



PUBLIC SERVICE COMMISSION

BUSINESS, ECONOMIC DEVELOPMENT & LABOR APPROPRIATIONS SUBCOMMITTEE
STAFF: ZACKERY KING

BUDGET BRIEF

SUMMARY

The Public Service Commission ensures safe, reliable and adequate utility service. It conducts hearings and investigations of utility company operations in order to determine just and reasonable rates for service. The Commission's goals are efficient, reliable, reasonably-priced utility service for customers, and maintenance of financially healthy utility companies. These goals are generally attained through the regulatory decisions the Commission makes in each formal case.

The Public Service Commission's budget breaks down into three line items. These are listed below with each line item's respective programs:

- Public Service Commission
 - Administration
 - Building Operations and Maintenance
 - Energy Independent Evaluator
- Speech and Hearing Impaired
- Universal Telecommunication Support Fund

Additional detail on these line items and programs is contained in the Compendium of Budget Information: http://le.utah.gov/lfa/reports/cobi2012/agcy_700.htm

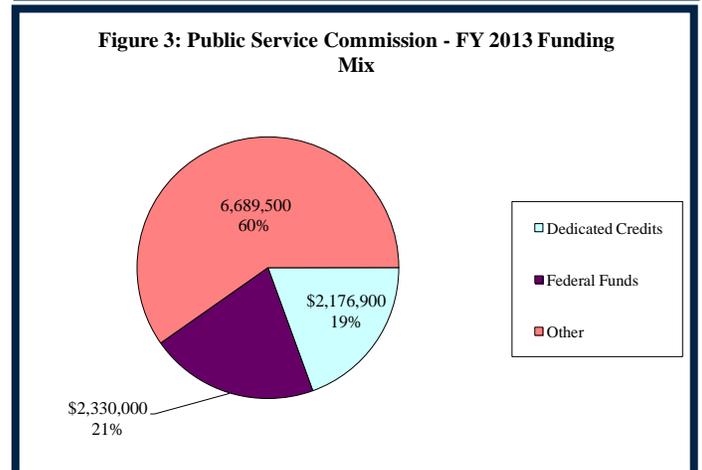
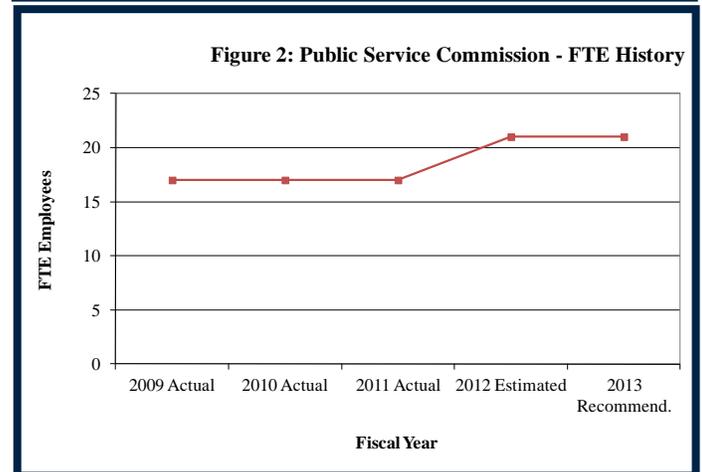
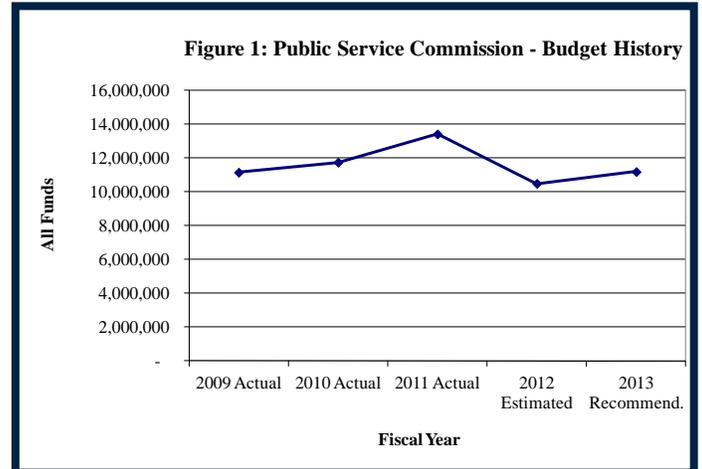
ISSUES AND RECOMMENDATIONS

Budget Adoption

For the Public Service Commission, the Fiscal Analyst recommends an FY 2013 budget of \$11,196,400.

