance indicators, and continuous improvement, along with mandatory adoption, measurement of performance, and use of analytics to drive future enhancements. However, the Commission has not yet put in place the elements needed to manage adoption and confirm results:

- **Implementation roadmap.** Planning remains informal, with no approved roadmap documenting phases, milestones, dependencies, ownership, and success criteria. Future reporting, workload analytics, workflow automation, and integrations remain under development.
- **Requirements traceability.** No process links stakeholder feedback to implemented functionality, testing results, and deployment decisions.
- **Tracker retirement.** No documented strategy addresses retiring the spreadsheets, Outlook reminders, calendars, OneNote files, and Planner boards currently in use.
- **Success measures.** Adoption, efficiency, and workload metrics have not been defined.
- **Post-deployment review.** No management review points are set for evaluating implementation risk and benefits realization after go-live.



- **Testing readiness.** Limited end-user testing was planned immediately prior to deployment, without objective readiness criteria for determining whether the system was sufficiently tested and operationally prepared for production use.

Baseline measures and success criteria would allow the Commission to determine whether the system delivers the operational efficiencies that it was designed to achieve. A documented transition plan would establish when and how each existing tracker is retired, validated, and replaced, ending the duplicate effort the system was built to eliminate. Periodic executive reviews and a post-implementation assessment would confirm whether the system improved workload visibility, reduced manual processes, and eliminated duplicate tracking.

Recommendation

The Commission should:

- Establish a change management, implementation, and benefits realization framework documenting the roadmap for current and future phases, including defined milestones, dependencies, ownership, success criteria, and decision points.
- Develop a requirements traceability process linking stakeholder feedback, business requirements, system functionality, testing results, and deployment decisions, demonstrating that user needs were addressed and validated.
- Inventory all existing spreadsheets, calendars, OneNote files, Planner boards, and other decentralized tracking mechanisms, and establish a documented transition plan defining how and when each legacy process will be retired, validated, and replaced.
- Establish measurable adoption, workload, reporting, and efficiency metrics, conduct periodic executive reviews, and perform a post-implementation assessment to determine whether the system achieved its intended objectives of improving workload visibility, reducing manual processes, eliminating duplicate tracking, enhancing reporting, and increasing operational efficiency.

Management Implementation Plan

PUCT has reviewed the State Auditor's recommendation to establish a Change Management Framework for Case Management System Adoption to retire duplicate tracking and confirm expected efficiencies. PUCT agrees that a Change Management Framework will help identify duplicate tracking of analytics and help confirm expected efficiencies provided by the Case Management System. PUCT-IT Division will work with PUCT subject matter experts and executives to formulate and adopt the framework by the end of the current biennium.

Responsible Party: Information Technology Director

Implementation Date: August 31, 2027



OPPORTUNITY

2

PUCT Should Strengthen Purchasing and Invoice Processing to Improve Payment Timeliness and Reduce Prompt Payment Interest

Limitations in purchasing and approval activities, invoice intake, workload monitoring, and staffing continuity add manual effort to the payment process and reduce the Commission's ability to process vendor payments efficiently. From January 2024 through August 2026, PUCT made 2,918 vendor payments totaling $15.8 million. Of the total payments, 420 invoices, or 14 percent, were paid late causing prompt payment interest of $8,035 to be paid. Those invoices totaled approximately $1.7 million and 11 percent of the dollars paid[1]. Without consistent invoice tracking and cross-training coverage, these limitations slow how quickly invoices move from receipt to payment and contribute to payments falling outside prompt payment requirements (see textbox). Late payments accrue prompt payment interest, funds that are diverted from agency operations and program delivery rather than supporting agency priorities.

PROMPT PAYMENT REQUIREMENTS

Texas Government Code, Chapter 2251, requires state agencies to pay for goods or services within 30 days or the later of the date the goods are received, the services are completed, or a correct invoice is received.

Interest accrues automatically on payments made after the statutory due date and is calculated and applied through the Uniform Statewide Accounting System (USAS).

