

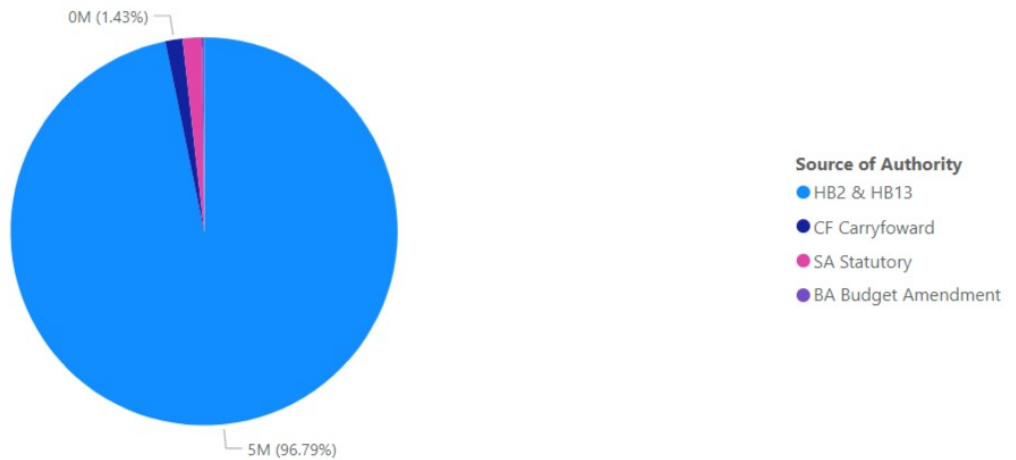
PUBLIC SERVICE COMMISSION

(Spending report July 1 through November 30, 2021)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 96.8% 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	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	4,743,774	1,514,098	31.9%
CF Carryforward	70,196	12,615	18.0%
SA Statutory	79,000	3,699	4.7%
BA Budget Amendment	8,174		
Total	4,901,144	1,530,412	31.2%

- FiscalMonth**
- Select all
 - Jul
 - Aug
 - Sep
 - Oct
 - Nov
 - Dec

Budget Amendments

The Public Service Commission (PSC) continued \$8,174 in federal budget authority for the inspection of underground natural gas storage facilities from FY 2021. As of November, the PSC had not expended any of this authority.

Carryforward

The PSC has \$70,196 of carryforward authority in FY 2022. The carryforward authority includes \$30,000 of state special authority that was derived from 30.0% of the unexpended balance of FY 2020 appropriations and \$40,196 of federal special revenue authority carried forward from the natural gas safety program. The authority is funded at 42.7% state special revenue and 57.3% federal special revenue. The agency has expended \$12,615

in state special revenue through November of FY 2022 to update the wiring and technology in the PSC public hearing room.

Statutory Appropriations

The statutory appropriation from the performance assurance account is expended by the PSC in carrying out its responsibilities to administer, audit, and oversee the performance assurance of Qwest. In FY 2022, the budget was established at \$79,000 and through November the agency expended \$3,699, or 4.7%, of the appropriation on work related to changes in agreements requested by the relevant company, Qwest.

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 November 30, 2021. 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	Legislative Budget	Modified Budget	Net Modifications
Public Service Regulation	4,743,774	4,743,774	
Total	4,743,774	4,743,774	

Acct & Lvl 1 DESC	Legislative Budget	Modified Budget	Net Modifications
61000 Personal Services	3,485,749	3,485,749	
62000 Operating Expenses	1,251,945	1,251,945	
69000 Debt Service	6,080	6,080	

