

# The Legislative Fiscal Division

Presents:

Profile of...

## Montana Consumer Counsel

State of Montana



Agency Profile

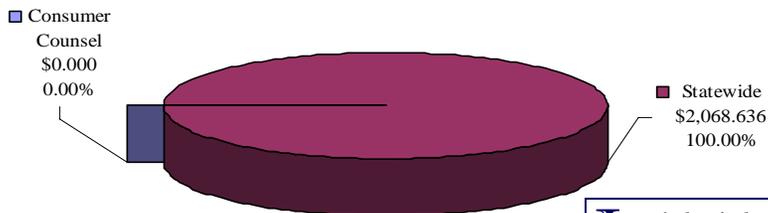
Oct. 2008

This agency profile will discuss...

- structure and funding
- primary functions and
- historical expenditures

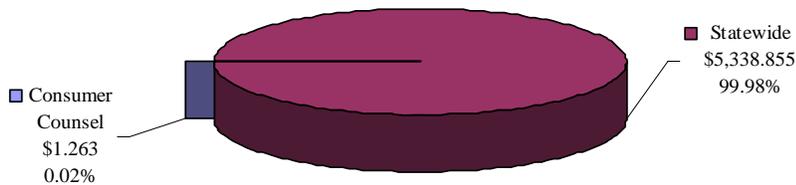
The profile also includes information on how decisionmakers can effect change in the agency's expenditures along with a listing of pertinent statistics. For an explanation of terms used in this profile, consult the "Background on the Agency Profiles" at: <http://leg.mt.gov/css/fiscal/default.asp>

### General Fund Statewide Comparison FY 2008 (In Millions)



Let's begin by putting the agency's size in perspective by comparing it to state government as a whole.

### Total Funds Statewide Comparison FY 2008 (In Millions)



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Section A  
General Government



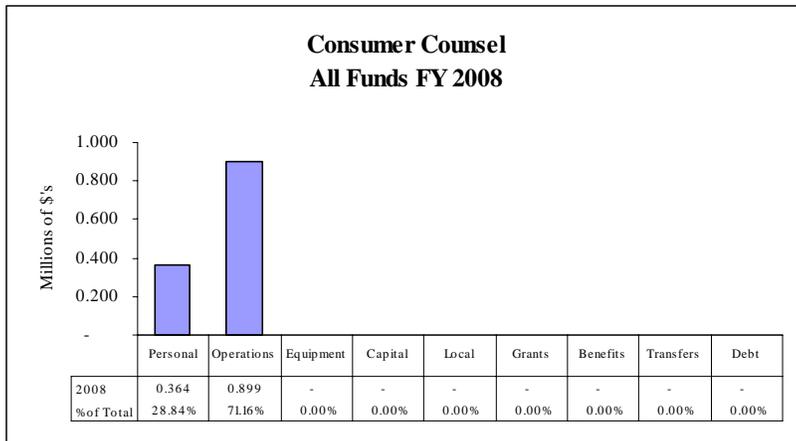
## What the Agency Does

The Montana Consumer Counsel represents Montana’s utility and transportation consuming public in hearings before the Public Service Commission and the state and federal courts and administrative agencies. The Montana Consumer Counsel is part of the legislative branch and is overseen by the Legislative Consumer Committee.



## How Services Are Provided

The Montana Consumer Counsel provides services through one program with 5.54 FTE and the use of outside consulting services to bring expertise for regulatory issues as they arise. Personal services comprise 28.9 percent of the agency’s expenditures with operating expenditures including consultants making up the balance. The consumer counsel is funded with state special revenue from constitutionally earmarked tax levied on all regulated entities under the jurisdiction of the Public Service Commission.

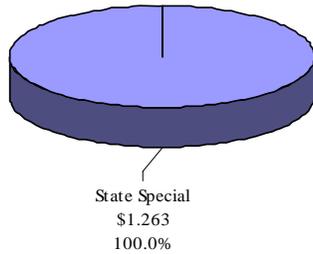




## How Services Are Funded

The Consumer Counsel is funded by a constitutionally earmarked tax levied on all regulated entities under the jurisdiction of the Public Service Commission. The funding formula is found under 69-1-223 and 224, MCA. On or before August 31 of each year, the Department of Revenue determines the total gross operating revenue generated by all regulated activities within the state for the previous fiscal year. It then computes the percentage tax necessary to yield an amount equal to the current appropriation, with no excess funds. If excess occurs, it is deducted from the amount charged to the regulated utilities for the next year.

