

The Legislative Fiscal Division Presents an Agency Profile of: The Public Service Regulation

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Definition of Terms

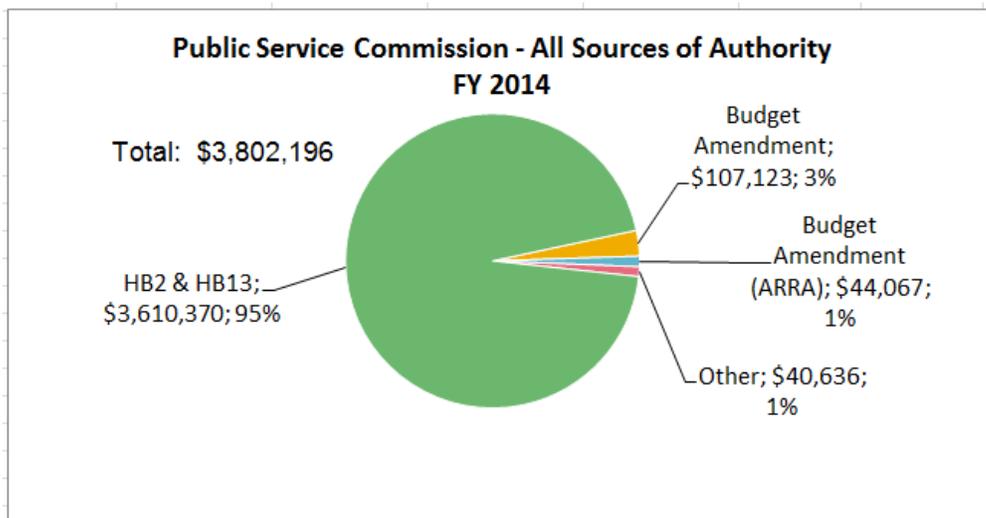
Agency Description

The Public Service Regulation (PSR) regulates the operations of public utility and transportation industries that operate in the state. Five commissioners, elected from districts throughout Montana, form the Montana Public Service Commission (PSC) that oversees the Public Service Regulation Program (PSR). Each commissioner serves a four-year term.

How Services are Provided

The PSR provides these services primarily through the employment of state FTE, who perform rate and economic analysis relative to the entities regulated by the commission, and other technical and administrative duties.

