

The Legislative Fiscal Division Presents an Agency Profile of: The Montana Consumer Counsel

Contact: Cathy Duncan, Senior Fiscal Analyst
Room 117, State Capitol Building
Phone: 444-4580
e-mail: cduncan@mt.gov

Updated November 2012

Definition of Terms

Agency Description

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. The primary statutory references defining duties and responsibilities of the department are found in Article XIII, Section 2, Montana Constitution, Title 5, Chapter 15, and Title 69, Chapters 1 and 2, MCA.

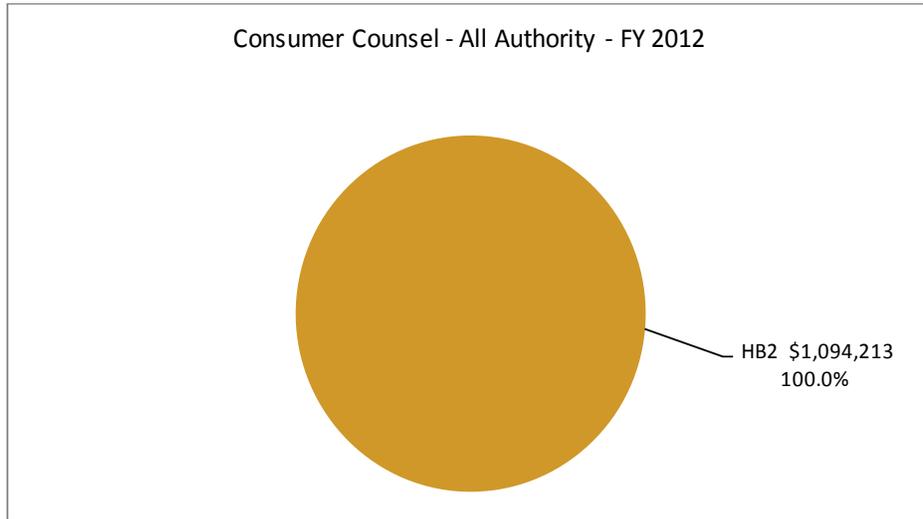
How Services are Provided

The Montana Consumer Counsel provides services through one program and the use of outside consulting services to bring expertise for regulatory issues as they arise. The Consumer Counsel participates in activities that will help develop competitive markets in restructured utility industries and monitors proposed legislation and participates in the legislative process before the Montana Legislature and U.S. Congress for Montana consumers. The Consumer Counsel also represents Montana consumers in:

- Utility and transportation proceedings before the Public Service Commission
- Proceedings before the Federal Energy Regulatory Commission, Federal Communications Commission and other federal administrative agencies
- Appropriate state and federal court proceedings

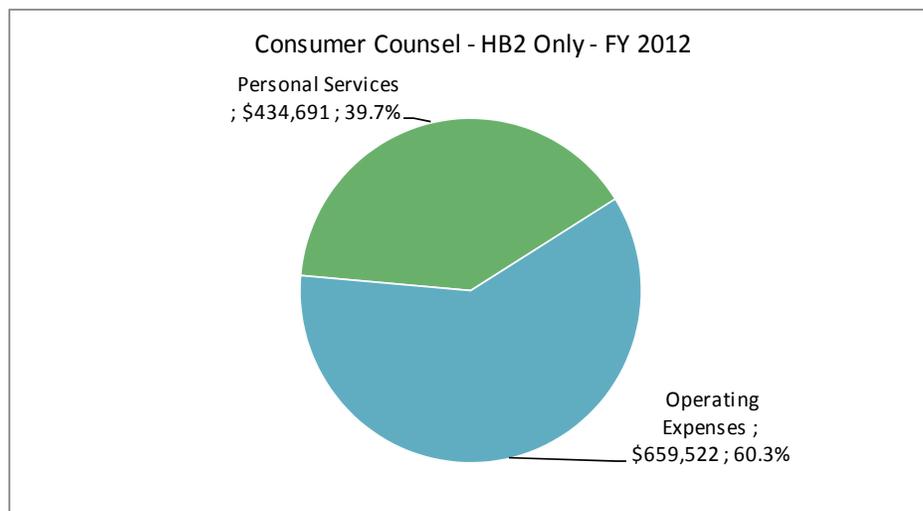
Sources of Spending Authority

The chart shows the sources of authority for the Montana Consumer Counsel. While not depicted on the chart, the legislature provided the Consumer Counsel with one off base appropriation, a \$250,000 one-time only annual caseload contingency. The accounting term, off base, refers to one-time only-spending (OTO) and non-budgeted items. The contingency funds were not expended in FY 2012 and are not depicted on the chart. For a more detailed description of accounting terminology, please refer to the definition of terms.