Source: Texas Government Code, Chapter 2251

Invoice Intake and Receipt Documentation. Invoices reach the Commission through multiple channels, including a shared payables email, individual accounts payable staff emails, individual department staff emails, and physical mail that is scanned by accounting staff. While the Commission established a shared email inbox to centralize receipt, vendors do not consistently submit invoices to that address. Because the receipt date drives the statutory payment due date, inconsistent intake channels and the absence of a standard date-stamping practice limit the Commission's ability to establish and monitor accurate due dates.

Invoice Tracking and Workload Visibility. Accounting staff track invoices in a spreadsheet maintained manually and separate from the Centralized Accounting and Payroll/Personnel System (CAPPS). The invoice date and received date are entered into CAPPS when the voucher is created, however, those fields are not included in the CAPPS report Accounts Payable uses for daily tracking. Staff therefore keep the spreadsheet to monitor information held in CAPPS, entering the same data twice. This uses Accounts Payable capacity in a function affected by staffing constraints and creates two records that can disagree.

[1] Payments made January 3, 2024 through August 31, 2026 per PUCT's expenditure records. Excludes internal cost allocation transfers and prompt payment interest, which the Commission records on separate vouchers. Appropriation year 2024 is partial, as the records provided begin in January 2024. The $8,035 of interest is drawn from PUCT's expenditure records, which assign each charge to the appropriation year of the funding. The annual amounts that follow are the Commission's reported figures, which follow the fiscal year in which the payment was recorded and total $5,891 for appropriation years 2024 through 2026.



The spreadsheet records receipt date, vendor, invoice and purchase order number, assigned accountant, voucher number, and free-text notations, but does not calculate payment due dates, days outstanding, or aging category. Invoice processing status is recorded in narrative notes rather than standardized status fields, limiting consistent monitoring and escalation. The spreadsheet therefore cannot reliably flag and escalate invoices approaching the statutory due date, and past-due invoices may only be identified once the due date has passed. PUCT does not review aging or timeliness reports produced from CAPPS on an ongoing basis to identify inefficiencies during the invoice processing lifecycle.

Approval and Receiving Dependencies. As of August 31, 2026, at least 34 percent of invoices recorded in the tracking spreadsheet had open dependencies outside of Accounts Payable. The spreadsheet notes include invoices awaiting program approval, pending a receiver number, missing a purchase order, and awaiting determination of appropriate or available funding. In a standard purchasing process, purchase orders and funding determinations are generally completed before goods or services are ordered, and receipt is documented when goods or services are delivered. When these steps are not completed before the invoice is received, they must be resolved during the payment period. Delays at these steps reduce the time available to meet the statutory deadline. The Commission has not established escalation thresholds or defined timeframes for completing these escalations.

Staffing Continuity. Invoice processing was intermittently performed by a single position between fiscal years 2023 through 2025 while agency activity and invoice volume increased. Extended reductions in available capacity during that period directly affected processing timeliness, and the process did not include cross-training, documented procedures, or a secondary review that would allow work to be redistributed or delays to be identified independently. The Commission added a second position in December 2024, initially on a temporary basis, and has experienced continued turnover in the function.

Late Payments and Interest Paid. Of the 2,198 vendor payments made during this period, 420, or 14 percent, carried prompt payment interest, which is assessed when a payment is made after the statutory due date[2]. Interest paid has increased each year, from $485 in appropriation year 2024 to $2,261 in 2025, and $3,145 through July 22, 2026, which is now 39 percent above the 2025 total. Interest continued to rise after a second position was added in December 2024, indicating that additional staffing alone did not prevent late payments. Standardized procedures, routine aging reporting, defined escalation timeframes, and cross-trained coverage would strengthen the Commission's ability to identify and address delays before interest accrues.

[2] Comptroller expenditure object 7806, Prompt Payment Interest, is calculated automatically and accrues from the first day a payment is late. Each charge is calculated on a late item within a payment.