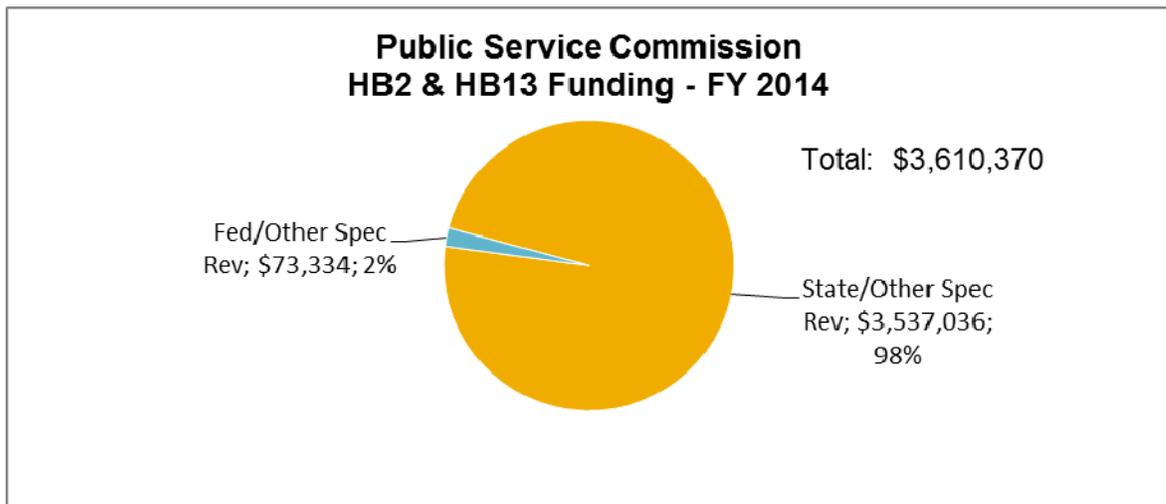
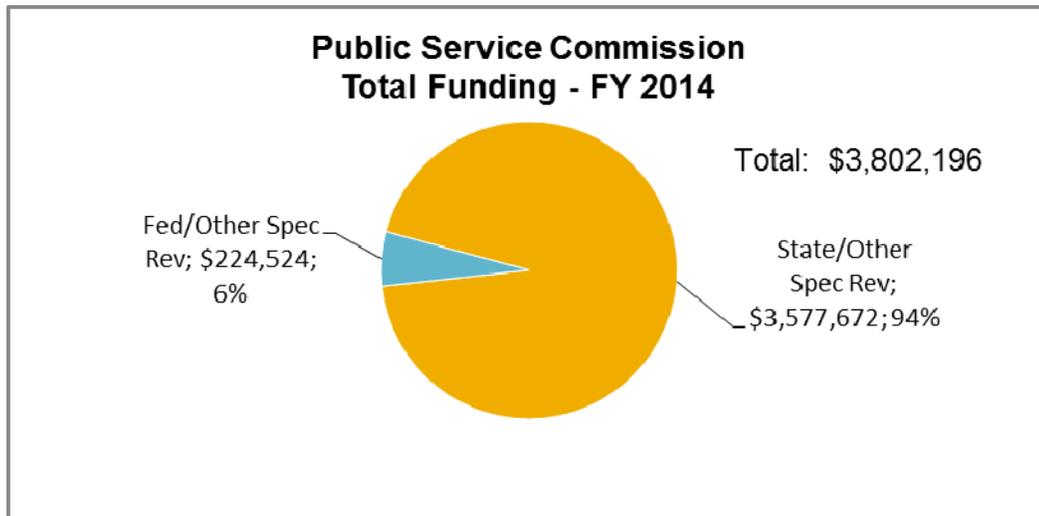
Sources of Spending Authority



The above chart shows all sources of authority that funds the PSR. Other is derived from continuation of unspent American Recovery and Reinvestment Act of 2009 funds associate with electric regulation and carry-forward authority.

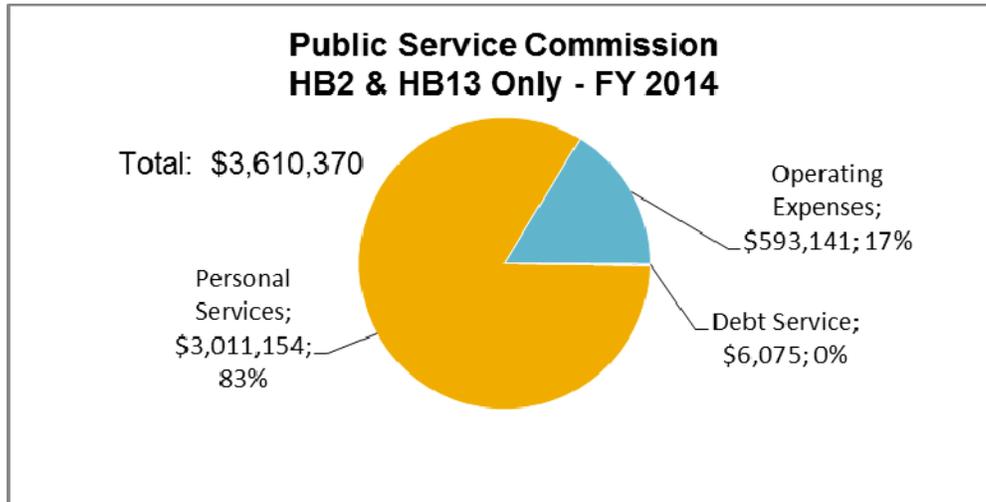
HB 2 Funding

The following charts show the agency's HB 2 funding authority by fund type and all sources of its total funding authority. The primary state special funding source is a fee that is levied on regulated companies, based on funding appropriated by the legislature for a specific fiscal year. Fees are deposited directly into a state special revenue account (Section 69-1-402, MCA). Fees are based upon a percentage of the gross operating revenue from all activities regulated by the commission for the calendar quarter of operation. Federal funds support the natural gas safety program.