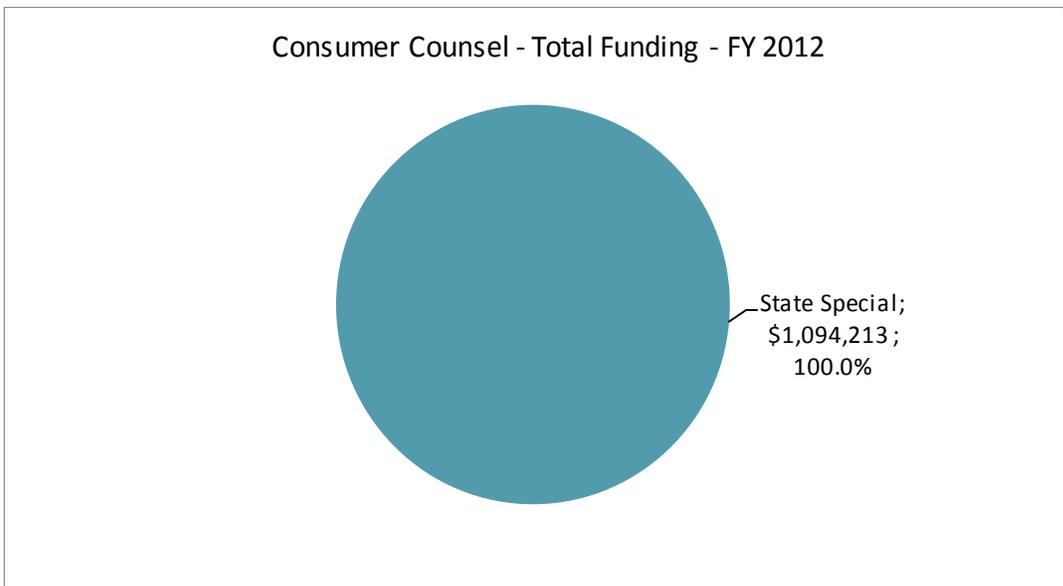
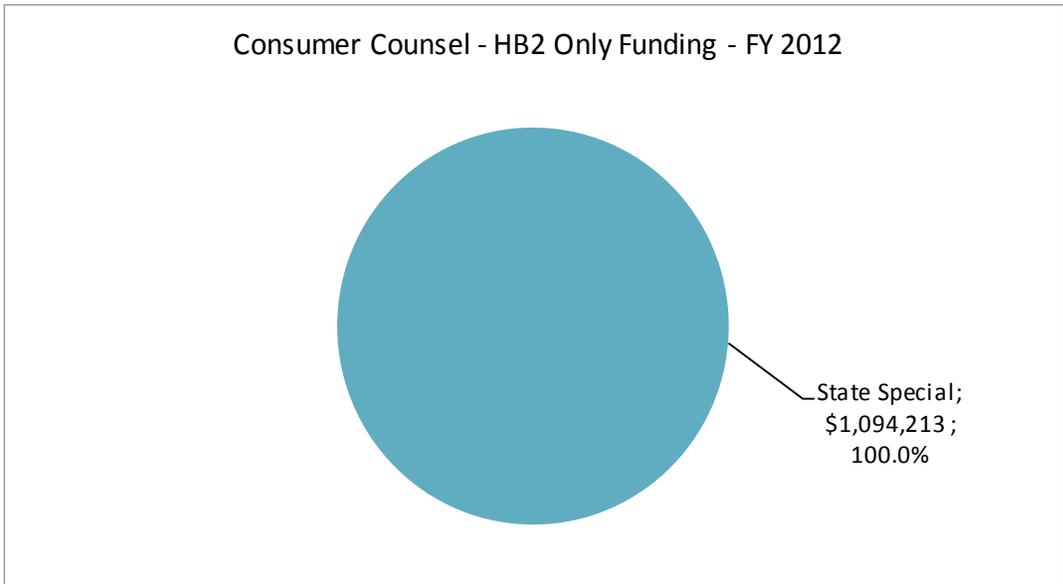
Expenditures

The chart below explains how HB 2 authority is spent. Of the total spending authority in FY 2012, 40% is spent on personal services and 60% on operating expenditures. This chart matches the agency base expenditures found in the Budget Analysis. Therefore, it does not include one-time-only or other funds that are removed from total expenditures to derive the budget base.