Recommendation

The Commission should:

- Reassess the sequence of purchasing and payment activities to ensure requisitions are approved, purchase orders are issued, and funds are encumbered at the appropriate points before goods or services are acquired.
- Establish defined responsibilities and expected timeframes for purchasing, receiving, approval, and funding actions performed outside Accounts Payable, along with escalation procedures for items that exceed those timeframes.
- Provide training, as needed, to purchasing, Accounts Payable, and relevant program staff on the end-to-end purchasing and payment process, including how their responsibilities affect payment timeliness.
- Develop and maintain written procedures for each stage of the purchasing and payment process, and establish cross-training and backup coverage to maintain continuity during vacancies, turnover, and extended absences.
- Standardize invoice intake channels and the documentation of invoice receipt dates.
- Coordinate with the CAPPS administrator to determine if reports can be developed to show invoice dates, receipt dates, days outstanding, aging, and processing status, to reduce reliance on the separate tracking spreadsheet and support routine management review.
- Periodically evaluate payment timeliness and prompt payment interest to assess the effectiveness of implemented improvements.

Management Implementation Plan

PUCT has reviewed the State Auditor's recommendation and agrees with this finding. PUCT will work to reassess its internal processes, define responsibilities and timeframes for purchasing and payment processing activities inside and outside of the division, and improve cross-training, monitoring, and backup coverage.

Responsible Party: Financial Resources Director

Implementation Date: July 1, 2027



OPPORTUNITY 3

Case Tracking is Decentralized Limiting Visibility of Status, Aging, or Workload

PUCT manages an end-to-end case process spanning approximately 1,000 cases across multiple functions, and no single system or tracking tool holds that caseload:

- The Office of Policy and Docket Management tracks cases through spreadsheets and Microsoft Planner.
- Additionally, the Office of Policy and Docket Management uses spreadsheets for intake and judge assignment.
- Judges work from individual OneNote files or Outlook and paper calendars.
- Legal, Rate Regulation, and Infrastructure check the Agency Information System daily, assigns cases by email, and maintains a separate director-level deadline spreadsheet with a single section manager as backup.

AGENCY INFORMATION SYSTEM

AIS is PUCT's system for receiving, storing, and accessing documents filed in regulatory proceedings. Known externally as the PUCT Interchange Filer, it organizes proceedings by assigned docket or control numbers and maintains case classifications and closure information used in performance reporting. A single docket may contain numerous filings, including applications, testimony, motions, and orders. AIS supports access to these records.

Source: PUCT

Each division involved in the contested case process maintains an individual tracking mechanism. One individual calendar clerk within Legal maintains procedural deadlines via Outlook invitations for Legal, Rate Regulation, and Infrastructure. Internal deadlines for these divisions are monitored by individual staff members and their supervisors. Office of Policy and Docket Management maintains their own separate procedural objectives and deadlines. Information needed to manage cases is distributed across these tools and cannot be viewed or reported from a single source.

Because no single system of record exists, aging, next action, and other case management information cannot be reported without manual reconciliation. Additionally, cases carrying no statutory deadline do not have a systematic prioritization trigger. The Commission recognizes the condition and has work underway. The Case Management System addressed in Opportunity 1 is intended to become the central platform for contested case management and support internal workflow and caseload oversight.

However, the end state has not been established. PUCT has not formally identified which legacy trackers will be retired at deployment. Designating the new system as the single system of record, evaluating how the Agency Information System will support the new Case Management System, retiring the trackers the new system replaces, and establishing case reporting that shows status, aging, next action, and reason for delay would give management a view of the full caseload and free the capacity now spent maintaining parallel tools.



Recommendation

As part of implementing the Case Management System, PUCT should:

- Evaluate the planned Case Management System against the end-to-end tracking and coordination needs of all participating functions, including case assignment, deadline monitoring, handoffs, notifications, and management reporting.
- Determine and document the intended case-management end state, including the system of record, legacy trackers to be retired, distribution of case-related dates and deadlines, and centralized reporting of case status, assignments, workload, aging, next action, and reasons for delay. Identify activities and tools that will remain outside the system and establish coordinated processes to reduce duplicate effort and maintain visibility across the full caseload.
- Evaluate how AIS docket information and incoming filings will support the new Case Management System, including opportunities to automate case creation and notifications and reduce duplicate data entry. Base the extent of integration on operational needs, expected efficiency gains, and implementation cost while maintaining consistent docket information and access to relevant filed records.
- Document implementation timelines and interim processes, including how information maintained across AIS, the Case Management System, and any remaining tracking tools will be coordinated to avoid duplicate entry and maintain consistent case information.
- Define aging thresholds or review criteria for cases without statutory deadlines to support periodic management review.

