The Montana Public Service Commission (PSC) is tasked with ensuring that rate payers have access to vital utility services that are affordable, reliable, and sustainable. In pursuit of this goal, the PSC regulates the rates and service quality for investor owned electric, natural gas, water, waste-water, and legacy telecommunication companies.

The PSC also plays a vital role in protecting public safety by inspecting railroads and ensuring the integrity of intra-state pipelines, and the agency oversees certain forms of commercial transportation, including garbage haulers and moving companies.

In addition, our dedicated Consumer Assistance Team fields service complaints from utility customers and helps investigate and resolve problems.

Though they differ in form and function, companies in these industries all have one thing in common, they are monopolies with a captive set of customers.

It’s the PSC’s job to balance the interests of ratepayers who are concerned about rate increases, with the need to maintain financially sound companies capable of providing reliable service.

Montana Public Service Commission
1701 Prospect Avenue - P.O. Box 202601
Helena, MT 59620-2601

(406) 444-6199
psc.mt.gov
FISCAL FLOW CHART

Budget Approval Process, Revenue Sources, Primary Expenses

- PSC Prepares Budget
- Reviewed by OBPP (Office of Budget & Program Planning)
- Incorporated Into Governor’s Budget
- Authorized by Legislature

State Special Revenue
Funded by Regulated Utilities & Federal Safety Programs

- Regulated Utilities
- Rate Payers of Regulated Utilities
- FRA (Federal Railway Admin)
- PHMSA (Pipeline & Hazardous Materials Safety Admin)

AGENCY PERSONNEL:
- Commissioners
- Division Administrators
- Attorneys
- Accountants
- Economists
- Engineers
- Inspectors
- Public Policy Analysts
- Consumer Support
- Administrative Support
- Data & IT

FISCAL FLOW CHART:
- Budget Approval Process
- Revenue Sources
- Primary Expenses
BUDGET TRAJECTORY

2010-2025

Projected as of 1-26-21

Projected 1.8% Total Average Growth Over 15 Years

*The above average does not include cost for repair or replacement of the failing, antiquated software system.
For over 15 years the PSC had 39 to 40 FTE (2000-2015).

The legislature cut the agency down from 40 to 35 FTE, a net loss of 14.3% of agency staff, in the 2015-17 sessions.
FTE INSTABILITY

The PSC has experienced unpredictable fluctuations in FTE levels since 2014.
2015

2 FTE CUT

TOTAL

40 – 2 = 38
2017
3 FTE CUT
TOTAL
38 – 3 = 35
2019

2.5 FTE ADDED

TOTAL 35 + 2.5 = 37.5

But... H.E. Mandate & Temporary
STRATEGIC PLANNING: POSITION STATUS & PROPOSED ADJUSTMENTS
January 2021

VACANCY STATUS:
- Vacant (6)
- Planned Retirements 2021 (3)
- Other Anticipated Vacancies (3)
- Others Eligible for Retirement (6)

38 FTE PLAN:
- Make 2 HB597 FTE’s Permanent
- Change .5 HB597 FTE into 1 FTE
- Move to Reg Division
- Split Paralegal/Commission Sec
- Convert Coms Director to Exec Director w/Coms Strengths

LEGISLATIVE HELP NEEDED:
- Repeal HB 597’s Hearings Examiner Mandate
- Make the 2.5 FTE from HB 597 permanent and round up to 3.0 FTE
- Complete Software Modernization

IMMINENT ACTION NEEDED:
- Fill Vacancies Wisely
- Develop Succession Plan
ORGANIZATIONAL STRUCTURE: 2019-2020

COMMISSIONER

COMMISSIONER

CHAIR

COMMISSIONER

COMMISSIONER

LEGAL SERVICES

CENTRAL SERVICES

COMMUNICATION DIRECTOR

REGULATORY SERVICES
ORGANIZATIONAL STRUCTURE: 2021-2025

EXECUTIVE DIRECTOR

COMMISIONER  COMMISIONER  CHAIR  COMMISIONER  COMMISIONER

LEGAL SERVICES

CENTRAL SERVICES

REGULATORY SERVICES

Convert Communications Director Position to an Executive Director to Oversee:
- Personnel Management
- Budget Planning & Management
- Internal Policies & Procedures
- Audit Compliance
- Division Productivity
- Commission Initiatives
## STRATEGIC PLAN: Functional FTE Level = 40