Funding

The following charts show the agency's HB 2 funding authority, which is also total authority, by fund type and all sources of funding authority. The Montana Consumer Counsel is fully funded with state special revenues collected through fees charged to the various public utility and transportation companies operating in Montana.



How the 2013 Legislature Can Effect Change

The legislature has the ability to change expenditure levels and/or Consumer Counsel activities through the following basic elements that drive costs:

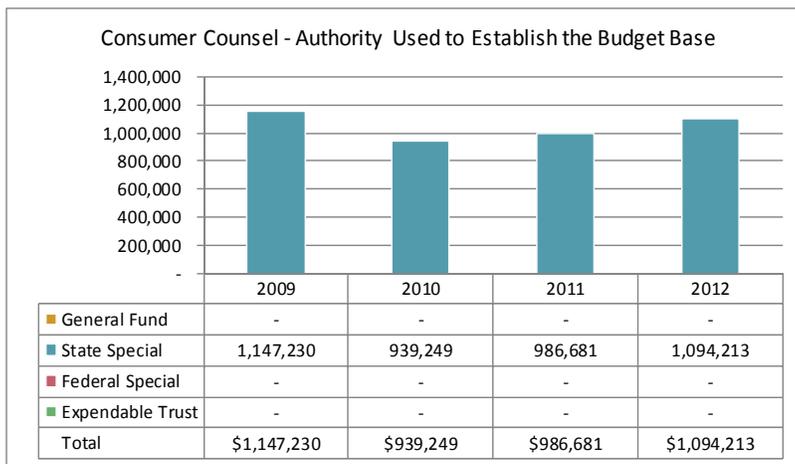
- Impact the rates, reporting process, and fees or taxes charged to regulated utilities
- Govern which agency, if any, monitors regulated utilities (through changes to the Constitution)
- Govern agency participation in regional and/or national issues

Major Cost Drivers

Driver	2002	2012	Significance of Data
Contractor Fees	\$168.30	\$181.70	The Consumer Counsel primarily makes use of three contractors for the analysis of utility cases/issues. This is a mean average of the three contractors' hourly costs and is not a weighted average. This factor influences contracting costs
Calendar Year Dockets Before Montana Public Service Commission	160	94-YTD	As the number of dockets change, so changes the number of cases that the Consumer Counsel is likely to intervene on. (Data includes all dockets of the PSC regardless of intervention). This factor influences contracting costs

The table above provides some cost drivers that can indirectly impact the operating costs of the Montana Consumer Counsel. One inconsistent cost driver for the Montana Consumer Counsel is bankruptcies of public utility companies. While public utility bankruptcies happen infrequently, the costs of interceding on behalf of the public can be significant.

Funding/Expenditure History



The table shows historical changes in the agency's base budget authority. Major reasons for changes are:

- Number of annual contracts
- Complexity of interventions

Note: The table at left does not include expenditures from the Montana Consumer Counsel caseload contingency appropriation. Expenditures were made from the caseload contingency appropriation in FY 2009 and FY 2011.

Major Legislative Changes in the Last Ten Years

- 2007-The Sixtieth Legislature passed SB 448 requiring the Montana Consumer Counsel to perform an analysis of the fiscal impacts related to permit applications for new electrical generation facilities and upgrades under the Montana Major Facility Siting Act. The analysis included an estimation of how customer rates may have been impacted. Costs of the analysis were paid by applicants.
- 2003-The Fifty-eighth Legislature passed SB 247 that established a default electricity supply procurement process and changed the regulatory role in resource planning, requiring regulators to participate in the decision making process “up-front”. The legislation increased the role, as well as associated costs, of the Montana Consumer Counsel’s representation of ratepayer interests through the adoption of a preapproval process.

For further information, you may wish to contact the agency at:

Montana Consumer Counsel

111 North Last Chance Gulch, Suite 1B

Helena, MT 59620-1703

phone: (406) 444-2771

web: <http://leg.mt.gov/css/Committees/Administration/Consumer%20Counsel/>