Management Implementation Plan

PUCT has reviewed the State Auditor's finding that case tracking is decentralized with no management view of status, aging, or workload. PUCT agrees with this finding, and further notes that PUCT's current Case Management project is expected to address these issues.

Once the system is fully operational this fiscal year, PUCT will review this finding to be sure all the recommendations have been addressed by the new system, and that usage of this system and the role of the Agency Information System (AIS) interchange are clearly defined.

Responsible Party: Information Technology Director

Implementation Date: August 31, 2027



Section II: The Office of Public Utility Counsel



Background

Office of Public Utility Counsel

The Office of Public Utility Counsel (OPUC) is a Texas state agency created by the Legislature in 1983 to represent the interests of residential and small commercial consumers, as a class, in utility proceedings in Texas. Under Texas Utilities Code Chapter 13, OPUC represents these consumers in electric, water, wastewater, and telecommunications cases and projects before PUCT, the State Office of Administrative Hearings, ERCOT, and state and federal courts, and provides consumer information and assistance. OPUC is led by a Chief Executive and Public Counsel who also serves as an ex officio voting member of the ERCOT board representing residential and small commercial consumer interests.

Office of Public Utility Counsel at a Glance

Representation of residential and small commercial utility consumers, as a class, in utility proceedings

28 **Full-Time Equivalent Positions** Fiscal year 2026 FTE cap, including three positions added for Market Data Analytics	**4** **Utility Sectors Represented** Electric, water, wastewater, and telecommunications	**Coordinated Entities** Public Utility Commission of Texas, State Office of Administrative Hearings, ERCOT, Texas Reliability Entity, and Texas Energy Reliability Council
85 **Contested Cases** Fiscal year 2025	**39** **Policymaking Projects** Fiscal year 2025 rulemaking, policy, and standing projects	**$2.1B** **Reported Bill Savings** Fiscal year 2025 current year bill savings

Chief Executive and Public Counsel | Appointed by the Governor to lead the agency.

ERCOT Board Participation | The Public Counsel serves as an ex officio voting member of the ERCOT board, representing residential and small commercial consumer interests.

Program Footprint Participation in contested cases, rulemakings, and projects before PUCT, the State Office of Administrative Hearings, ERCOT, and the courts, and consumer information and assistance	**Funding Sources** General Revenue and General Revenue: fiscal year 2026 estimated budget of $5.27 million	**Systems and Tools Analyzed** Case Management Logs, litigation SharePoint drive, quarterly activity listings and calculation spreadsheets, docket hours spreadsheets, PUCT Interchange, and ABEST



Detailed Audit Results

The detailed results are organized as Opportunities for Efficiency, and within each category they are presented in numerical order. The Appendix describes the resource and operational areas evaluated during the audit and the procedures Weaver performed within each area.

Opportunities for Efficiency:

OPPORTUNITY 1

OPUC Should Enhance Market Data Analytics Measures to Show Outcomes of Its Investment

Texas Senate Bill 1877, 89th Legislature, expands the statutory authority of the Office of Public Utility Counsel (OPUC) to request and receive critical electricity market data. OPUC's appropriation increased by approximately $1.2 million from the annual General Revenue fund to add three additional FTEs to establish OPUC's internal Market Data Analytics function and develop the internal capability to access, process, and analyze this information in support of its consumer advocacy responsibilities.

OPUC has established measures of analytics activity and utilization that take effect in fiscal year 2028. Those measures report the level of activity performed rather than the results achieved, and OPUC does not track the analyses it now performs internally that previously required outside support. Adding outcome measures while the function matures would allow OPUC to show how its analytical work supports consumer advocacy and to identify the costs avoided by performing that work internally.