**Consumer Counsel Funding by Source**  
**FY 2008 (In Millions)**





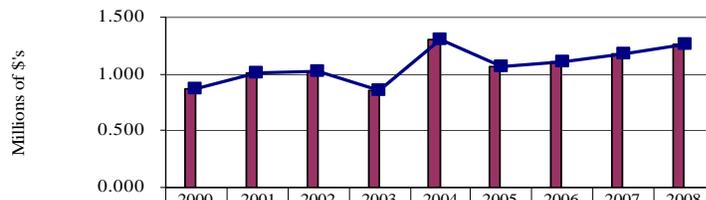
Related Data & Statistics

<i>Element</i>	<i>1996</i>	<i>2008</i>	<i>Significance of Data</i>
Case filings	N/A	N/A	Caseload difficult to measure since case filings vary in complexity



Expenditure History

Consumer Council Funding History



	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund	-	-	-	-	-	-	-	-	-
State Special Fund	0.868	1.012	1.023	0.849	1.297	1.062	1.114	1.180	1.263
Federal Fund	-	-	-	-	-	-	-	-	-
Proprietary	-	-	-	-	-	-	-	-	-
Total Fund	0.868	1.012	1.023	0.849	1.297	1.062	1.114	1.180	1.263



## Reasons for Expenditure Growth/Change

The Montana Consumer Counsel is funded with state special revenue from a fee charged to all regulated entities within the state. This agency has experienced average growth in expenditures of slightly more than 3 percent per year. Agency expenditures may vary greatly from year to year due to the nature of the agency's caseload and case type.



## Agency Functions, State Purposes, & Customers Served

The agency is structured to perform certain functions in support of general state government purposes. The following lists the major functions, purpose of provision of the functions, and primary customers served.

State Purposes	Major Agency Functions	Customers
<i>Consumer/Citizen Protection</i>	Analyze utility rate proceedings and intervene in rate hearings on behalf of the public	The utility and transportation consuming public





## How the Legislature Can Effect Change

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

Activity for this agency varies depending upon activity of the regulated utilities throughout the state, and the degree and likelihood for the need of specialized experts.

In order to change expenditure levels and/or activity, the legislature might address the laws that:

- Impact the rates, reporting process, and fees or taxes charged to regulated utilities
- Govern which agency, if any, monitors regulated utilities
- Govern agency participation in regional and/or national issues

The legislature is less likely to control:

- The number of issues, complaints, and related court dockets
- Federal legislation impacting the utility industry throughout Montana
- Initiatives or legislation responding to citizen action





## Statewide Factors With Impact

In addition to the factors above, a number of factors common to many agencies will also impact changes in expenditures over time.

The Montana Consumer Counsel work is impacted by the caseload, with the bulk of the agency expenditures being for personnel and expert consultants. Factors that influence personal costs include the state pay plan and benefits, workers' compensation, and unemployment insurance. Factors that drive the costs of consultants are the level of expertise and experience needed, availability of, and level of compensation necessary to secure the services of a consultant. Consultant service costs may be impacted by the availability and market for such services within the region and nation.

Other factors that may impact the workload and costs of the Montana Consumer Counsel include:

- World, national and regional trends and events, including acts of nature that impact the availability and costs of energy and utility services within Montana



## Statutory References

The primary statutory references defining duties and responsibilities of the department are found at the following locations.

Article XIII, Section 2 of the 1972 Montana Constitution, created the Consumer Counsel, and Title 5, Chapter 15, and Title 69, Chapters 1 and 2, MCA, govern it.



Alternative accessible formats of this document will be provided upon request. For further information, call the Legislative Fiscal Division @ 444-2986 or visit our web site @ <http://www.leg.mt.gov/css/fiscal>

50 copies of this public document were published at an estimated cost of \$1.36 per copy, for a total cost of \$68.00. This includes \$68.00 for printing and \$0.00 for distribution.

Legislative Fiscal Division



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