

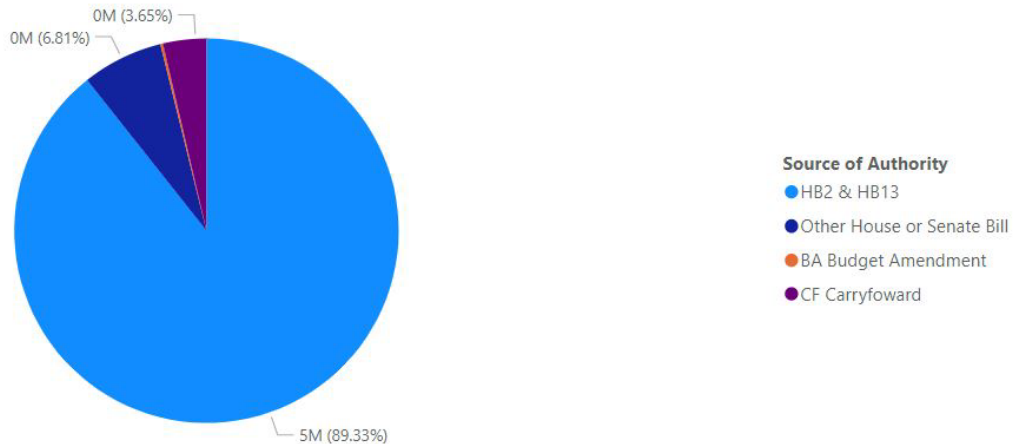
PUBLIC SERVICE COMMISSION

(Spending report July 1, 2022 through June 30, 2023 – FYE 2023)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Public Service Commission (PSC) is shown in the pie chart below. HB 2 and HB 13 provide 89.3% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



| Source of Authority | FYE23 Modified Budget | FYE23 Expended Budget | Percent Expended |
|----------------------------|-----------------------|-----------------------|------------------|
| HB2 & HB13 | 4,871,927 | 4,583,394 | 94.1% |
| BA Budget Amendment | 11,632 | 6,129 | 52.7% |
| CF Carryforward | 199,027 | 72,386 | 36.4% |
| Other House or Senate Bill | 371,362 | 371,362 | 100.0% |
| Total | 5,453,948 | 5,033,271 | 92.3% |

Report Period

- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun

Budget Amendments

The PSC continued \$7,235 in BA authority from FY 2022 and increased the BA authority by \$4,397 in FY 2023 with continuing allocations of federal authority. The authority is provided for the inspection of underground natural gas storage facilities and for railroad safety training and inspections. At fiscal year-end (FYE) 2023, the Public Service Commission (PSC) had expended \$6,129, or 52.7% of federal budget amendment (BA) authority.

At FYE 2023, the PSC had a balance of \$5,503 of unexpended/unobligated BA budget authority which is set to expire before the end of calendar year 2024.

Carryforward Authority

The PSC had \$199,027 of carryforward (CF) authority in FY 2023. The carryforward authority, which is equal to 30.0% of the qualifying unexpended balances from prior years, includes \$115,352 from FY 2021 and \$83,675 from FY 2022. The authority is funded from state special revenue (61.6%) and federal special revenue (38.4%).

By FYE, the PSC had expended \$72,386 in state special revenue FY 2021 carryforward authority but did not spend federal special revenue allocations carried forward from the natural gas safety program. Additionally, none of the carryforward authority from FY 2022 was spent in FY 2023. Unspent federal carryforward authority from FY 2021 has been reverted to the appropriate accounts, and the full amount of FY 2022 carryforward authority is continued in the FY 2024 budget.

Other House and Senate Bill

In FY 2023, the PSC was provided \$324,882 of contingent state special revenue authority through SB 191. The allocations of state special revenue are received from the \$1.0 million appropriation provided to the Office of Budget and Program Planning in the legislation for the 2023 biennium. The FY 2023 budget authority will continue as part of the base budget for the 2025 biennium. This authority was fully expended on contracted services related to the replacement of the electronic database for docket information (REDDI) project.