Market Data Analytics Purpose

Texas Utilities Code §13.003 requires OPUC to assess the effect of utility rate changes and other regulatory actions on residential consumers. Senate Bill 1877, 89th Legislature, effective September 1, 2025, expanded OPUC's authority to request and receive electricity-market data related to reliability, generation resource adequacy, long-term transmission planning, and transmission and distribution system resiliency.

Sources: Texas Utilities Code, Section 13.003; Senate Bill 1877, 89th Legislature; and OPUC.

Performance Measurement

OPUC's fiscal year 2028-2029 Legislative Appropriations Request states that its internal analytics capability has improved the agency's ability to advocate for residential and small commercial consumers in policy projects, citing OPUC project filings and policy discussions as evidence. OPUC has established measures related to utilization of data analytics expertise and projects completed, which report activity rather than results.



OPUC does not have a planned measure showing how analytical work contributes to its statutory responsibility to assess the effects of utility rate changes and regulatory actions on residential consumers. An outcome measure could report whether analytics-supported work helped OPUC assess or quantify those effects.

Value of Internal Analytical Capability

Before establishing the Market Data Analytics function, OPUC relied on external consultants or third-party analyses for certain analytical needs, and in some cases did not perform analyses because the capability was unavailable. OPUC does not identify which analyses would otherwise have required external support, quantify avoided consulting costs, or otherwise measure the value of performing this work internally. Tracking this information would show what the internal capability returns against its cost.

Recommendation

OPUC should consider:

- Supplementing its approved Market Data Analytics measures with internal measures that show how analytical work contributes to OPUC's statutory responsibility to assess the effects of utility rate changes and regulatory actions on residential consumers. Examples include the number of OPUC filings, testimony, or positions supported by internal analysis, and the consumer impacts that analysis quantified.
- Tracking analyses performed internally that would otherwise have required outside experts or third-party support, and estimate the associated consulting costs avoided.

Management Implementation Plan

OPUC appreciates the need for accurate and complete performance metrics to demonstrate how the Market Data Analytics team (MDA) contributes to the agency's mission. That is why OPUC has worked closely with the Texas Legislative Budget Board (LBB) to develop MDA's FY 2028-2029 performance metrics. The audit recognizes OPUC has established measures of analytics activity and utilization that take effect in fiscal year 2028 but recommends OPUC (1) consider tracking analyses performed internally that would otherwise have required outside experts or third-party support and (2) estimate the associated consulting costs avoided.



With respect to contested cases before the Public Utility Commission of Texas, OPUC's MDA does not work on litigated cases and therefore would not be able to quantify the number of OPUC case testimonies that the data analytics team supported or filed. As for rulemaking, prior to the MDA's inception, OPUC did not engage consultants to analyze market data. Instead, OPUC relied on market data testimony publicly available from other parties to inform and supplement its policy arguments in rulemaking. The MDA has enabled the agency to advocate on behalf of residential and small commercial customers through a new vector. In the absence of historical data on market data consulting, OPUC would likely need to procure a consulting service to accurately estimate the value of the analyses undertaken by the MDA comparable to a private-sector equivalent, since such information is not publicly available. Given that OPUC would not have participated to the degree that it has absent the MDA, OPUC questions whether the number of projects in which the MDA participates would, in and of itself, provide for a sufficient measure.

OPUC will work with LBB to determine how to implement this recommendation.

Responsible Party: Chief Executive & Public Counsel

Implementation Date: January 11, 2027

OPPORTUNITY 2

Case Tracking and Performance Reporting Rely on Manual Compilation, Resulting in Rework and Correction of Reported Results

OPUC tracks its litigation and policy work across separate, individually maintained documents rather than through a common source of case and project information. Case and project information is recorded in individual Case Management Logs, quarterly proceedings listings and narratives, the litigation team's SharePoint drive, Word documents, the OPUC calendar, and detailed personal trackers maintained by senior attorneys. OPUC has documented the steps staff follow to roll these files forward each quarter. However, the files are not linked, so the information used to report performance measures is re-entered and recalculated manually for each period. For fiscal year 2026, the supporting files for the first three quarters were reissued as corrected versions. These practices present an opportunity for OPUC to reduce duplicate entry and reporting rework while improving visibility over case activity and agencywide workload.