The line item breakdown is as follows (please refer to the budget detail tables in pages 4 and 5 for additional information):

- Public Service Commission - \$3,939,900
- Speech and Hearing Impaired - \$1,871,500
- Universal Telecommunications Support Fund - \$5,385,000



Intent Language

The Public Service Commission has requested the following intent language for FY 2012:

Under Section 63J-1-603 the Legislature intends that appropriations provided for the Public Service Commission in Item 36, Chapter 1, Laws of Utah 2011, not lapse at the close of Fiscal Year 2012. The use of any nonlapsing funds is limited to maintenance, upgrades, and licensing for the Public Service Commission's document management system, computer equipment and software upgrades, employee training and incentives, and special projects/studies.

The Fiscal Analyst recommends the subcommittee consider intent language authorizing the Public Service Commission nonlapsing authority for FY 2012. (See the *Document Management System* section below for more details)

Federal Funds

The Fiscal Analyst recommends the subcommittee approve federal funds for the Public Service Commission as shown in the issue brief titled "Business, Economic Development, and Labor: Federal Funds."

Administration Building Block Request

The Fiscal Analyst recommends the subcommittee forward to the Executive Appropriations Committee for further consideration, an ongoing increase of \$109,000 to the Commerce Service Fund for salary and benefit costs of one FTE at the Public Service Commission. The Governor has recommended this request.

The Fiscal Analyst further recommends the subcommittee consider forwarding to the Executive Appropriations Committee for further consideration, the Public Service Commission's full request of \$218,500 ongoing funding from the Commerce Service Fund for two FTEs beginning FY 2013.

Current funding for these two positions comes from the Department of Energy ARRA Grant (DOE). If approval is given, Public Utility Regulatory Fees (PURF) will be used to fund salary and benefit costs for both positions.

Document Management System

Document Management System is now being used by the Public Service Commission. PSC will still have ongoing maintenance and training costs with the system. PSC is required to make an annual payment for maintenance costs by the end of fiscal year 2012. There may be additional training and update costs for Fiscal 2012. We have not expended the \$35,000 at this time but as mentioned above, ongoing maintenance payments, upgrades and training costs will be paid before the end of FY 2012.

Governor's Recommendations

The Public Service Commission submitted one building block request for the 2012 General Session. The Governor's budget recommended partial funding for the request.

<u>Name</u>	<u>Requested</u>	<u>Governor's Recommendation</u>
Administration	\$218,500 ongoing Restricted	\$109,000 ongoing Restricted Fund

BUDGET DETAIL TABLES

Public Service Commission						
	FY 2011	FY 2012		FY 2012		FY 2013*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Recommended
American Recovery and Reinvestm	1,021,900	1,864,500	35,500	1,900,000	430,000	2,330,000
Dedicated Credits Revenue	92,000	112,500	88,700	201,200	0	201,200
GFR - CSF - PURF	1,959,500	1,991,700	24,600	2,016,300	(607,600)	1,408,700
Transfers	29,500	0	0	0	0	0
Beginning Nonlapsing	100	0	35,000	35,000	(35,000)	0
Closing Nonlapsing	(35,000)	0	0	0	0	0
Lapsing Balance	(17,500)	0	0	0	0	0
Total	\$3,050,500	\$3,968,700	\$183,800	\$4,152,500	(\$212,600)	\$3,939,900
Programs						
Administration	2,932,800	3,841,500	83,800	3,925,300	(212,600)	3,712,700
Building Operations and Maintenanc	27,100	27,200	0	27,200	0	27,200
Energy Independent Evaluator	90,600	100,000	100,000	200,000	0	200,000
Total	\$3,050,500	\$3,968,700	\$183,800	\$4,152,500	(\$212,600)	\$3,939,900
Categories of Expenditure						
Personnel Services	1,852,200	1,465,100	568,600	2,033,700	0	2,033,700
In-state Travel	900	1,900	(400)	1,500	0	1,500
Out-of-state Travel	19,100	40,400	(6,400)	34,000	5,200	39,200
Current Expense	1,125,700	2,417,000	(393,600)	2,023,400	(217,800)	1,805,600
DP Current Expense	52,600	44,300	15,600	59,900	0	59,900
Total	\$3,050,500	\$3,968,700	\$183,800	\$4,152,500	(\$212,600)	\$3,939,900
Other Data						
Budgeted FTE	17.0	21.0	0.0	21.0	0.0	21.0
Actual FTE	17.3	0.0	0.0	0.0	0.0	0.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

