

FINANCIAL-COMPLIANCE AUDIT
Department of Public Service Regulation
For the Two Fiscal Years Ended June 30, 2012

DECEMBER 2012

12-26

REPORT SUMMARY

The Department of Public Service Regulation (department) is responsible for assuring the public receives safe, adequate, and economical utility and transportation services at just and reasonable rates under the direction of the Public Service Commission.

Context

In addition to assuring safe, adequate, and economical utility and transportation services, the department regulates certain public utilities, motor carriers, railroads, and pipelines within the state, and performs safety inspections of regulated activities under the direction of the Public Service Commission. The department’s operating activity is subject to state regulation and grants received are subject to federal regulation.

The department is comprised of the Regulatory Division, Centralized Services Division, and Legal and Consumer Division. The department has 43 full-time equivalent (FTE) positions that include the five Commissioners and a Communications and Research Director. Commissioners are elected by district to serve four-year terms.

Most department funding comes from a tax on the gross operating revenue of regulated companies collected by the Department of Revenue. In fiscal year 2011 and 2012, this tax brought in \$4.2 million and \$3.5 million in revenue, respectively. The department also received federal grant funding of \$240,661 and \$184,888 in fiscal years 2011 and 2012, respectively.

Results

We audited the fiscal years 2010-11 and 2011-12 financial schedules and tested compliance with state laws and federal regulations. No findings resulted from our audit, and we make no recommendations to the department. The previous two audits also resulted in no recommendations to the department.

Recommendation Concurrence	
Concur	0
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

For a complete copy of the report (12-26) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>
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