<table>
<thead>
<tr>
<th>STAFF POSITIONS</th>
<th>CURRENT FTE FY 22</th>
<th>NEEDED ADDITIONAL</th>
<th>PROPOSED TOTAL</th>
<th>NOTE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTERNAL CPA</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td><strong>Centralized Services Division:</strong> Add a dedicated full time CPA to administer the agency’s internal fiscal operations and controls</td>
</tr>
<tr>
<td>DATA/IT</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td><strong>Centralized Services Division:</strong> Restore a dedicated full time technician to support the agency’s data management and technology systems</td>
</tr>
<tr>
<td>ATTORNEYS</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td><strong>Legal Division:</strong> Restore 1 FTE to assist Legal Division with increasing demands of complex/contested energy issues</td>
</tr>
<tr>
<td>UTILITY ECONOMISTS</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td><strong>Regulatory Division:</strong> Restore 1 FTE to assist Regulatory Division with increasing demands of complex/contested utility rate design</td>
</tr>
<tr>
<td>COMMISSIONERS</td>
<td>5</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>DIVISION ADMINISTRATORS</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>UTILITY ACCOUNTANTS</td>
<td>4</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>PIPELINE ENGINEERS</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>RAILWAY INSPECTORS</td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>POLICY ANALYSTS</td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>CONSUMER SUPPORT</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>ADMINISTRATIVE SUPPORT</td>
<td>5</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL STAFF FTE</strong></td>
<td><strong>36</strong></td>
<td><strong>4</strong></td>
<td><strong>40</strong></td>
<td></td>
</tr>
</tbody>
</table>
HOW THE LEGISLATURE CAN HELP IMPROVE DPSR OPERATIONS & PERFORMANCE:

• Restore FTE to Fully Functional Level (40 total)
  +2 Central Services Division (CPA & DATA/IT TECH)
  +1 Regulatory Division (UTILITY ANALYST)
  +1 Legal Division (ATTORNEY)
• Correct Budget Language to Update/Repair Failing Software System
• Repeal Hearings Examiner Mandate/Make Optional
• Increase Understanding of Agency Process for Regulating Monopolies
• Coordinate/Cooperate with Commission on Proposed Legislation
COMMISSIONER TRAVEL
AVERAGE ANNUAL EXPENSE RATIO - PAST PRACTICE 2017-2020
UNEQUAL – NO CAP PER COMMISSIONER

PINOCNI
DISTRICT 1

O’DONNELL
DISTRICT 2

KOOPMAN
DISTRICT 3

LAKE
DISTRICT 4

JOHNSON
DISTRICT 5
COMMISSIONER TRAVEL
AVERAGE ANNUAL EXPENSE RATIO - PROJECTED 2022-23
EQUALLY CAPPED FOR EACH COMMISSIONER
## COMMISSIONER TRAVEL
### AVERAGE ANNUAL EXPENSE BY COMMISSIONER
#### PAST PRACTICE 2017-2020

<table>
<thead>
<tr>
<th></th>
<th>District 1</th>
<th>District 1</th>
<th>District 2</th>
<th>District 3</th>
<th>District 4</th>
<th>District 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kavulla</td>
<td>Pinocci</td>
<td>O'Donnell</td>
<td>Koopman</td>
<td>Lake</td>
<td>Johnson</td>
<td></td>
</tr>
<tr>
<td>Instate Travel</td>
<td>$ 4,083.22</td>
<td>$ 4,673.17</td>
<td>$ 4,433.19</td>
<td>$ 3,266.26</td>
<td>$ 4,680.22</td>
<td>$ 589.99</td>
<td>$ 21,726.05</td>
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<tr>
<td>Out of State Travel</td>
<td>$ 26,610.23</td>
<td>$ 6,911.02</td>
<td>$ 36,981.67</td>
<td>$ 6,388.70</td>
<td>$ 8,749.16</td>
<td>$ 54,105.12</td>
<td>$ 139,745.90</td>
</tr>
<tr>
<td>Reimbursements RCD by State</td>
<td>$(784.00)</td>
<td>$ -</td>
<td>$(5,355.05)</td>
<td>$(784.00)</td>
<td>$(588.00)</td>
<td>$(5,637.62)</td>
<td>$(13,148.67)</td>
</tr>
<tr>
<td><strong>SubTotal</strong></td>
<td>$ 29,909.45</td>
<td>$ 11,584.19</td>
<td>$ 36,059.81</td>
<td>$ 8,870.96</td>
<td>$ 12,841.38</td>
<td>$ 49,057.49</td>
<td>$ 148,323.28</td>
</tr>
<tr>
<td>Annual Average</td>
<td>$ 14,954.73</td>
<td>$ 5,792.10</td>
<td>$ 9,014.95</td>
<td>$ 2,217.74</td>
<td>$ 3,210.35</td>
<td>$ 12,264.37</td>
<td>$ 37,080.82</td>
</tr>
<tr>
<td>Monthly Average</td>
<td>$ 1,246.23</td>
<td>$ 482.67</td>
<td>$ 751.25</td>
<td>$ 184.81</td>
<td>$ 267.53</td>
<td>$ 1,022.03</td>
<td>$ 3,090.07</td>
</tr>
</tbody>
</table>