Additionally, HB 13 (2023 Legislature) included a one-time, lump-sum payment to state employees. Full-time employees received a payment of \$1,040, which was prorated for employees that work less than full-time. This payment was effective in the first full pay period following HB 13 being enacted. The Public Service Commission expended \$46,480 in FY 2023 for these lump-sum payouts.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through FYE 2023. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The [positive modifications](#) and [negative modifications](#) are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

| Agency Name | June Modified Budget | FYE23 Modified Budget | Net Modifications |
|---|----------------------|-----------------------|-------------------|
| <input type="checkbox"/> Public Service Regulation | 4,839,440 | 4,871,927 | 32,487 |
| Total | 4,839,440 | 4,871,927 | 32,487 |

| Acct & Lvl 1 DESC | June Modified Budget | FYE23 Modified Budget | Net Modifications |
|---|----------------------|-----------------------|-------------------|
| <input type="checkbox"/> 61000 Personal Services | 3,524,471 | 3,524,471 | |
| <input type="checkbox"/> 62000 Operating Expenses | 1,308,889 | 1,097,076 | -211,813 |
| <input type="checkbox"/> 69000 Debt Service | 6,080 | 250,380 | 244,300 |

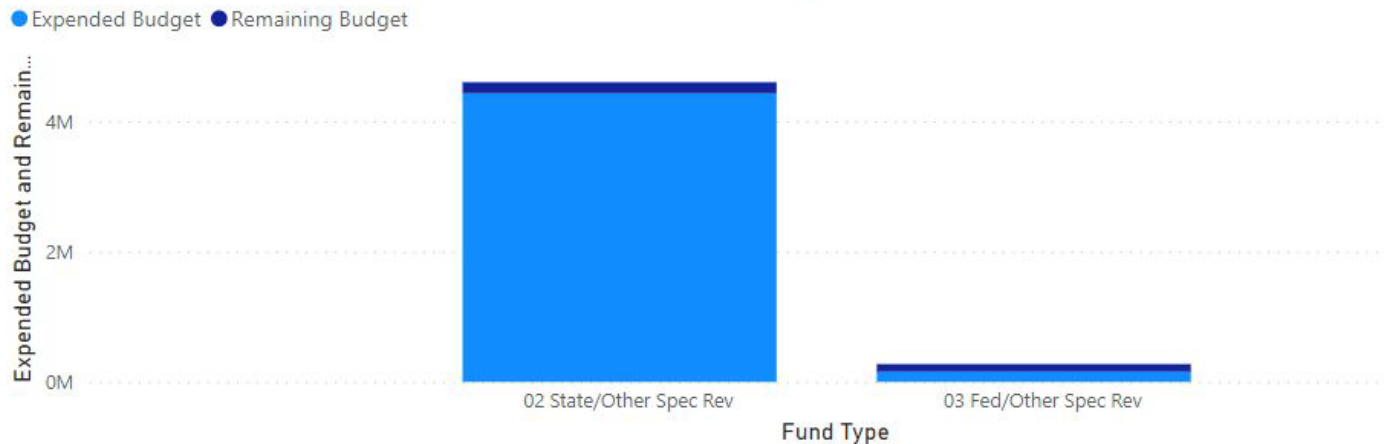
| Fund Type | June Modified Budget | FYE23 Modified Budget | Net Modifications |
|--|----------------------|-----------------------|-------------------|
| <input type="checkbox"/> 02 State/Other Spec Rev | 4,565,749 | 4,598,236 | 32,487 |
| <input type="checkbox"/> 03 Fed/Other Spec Rev | 273,691 | 273,691 | 0 |