Case Management Log (CML)

The form OPUC uses to evaluate and document participation in a case or project and to record its opening and closure, subject to Public Counsel approval. It is prepared as a narrative rather than a data record.

Quarterly Proceedings Update

The periodic update of case and project status prepared by assigned staff, reviewed by the Deputy Public Counsel or a senior Assistant Public Counsel, and approved by the Public Counsel

Source: OPUC



Current practices add manual effort in four key areas:

Record Design. The Case Management Log (CML) is the form OPUC's fiscal year 2026 procedures designate to open and close proceedings. When a proceeding is opened, attorney hours, expert hours, and projected costs, are entered manually as free-form text within the CML. The data needed for reporting is kept outside the CML; the date OPUC intervened is recorded in the quarterly proceedings listing, and the competition-related and resource-related classification is assigned once a year in a separate Outcomes report. Actual staff time is recorded monthly on docket-hour sheets, by proceeding and by week. The quarterly hours workbook then reduces that detail to one total per employee. As a result, OPUC estimates the cost of each proceeding when it is opened but does not keep actual effort in a format that shows the cost or workload of an individual case or project, or that allows comparison against the original projection.

Workflow and Visibility. Senior attorneys maintain individual trackers to monitor case activity in detail, and case assignments are kept in a separate Word document. No consolidated view exists across open proceedings, assigned staff, status, and upcoming deadlines. Management's view of agencywide workload therefore depends on individual trackers and a quarterly update rather than current information from a common source.

Reporting and Performance Measurement. OPUC compiles its performance measures by hand across several spreadsheets. Each quarter, staff type hourly rates, hours, expert costs, and case and project counts from separate source files into the Hours Workbook and Calculation Sheets.

The rates and counts used are not linked to their sources, and the quarterly instructions do not say how to classify internally numbered OPUC matters.

As a result, errors are caught late and fixed by reissuing files. In the fiscal year 2026 support we reviewed, one attorney's hourly rate differed between the case and project tabs of the same first-quarter workbook. Additionally, we identified an expert cost reported in fiscal year 2026 that was counted towards case costs in one quarter and project costs in the next. The case count carried into the third quarter did not match the prior quarter's active and closed totals.

Change Tracking and Auditability. Corrections are shown by reissued, re-signed versions of the quarterly files rather than by an automated change history. Without a record of what changed, when, and why, OPUC cannot easily trace differences between versions, reconstruct record history, and validate reported information. For example, documentation supporting the input data and sign off of reported fiscal year 2026 performance measures included multiple versions labeled "corrected. We identified inconsistencies in the year-to-date amounts reported in an earlier version, which included only the second quarter's expert costs rather than the full year-to-date costs. The first and second-quarter reports submitted to the Automated Budget and Evaluation System of Texas (ABEST) are also labeled corrected.



Opportunities to Leverage Existing Information Technology: OPUC's fiscal year 2026 – 2027 and 2028 – 2029 Legislative Appropriations Requests state that the agency does not plan to implement any new information technology projects in the next biennium. OPUC already operates within a Microsoft 365 and SharePoint environment, which may provide options to streamline existing tracking and reporting practices. Evaluating these capabilities could help OPUC identify practical improvements and determine the implementation support, licensing, or other resources needed to reduce duplicate entry, improve workflow visibility, and maintain shared records through staff transitions.

Recommendation

OPUC should evaluate options to streamline its existing case tracking and performance reporting processes, reducing duplicate data entry, reporting rework, and the risk of errors in reported results. Management should consider:

- A common source of core case and project information, covering identifiers, assigned staff, status, key dates, and the classifications used for reporting, and whether existing individual trackers can be consolidated or retired.
- Standardizing how OPUC matters are classified for reporting and linking recurring calculations to their source data where practical.
- Who maintains shared information and reviews reporting inputs, and how changes between versions of reported results are recorded.
- Whether capabilities already available in OPUC's Microsoft 365 and SharePoint environment, such as shared lists, standardized entry forms, or reporting drawn from common source data, could support these improvements without new procurements.

