

5% Base Budget Reduction Form
[17-7-111-3\(f\)](#)

AGENCY CODE & NAME: 4201/Public Service Commission

		Minimum Requirement	
		General Fund	State Special Revenue Fund
TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET			\$ 176,350
Priority	SERVICE(S) TO BE ELIMINATED OR REDUCED	General Fund Annual Savings	State Special Revenue Annual Savings
1	Travel		\$ 35,000
2	Subscriptions		\$ 6,500
3	Supplies		\$ 10,000
4	Communications		\$ 10,000
5	Consulting		\$ 15,000
6	4% FTE Reduction		\$ 99,899
7			
8			
9			
10			
11			
	TOTAL SAVINGS	\$ -	\$ 176,399
	DIFFERENCE		0 -49

Form A

5% Base Budget Reduction Form

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#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

In meeting the 5% reduction, we would reduce different categories instead of a large reduction in one area; reducing \$35,000 from Operating Expenses (travel) would be a part of that reduction. Staff members require training and continuing education on regulatory issues that is only available from out of state sources. The PSC also benefits from the knowledge gained by staff participation in regional and national regulatory meetings.

#2 THE SAVINGS THAT ARE EXPECTED:

\$35,000

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Not being able to utilize the expert training that is available will make it more difficult for staff to navigate the complexities of utility regulation which would put staff at a disadvantage in advising the Commission.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

We would need to train new staff and Commissioners, if applicable, and then would choose carefully the trainings in which remaining staff and Commissioners would attend to receive the adequate updated information.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Form B

5% Base Budget Reduction Form

AGENCY CODE & NAME: 4201/Public Service Commission

#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

In meeting the 5% reduction, we would reduce different categories instead of a large reduction in one area; reducing \$6,500 from Operating Expenses (subscriptions) would be a part of that reduction. Some of the Commission's subscriptions are for legal and regulatory publications that are not readily available elsewhere, for example, in the Montana State Law Library. Lack of access to these publications may lead to less thoroughly researched and supportable legal and technical advice and Commission decisions. Other subscriptions, such as Lexis online for use by Commission attorneys, allows them to operate efficiently and competently; cancellation of Lexis will require attorneys to spend time out of the office and additional time researching, resulting in additional exempt compensatory time and delays in case management.

#2 THE SAVINGS THAT ARE EXPECTED:

\$6,500

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

The topic and scope of our work is very specific and materials available on the topics that we work in are all very helpful, for different reasons, so choosing which materials to keep and which to no longer subscribe to would be difficult and painstaking for us to do.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

We would choose which materials to keep and which to no longer subscribe, which would be difficult and painstaking for us to do because the topic and scope of our work is very specific and materials available on the topics that we work in are all very helpful, for different reasons.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

Form B

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#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

In meeting the 5% reduction, we would reduce different categories instead of a large reduction in one area; reducing \$10,000 from Operating Expenses (supplies) would be a part of that reduction. Supplies are essential for doing the business that we are required to do, for example, at times we need to file documents with various courts, which need to be compiled in accordance to that particular courts' standards in relation to type of paper, cardstock, binding, etc. Since these standards are not ours and cannot be changed on our part, it may be difficult for us to deal with a reduction in certain supplies.

#2 THE SAVINGS THAT ARE EXPECTED:

\$10,000

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Not being able to utilize the supplies that we need to use will make it more difficult for staff to prepare legal documents that are up to court standards, which could put us at risk for not being able to take our stance on cases.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

We would have to cut back on other types of supplies in order to stay within compliance with courts regarding their filing standards.

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#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

In meeting the 5% reduction, we would reduce different categories instead of a large reduction in one area; reducing \$10,000 from Operating Expenses (communications) would be a part of that reduction. Most of our communication costs are driven by the Department of Administration, in that they set our costs for our use of our telephones (voice mail, long distance, etc.) as well as our network services. Other communication costs relate to postage and express mailing. These costs, as well, are not in our control and are needed for us to do the business that we are required to do, so it would be difficult for us to reduce our communication costs.

#2 THE SAVINGS THAT ARE EXPECTED:

\$10,000

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Since many of our communication costs are out of our control, we would have to manage and reduce the costs that are more in our control, by for example, reducing the use of express mail and utilizing regular mail. This could potentially put delays in our case scheduling and could lead to less time for research, drafting, and preparing our documents.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

Since many of our communication costs are out of our control, we would have to manage and reduce the costs that are more in our control, by for example, reducing the use of express mail and utilizing regular mail. This could potentially put delays in our case scheduling and could lead to less time for research, drafting, and preparing our documents.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

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#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

In meeting the 5% reduction, we would reduce different categories instead of a large reduction in one area; reducing \$15,000 from Operating Expenses (consulting) would be a part of that reduction. The PSC has hired consultants to assist in completing worthwhile projects and unique cases. Recent examples include hiring outside expert witnesses in the case involving NorthWestern Energy's proposed \$900 million purchase of 11 hydroelectric dams from PPL Montana and we, recently, considered hiring information technology consultants to work with our internal computer staff on upgrading our existing system and perhaps adding additional applications to help accommodate having information readily available during hearings and work sessions.

#2 THE SAVINGS THAT ARE EXPECTED:
\$15,000

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

Depending on the type of consultant, the impact could be substantial if an expert witness or contractor needed to be hired. For example, the PSC website is utilized by the public for different reasons and is currently being re-written by our internal staff to comply with newer standards but an expert may be needed at some point during the re-writing of the website.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

Depending on the type of consultant, the impact could be substantial if an expert witness or contractor needed to be hired. Not hiring consultants could lead to comp time for staff and delays in projects and drafting documents.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

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#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:

Our Personal Services would be decreased by \$99,899, which is equivalent to one and a half FTE, depending on salary level. Because the PSC only has 35 FTE (not including 5 elected officials), our staff is very compact and each FTE is crucial in its place in the PSC, therefore, losing even one FTE would increase employee workloads and require the agency to re-prioritize its activities which would likely mean assigning lower priority to cases and projects that are not subject to statutorily-mandated timelines.

#2 THE SAVINGS THAT ARE EXPECTED:
\$99,899

#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:

The PSC is a small agency and our scope of work is very specific, with each FTE being crucial to the Agency. It is a struggle to meet vacancy savings, but would be more detrimental if FTE were reduced because the fact that we are such a small agency, we have fewer employees to take on added duties. In addition, many positions are highly specialized and it can take many years of training before an employee is considered an expert.

#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED

The PSC is a small agency and our scope of work is very specific, with each FTE being crucial to the Agency. It is a struggle to meet vacancy savings, but would be more detrimental if FTE were reduced because the fact that we are such a small agency, we have fewer employees to take on added duties. In addition, many positions are highly specialized and it can take many years of training before an employee is considered an expert. We are not sure at this point how the impact would be mitigated.

#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:

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