Through FYE 2023, the PSC made one HB 2 budget modification which moved \$244,300 from the operating budget to the debt service budget due to the requirements related to recording leases under debt services. Additionally, \$32,487 related to the biennial appropriation for legislative audits was continued into FY 2023 as it was not required in FY 2022.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through FYE 2023.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



| acclv1_descr | Modified Budget | Expended Budget | Percent Expended |
|--------------------|-----------------|-----------------|------------------|
| Personal Services | 3,524,471 | 3,471,990 | 98.5% |
| Operating Expenses | 1,097,076 | 861,025 | 78.5% |
| Debt Service | 250,380 | 250,380 | 100.0% |

| Program Name | Modified Budget | Expended Budget | Percent Expended |
|--------------------------------|------------------|------------------|------------------|
| PUBLIC SERVICE REGULATION PROG | 4,871,927 | 4,583,394 | 94.1% |
| Total | 4,871,927 | 4,583,394 | 94.1% |

Through FYE, the PSC expended \$4.6 million, or 94.1%, of the modified HB 2 budget. The figure above explains the HB 2 funding. In FY 2023, the PSC's budget was funded with 94.4% state special revenues and 5.6% federal special revenues.

State special revenues in the PSC budget are generated through utility fees levied on regulated companies and account for 96.6% of total spending. Federal funding in the PSC HB 2 budget supports the natural gas pipeline safety program and account for 3.4% of spending. Costs are charged to the federal grant twice a year after an internal reconciliation.

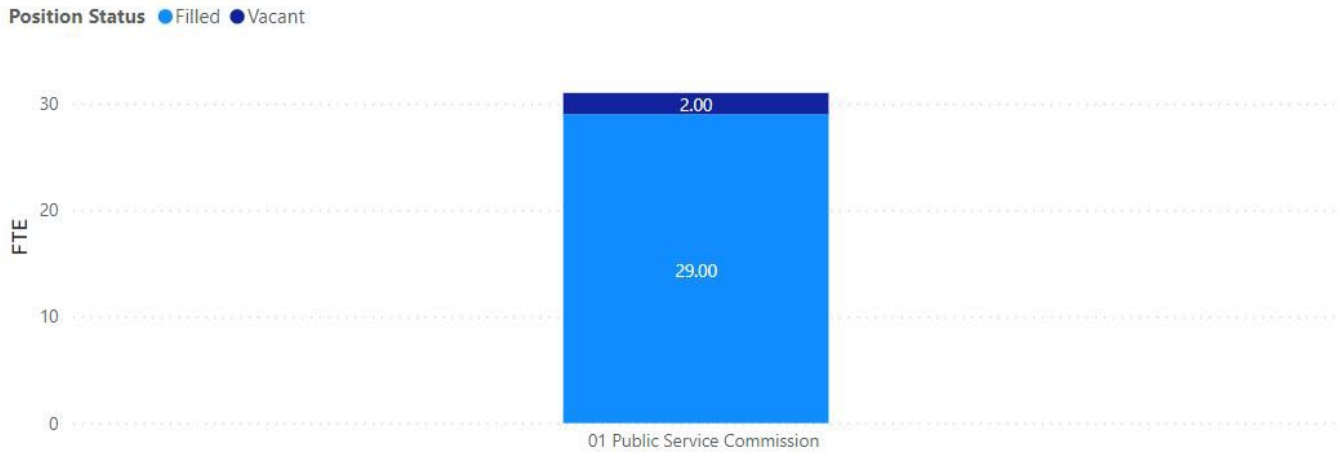
FY 2023 HB 2 spending in the PSC, at 94.1% of the modified budget, was slightly lower than the 95.5% average of the previous five years. Some specific details on FY 2022 PSC expenditures include:

- \$2,090, or 2.1%, from the one-time-only (OTO) appropriation of \$100,000 for a hearing examiner which was restricted to be contracted with the Department of Justice (DOJ)
- \$484,440, or 95.5%, from the OTO appropriations totaling \$507,381 for initial and fixed software costs

At FYE 2023, the PSC had a HB 2 unexpended/unobligated balance of \$288,533 which includes \$170,358 in state special revenue and \$118,175 in federal special revenue. Qualifying unexpended balances will be available to establish FY 2023 carryforward authority and the remaining balances will be reverted to the appropriated accounts.