Public Service Commission - Speech and Hearing Impaired						
	FY 2011	FY 2012		FY 2012		FY 2013*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Recommended
Dedicated Credits Revenue	1,098,400	1,037,600	936,600	1,974,200	1,500	1,975,700
Beginning Nonlapsing	1,114,100	542,200	519,600	1,061,800	299,400	1,361,200
Closing Nonlapsing	(1,061,800)	(453,800)	(907,400)	(1,361,200)	(104,200)	(1,465,400)
Total	\$1,150,700	\$1,126,000	\$548,800	\$1,674,800	\$196,700	\$1,871,500
Programs						
Speech and Hearing Impaired	1,150,700	1,126,000	548,800	1,674,800	196,700	1,871,500
Total	\$1,150,700	\$1,126,000	\$548,800	\$1,674,800	\$196,700	\$1,871,500
Categories of Expenditure						
Personnel Services	2,100	0	2,200	2,200	0	2,200
In-state Travel	21,600	24,300	1,500	25,800	100	25,900
Out-of-state Travel	2,000	3,100	(600)	2,500	200	2,700
Current Expense	1,123,700	1,098,600	544,200	1,642,800	196,400	1,839,200
DP Current Expense	1,300	0	1,500	1,500	0	1,500
Total	\$1,150,700	\$1,126,000	\$548,800	\$1,674,800	\$196,700	\$1,871,500

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

Public Service Commission - Universal Telecommunications Support Fund

	FY 2011	FY 2012		FY 2012		FY 2013*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Recommended
Universal Public Telecom Service Fund	5,693,400	4,996,500	(24,600)	4,971,900	607,600	5,579,500
Beginning Nonlapsing	4,460,200	2,978,500	(2,046,900)	931,600	299,600	1,231,200
Closing Nonlapsing	(931,600)	(1,509,300)	278,100	(1,231,200)	(194,500)	(1,425,700)
Total	\$9,222,000	\$6,465,700	(\$1,793,400)	\$4,672,300	\$712,700	\$5,385,000
Programs						
Universal Telecom Service Fund	9,222,000	6,465,700	(1,793,400)	4,672,300	712,700	5,385,000
Total	\$9,222,000	\$6,465,700	(\$1,793,400)	\$4,672,300	\$712,700	\$5,385,000
Categories of Expenditure						
Other Charges/Pass Thru	9,222,000	6,465,700	(1,793,400)	4,672,300	712,700	5,385,000
Total	\$9,222,000	\$6,465,700	(\$1,793,400)	\$4,672,300	\$712,700	\$5,385,000

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

SUMMARY OF RECOMMENDATIONS

The Fiscal Analyst recommends the Legislature:

1. Approve the FY 2013 recommended budget of \$11,196,400 for the Public Service Commission as outlined on page 1 and detailed in the budget detail tables for each line item on pages 3 and 4.
2. Consider intent language authorizing nonlapsing authority to the Public Service Commission for the purposes outlined on page 2.
3. Approve federal funds for the Public Service Commission as referenced on page 2 and contained in the issue brief titled "Business, Economic Development, and Labor: Federal Funds."
4. Forward to the Executive Appropriations Committee for further consideration, the Governor's recommendation for a \$109,000 ongoing restricted fund increase for one FTE, and consider the Public Service Commission's full request of \$218,500 in ongoing restricted funds, as outlined on page 2.