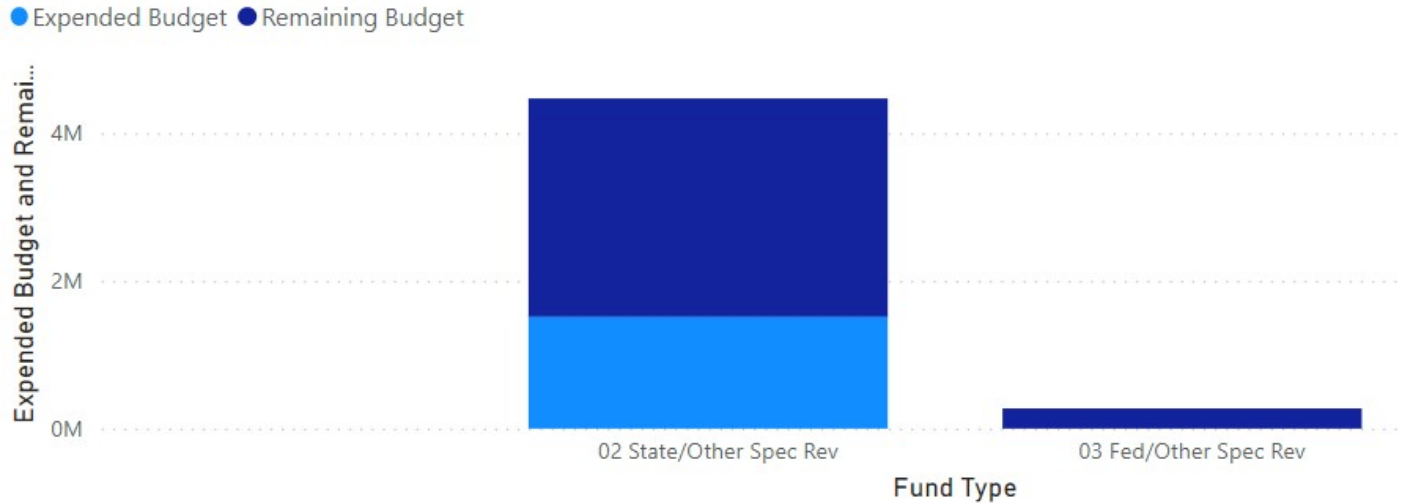
Fund Type	Legislative Budget	Modified Budget	Net Modifications
02 State/Other Spec Rev			
Public Service Regulation	4,470,083	4,470,083	
03 Fed/Other Spec Rev	273,691	273,691	

As seen in the figures above, the PSC has made no modifications to the HB 2 budget through November of FY 2022.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2021.

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



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	3,485,749	1,201,880	34.5%
Operating Expenses	1,251,945	311,082	24.8%
Debt Service	6,080	1,136	18.7%

Program Name	Modified Budget	Expended Budget	Percent Expended
PUBLIC SERVICE REGULATION PROG	4,743,774	1,514,098	31.9%
Total	4,743,774	1,514,098	31.9%

Through November, the PSC expended \$1.5 million, or 31.9%, of the modified HB 2 budget. The figure at the top of this page explains the HB 2 funding. In FY 2022, the PSC budget is funded with 94.2% state special revenues and expenditures through November were 100.0% state special funds. State special revenues in the PSC budget are generated through utility fees deposited in the PSC account. At the beginning of FY 2021, the account had a balance of \$3.1 million. The account balance will be updated at the beginning of FY 2022.