Personal Services

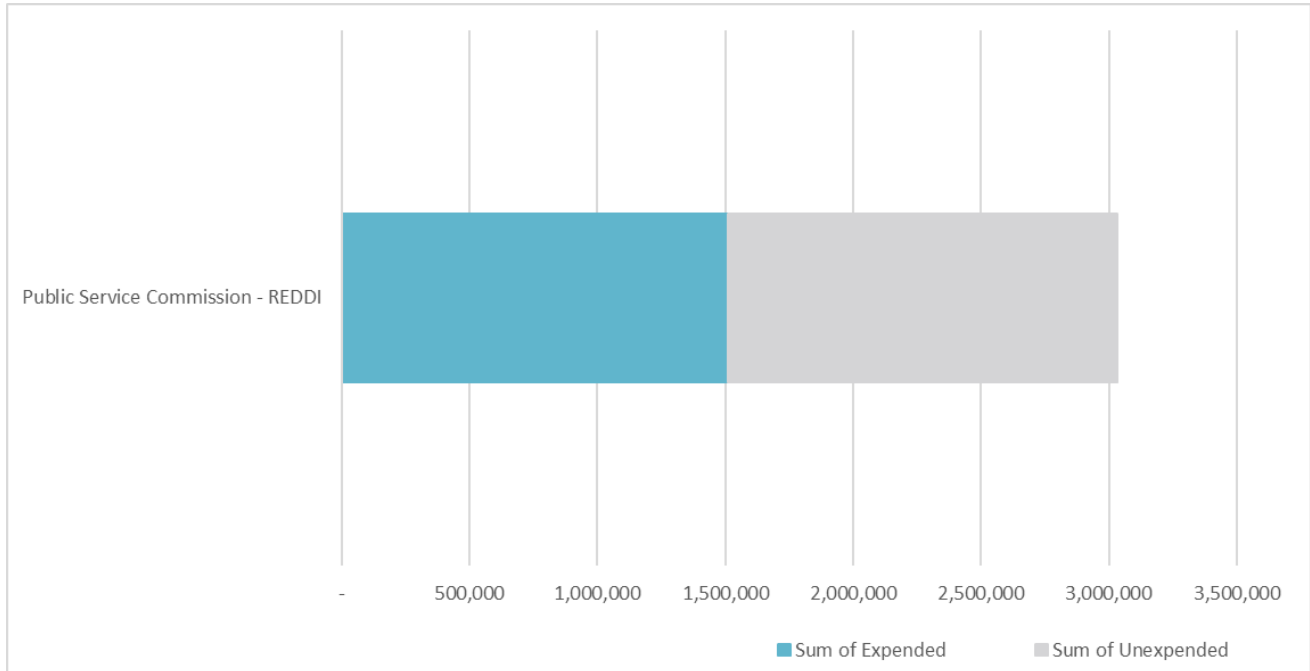
The following chart shows the filled and vacant FTE within the agency as of June 1, 2023.



In FY 2023, the PSC had 31.00 FTE, not including the 5.00 FTE for the public service commissioners. Near the end of FY 2023, the PSC had 2.00 vacant FTE. These 2.00 FTE are associated with one Lawyer and one personal staff position. In FY 2023, the agency experienced turnover within eight positions in which three positions transferred to other agencies in state government, and the remaining positions either left state employment or retired.

OTHER ISSUES

Information Technology Project Expenditures



The REDDI software modernization project being implemented by the PSC currently includes a budget of approximately \$3.0 million after factoring in configuration, project management, SITSD fees, and licensing costs through FY 2025. The project is currently being executed with a revised delivery date at the end of December 2023. Current expenditures for the project through FY 2023 total \$1.5 million. Remaining authority needed to complete implementation of the project was provided through HB 10 and HB 2 from the 2023 Session. In HB 10, the PSC was appropriated \$1.5 million for the project, and HB 2 contained an additional \$308,000 in ongoing licensing costs for the 2025 biennium.