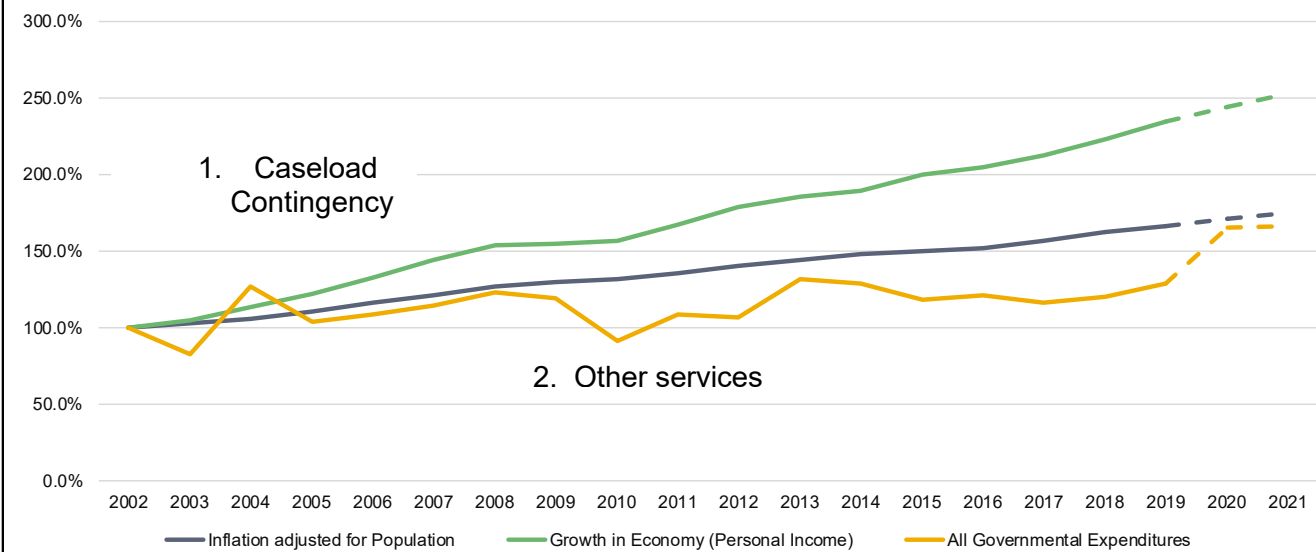


11120-Consumer Counsel

This chart shows the **all funds growth** in total expenditures compared to **growth in inflation** and to the **growth in the economy** since fiscal year 2002.

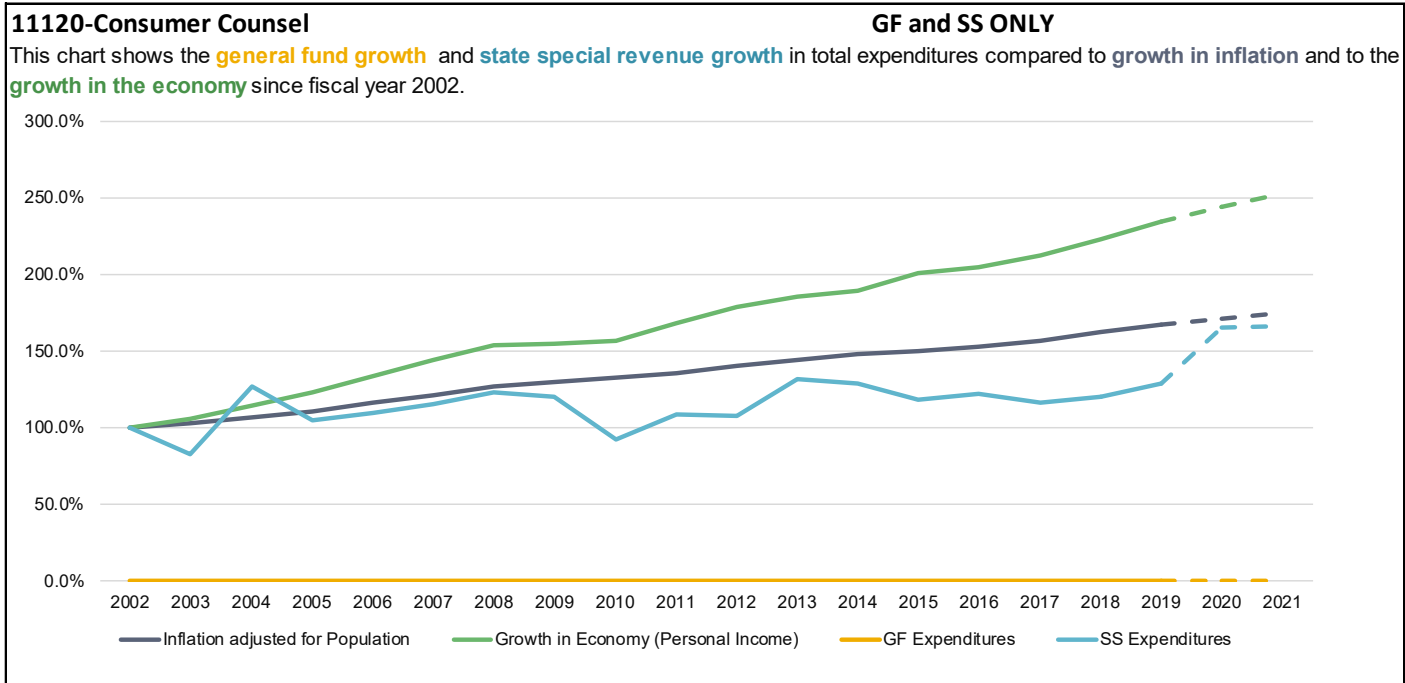


This report includes a series of charts that compare expenditure growth to the growth in the economy and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

In general, all funds growth in total expenditures for the Consumer Counsel has been lower than the rate of inflation adjusted for population.

The increases and decreases of expenditures are primarily related to changes in contracted services and the use of caseload contingency funding. The following list discusses in more detail the inflection points on the charts:

1. The Consumer Counsel's caseloads are determined by utility filings with the Public Service Commission and budgeted using historic averages. To provide for unanticipated increases in utility filings the legislature has provided appropriations for caseload contingencies. In FY 2004 the Consumer Counsel expended \$219,000 of the caseload contingency costs associated with the North Western Energy bankruptcy, telecommunications dockets in areas such as provider designation, service funding, and access charge structure;
2. HB 2 for the 2011 biennium included a reduction to operating expenses of \$375,000 each year for contracted services.



GENERAL FUND

As reflected in the chart above, the Consumer Counsel is not appropriated general fund.

STATE SPECIAL REVENUE

The annual growth rate for state special revenue between FY 2002 and FY 2019 was 1.3%. The Montana Consumer Counsel is funded by state special revenue generated by fees imposed on all regulated entities under the jurisdiction of the Public Service Commission. The funding formula is specified in 69-1-223, MCA. 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. The Department of Revenue then computes the percentage tax necessary to yield an amount equal to the current appropriation, with no excess funds. If collection of excess revenue occurs, the amount charged to the regulated utilities for the following year is reduced.