Management Implementation Plan

OPUC appreciates the recommendation to streamline its internal reporting and case/project tracking. While it has concerns as to version control, it is receptive to employing a case tracking platform if one can be affordably licensed. OPUC will work with Texas Department of Information Resources (DIR) to find a qualified vendor that provides this type of software and coordinate with LBB and the Legislature to obtain appropriate funding to accomplish the objectives outlined in Recommendation 2. In the meantime, OPUC will explore utilizing existing tools to accomplish the objectives outlined in the recommendation.

Responsible Party: Chief Executive & Public Counsel

Implementation Date: September 1, 2027



APPENDIX

Objective, Scope, and Methodology

Objective

The objective of this efficiency audit was to determine whether the Public Utility Commission of Texas (PUCT) and Office of Public Utility Counsel (OPUC) are administering selected state resources in an efficient manner according to best practices and applicable requirements.

Scope

The scope of this audit covered PUCT's and OPUC's fiscal year 2023 through fiscal year 2026 administration of their statutory programs, as well as their use of state resources for governance, workforce, workspace, personal property, information technology, procurement, performance reporting, and reporting relationships during that period. The scope also included PUCT's oversight of ERCOT, the independent organization PUCT certifies for the ERCOT power region under Texas Utilities Code Section 39.151. Internal control was not significant to the audit objective.

Methodology

We conducted this performance audit from March 2026 through September 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Addressing the Audit Objective

To gather information necessary to perform the audit procedures, we:

- Interviewed and conducted walkthroughs with PUCT and OPUC leadership, program managers, and process owners to gain an understanding of PUCT's and OPUC's functions, activities, and processes.
- Identified the relevant criteria:
    - Texas Utilities Code, Title 2, Public Utility Regulatory Act (Public Utility Commission of Texas)
    - Texas Water Code Chapter 13 (Water Rates and Services)



  - Texas Utilities Code Chapter 13 (Office of Public Utility Counsel)
  - Texas Utilities Code Section 39.151 (Essential Organizations; Electric Reliability Council of Texas)
- Reviewed PUCT's and OPUC's statutory responsibilities, organizational structures, strategic plans, appropriations, and recent legislation, and PUCT's oversight of ERCOT, to assess alignment among mandates, program activities, goals, and resources and determine the implementation status of new or modified mandates.
- Analyzed expenditures, budget-to-actual results, staffing trends, and program risks to identify areas for additional review.

Procedures Performed by Resource Area

To address the resource areas prescribed by Texas Government Code, Chapter 327, we performed the work described below within each area.

Strategic Planning

We evaluated whether PUCT's and OPUC's missions, goals, strategies, and reported performance measures aligned with their statutory responsibilities. For PUCT, we evaluated the Fiscal Year 2027 to 2031 Strategic Plan and the Fiscal Year 2028 to 2029 Legislative Appropriations Request, including the 43 performance measures in the strategic plan budget structure. For OPUC, we evaluated the current Strategic Plan, the most recent Legislative Appropriations Request, and the most recent Annual Report to determine whether major agency activities remained aligned with OPUC's statutory mission of representing residential and small commercial consumers.

Financial Resources

For PUCT, we reviewed how operating expenses, travel, supplies, and other non-salary costs are pooled and allocated across divisions, how management monitors budget variances and category deficits, and how budget adjustments are made through manual reallocations. We also reviewed Prompt Payment reports for fiscal years 2024 through 2026, expenditure reports for appropriation years 2024 through 2026, fiscal year 2026 payment data and the invoice tracker, and voucher packets for a sample of invoices.

For OPUC, we reviewed expert witness purchase order logs for fiscal years 2024 through 2026, the Fiscal Year 2026 Experts report, and expert witness contracts and invoices. We also reviewed the docket hour, hourly salary rate, and quarterly calculation records supporting the Average Cost per Utility Case and Average Cost per Utility Project measures.