Expenditures

The next chart explains how the HB 2 authority is spent. The chart shows that personal services for commissioners and commission staff dominate the expenditures of the agency. "Other" expenditures are for debt service. Some minor discrepancies may occur as a result of rounding in operating expenses.



How the 2015 Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basic elements that drive costs.

PSR costs are mainly driven by personal services and related operating costs. Without major adjustments to PSR duties, future growth can be expected to loosely follow that of legislatively approved increases for the employee pay plan and inflationary costs. PSR costs may also be impacted by changes in the statutory duties or the types of entities designated by the legislature for regulation by the commission.

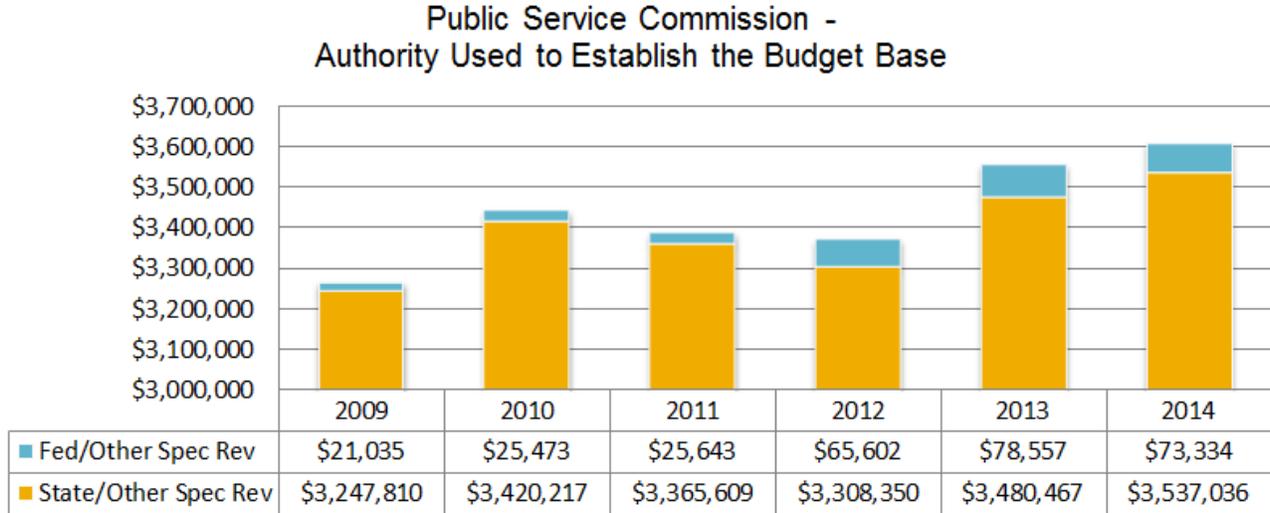
Major Cost Drivers

Driver	FY 2004	FY 2014	Significance of Data
Number of utility dockets open	188	97	Shows caseload impact of staff work
Number of transportation dockets open	61	21	Shows caseload impact of staff work
Number of complaints entered	1,923	958	Shows consumer satisfaction trends
Number of calls received on toll-free line	15,791	5,276	Shows consumer satisfaction trends

The table above provides some cost drivers that can indirectly impact the operating costs of the commission.

Funding/Expenditure History

The figure below shows how expenditures in HB 2 have been funded for the period from FY 2009 through FY 2014. The rise in funding from FY 2012 to FY 2014 was driven by pay raises given after a number of years when pay raises were not funded by the legislature.



Major Legislative Changes in the Last Ten Years

No major legislation was enacted that impacted the funding of the PSR.

For further information, you may wish to contact the agency at:

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