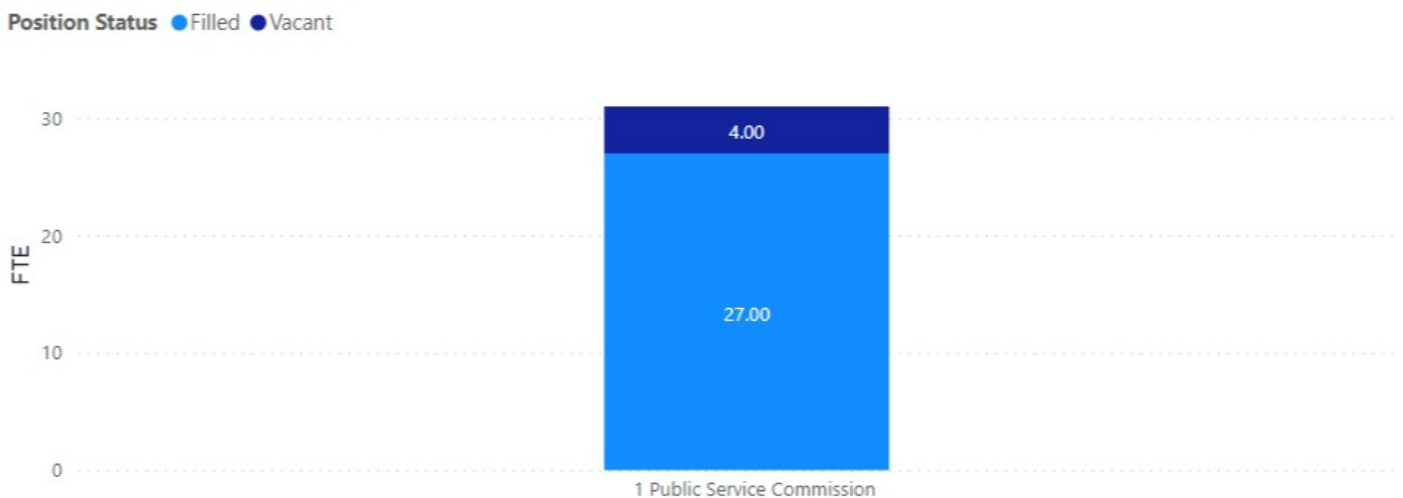
Total spending in the agency, at 31.9% of the modified budget, is lower than the 34.8% average of the previous five years of and is 2.0% less in FY 2022 than FY 2021 (through November). The decline from the historic average through November is primarily explained by reduced spending in operating expenses where the average through November has been 36.5% of the operating expenses budget.

Some specific details of FY 2022 PSC expenditures include:

- No expenditures 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. The PSC has entered into a MOU with the Department of Justice (DOJ) and to date has referred one case to DOJ for future services.
- No expenditures from the OTO appropriations totaling \$416,701 for software initial and fixed costs. While there have been no expenditures through November, the PSC contracted with a project manager/software analyst at the beginning of November. With the current level of funding, the agency believes that they will be able to complete the process of identifying system requirements and executing a plan that will involve evaluating prospective software solutions, securing cost estimates, and making recommendations. However, it is unlikely that full implementation of the software modernization project will be possible due lack of a valid appropriation in HB2.

Personal Services

The following chart shows the filled and vacant FTE within the agency as of November 1, 2021.



In FY 2022, the PSC is budgeted for 36.00 FTE, an increase of 1.00 FTE over the budgeted FTE in FY 2021. Total positions include the 5.00 FTE for the public service commissioners that are excluded from the figure above. Of the 31.00 designated in the figure above, the PSC had 27.00 FTE positions filled with 4.00 positions vacant as of November 1, 2021.

According to the PSC, since the September meeting the agency has ‘lost’ six staff to different state agencies. The reasons provided by the departing staff are varied, but all staff indicated that they were able to obtain higher wages from their new state employer. The vacant FTE creates challenges for the agency by requiring the remaining staff to assume the duties of the departing staffer(s) but has not greatly impacted the regulatory work and mission of the PSC. As of the end of November, the agency has filled its open receptionist/commission

support position with a temporary hire, is advertising for its open attorney, paralegal and accountant positions, and will soon be advertising for its open consumer representative position.

OTHER ISSUES

Information Technology Project Expenditures

The 67th Legislature provided two line-item information technology project appropriations to the PSC. The projects were designated as one-time-only. Total authority in FY 2022 for the items is as follows:

- \$251,701 - software modernization system initial costs
- \$165,000 - software modernization system fixed costs

As mentioned in the HB 2 expenditures section of this report, there have been no expenditures related to these appropriations.

HB 2 included language intended to allow the PSC to expend up to \$500,000 each year of the biennium for the software modernization system from the balance in the PSC state special revenue account. The language was intended to allow use of the account balance without impacting the rates charged to public utilities. However, the language did not include a valid appropriation. As a result, the funding is not included in the FY 2022 budget and will not be expended in the 2023 biennium.