Operations

For PUCT, we evaluated:

- Case intake, assignment, and tracking across the Office of Policy and Docket Management, Legal, and Rate Regulation.
- Implementation planning and governance for the case management system in development.
- Accounts Payable invoice intake, tracking, approval dependencies, and payment timeliness.
- Rate case processing timelines against agency targets and statutory order deadlines.
- Utility Outreach and Public Engagement, including retrieval and digitization of physical records received from TCEQ.
- The Consumer Protection complaint process, Infrastructure's water and sewer CCN mapping review process, and Texas Energy Fund administration.

For OPUC, we evaluated:

- Intervention selection and prioritization, the case lifecycle from intervention through closure, how expert witnesses are procured, approved, and monitored, the Market Data Analytics function, and procurement and contract administration against OPUC's Fiscal Year 2026 Purchasing and Contract Management Procedure.
- We also gained an understanding of OPUC's participation in ERCOT governance and stakeholder activities, including the Public Counsel's role on the ERCOT Board of Directors.

For both agencies, we reviewed prior internal audit reports and the November 2022 Sunset Advisory Commission review to identify prior findings and assess the status of related recommendations.

Personal and Real Property

For PUCT, we reviewed usable square footage and the Physical Inventory for fiscal years 2023 through 2025. We assessed how complete the asset location records were, how consistent property identification numbers were across fiscal years, and whether lease costs across locations were periodically reviewed. For OPUC, we reviewed the Fiscal Year 2025 TFC Space Needs Assessment, the Suite 9-180 floor plan in the state-owned William B. Travis Building, the Property Inventory for fiscal years 2023 through 2025, and the Fiscal Year 2026 laptop inventory listing.

Technology

For PUCT, we evaluated the Agency Information System, the PUCT Interchange, the case management system scheduled for deployment on October 12, 2026, CAPPS and the separate invoice tracking spreadsheet, the Salesforce environment supporting the Texas Energy Fund, and the Water Utility Database.



We also reviewed PUCT's software listing. For OPUC, we evaluated the agency's software listing, its Microsoft 365 and SharePoint environment used for case tracking, and the Excel and Word files used to track cases and compile performance measures.

Staffing

For PUCT, we analyzed Accounts Payable staffing and turnover against invoice volume from fiscal year 2023 through fiscal year 2026. We also looked at staff concentration and key-person dependencies in Legal, Rate Regulation, and Utility Outreach, and at the staff time spent keeping separate case trackers. For OPUC, we reviewed the State Auditor's Office workforce summary of FTEs, turnover, and salaries, the organizational chart, and the Continuity of Operations Plan. We used these to assess attorney recruitment and retention, key-person dependencies, and backup coverage for critical administrative functions.

Performance Measures and Reporting

We evaluated whether PUCT's and OPUC's performance measures reported in their Strategic Plans and Legislative Appropriations Requests (LARs) aligned with statutory mandates and program activities and assessed whether related reports were fairly presented and contained useful information.

Data Reliability

The reliability of the data used to support each result was assessed. The data was determined to be sufficiently reliable for the objective. The following data sources were relied upon, and each was reconciled or reviewed as appropriate:

- PUCT Prompt Payment reports for fiscal years 2024 through 2026 and expenditure reports for appropriation years 2024 through 2026, analyzed to identify late payments and prompt payment interest and reviewed against invoice payment data and voucher packets for sampled invoices.
- PUCT invoice tracking spreadsheet and Fiscal Year 2026 payment data, used to select a random sample of invoices. We recalculated the statutory due date for each against the voucher printouts from CAPPS and reviewed open items as of August 31, 2026.
- PUCT Fiscal Year 2025 Performance Measures Report, as reported in the Automated Budget and Evaluation System of Texas (ABEST), reconciled to the Fiscal Year 2028 to 2029 Legislative Appropriations Request and the Fiscal Year 2027 to 2031 Strategic Plan.
- OPUC performance measure support for Number of Utility Court Cases, Average Cost per Utility Case, and Number of Utility Projects, including quarterly listings, docket hour and hourly salary rate spreadsheets, and quarterly calculation sheets.