Department of Public Service Regulation
Sept 15, 2021

• 1701 Prospect Avenue
• P.O. Box 202601
• Helena, MT 59620-2601
• (406) 444-6199 - psc.mt.gov
IMPROVING INTERNAL PRACTICES

ORGANIZATIONAL EFFECTIVENESS

INTERNAL POLICIES & CONTROLS

FISCAL COMPETENCIES
IMPROVING INTERNAL PRACTICES

- Strategic Planning Initiative
- Blue Book Review/Revision
- Enhanced Recruitment, Cross Training & Retention
- Software Modernization
VACANCY STATUS:
- Vacant (6)
- Planned Retirements 2021 (3)
- Other Anticipated Vacancies (1)
- 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

AGENCY ACTION:
- Strategic Plan/Restructure
- Ramp Up Recruitment & Retention
- Cross-Train & Succession Plan
- Repair/Replace EDDI
For 15 years the PSC had 39 - 40 FTE

In 2015-17, the legislature cut the agency down to 35 FTE, a net loss of 14.3% of our staff.
### FTE Instability
#### 2015 – 2022

The PSC has been hit with wild fluctuations in FTE levels over the last 6 years.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FTE</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>40.00</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>40.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2014</td>
<td>40.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2015</td>
<td>40.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2016</td>
<td>39.00</td>
<td>-0.03</td>
</tr>
<tr>
<td>2017</td>
<td>39.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2018</td>
<td>35.00</td>
<td>-0.10</td>
</tr>
<tr>
<td>2019</td>
<td>35.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2020</td>
<td>37.50</td>
<td>0.07</td>
</tr>
<tr>
<td>2021</td>
<td>37.50</td>
<td>0.00</td>
</tr>
<tr>
<td>2022</td>
<td>36.00</td>
<td>-0.04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(0.00)</td>
</tr>
</tbody>
</table>
New Administrative Structure

Convert Communications Director Position to an Executive Director to Oversee:
- Personnel Management
- Budget Planning & Management
- Internal Policies & Procedures
- Audit Compliance
- Division Productivity
- Commission Initiatives

ADOPTED 6/29/21
New Administrative Chain of Command & Core Duties

COMMISSION EXECUTES:
• Regulatory Decisions
• Legal Decisions
• Public Policy Decisions
• Agency Budget, Plans & Policies
• Appointments of Exempt Staff

CHAIR:
• Sets the Agenda and Presides Over Commission Proceedings
• Directs Chief of Staff on Day-to-Day Matters
• Appoints Special Committees and Work Groups
• Designates Commissioners for Special Assignments

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

CHAIR:
• Sets the Agenda and Presides Over Commission Proceedings
• Directs Chief of Staff on Day-to-Day Matters
• Appoints Special Committees and Work Groups
• Designates Commissioners for Special Assignments

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives

EXECUTIVE DIRECTOR OVERSEES:
• All Exempt Staff
• Agency-Wide Workload Balance/Buffering/Productivity/Performance
• Audit Compliance
• Internal Policies & Procedures

EXECUTIVE DIRECTOR MANAGES:
• Centralized Services Division
• Budget Planning & Management
• Media Relations
• Commission Initiatives
CASH BALANCES FLUCTUATE ON TWO/THREE YEAR CYCLE

Cash / Tax Rate Relationship

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0.10%</td>
<td>0.25%</td>
</tr>
<tr>
<td>2006</td>
<td>0.15%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2007</td>
<td>0.05%</td>
<td>0.25%</td>
</tr>
<tr>
<td>2008</td>
<td>0.10%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2009</td>
<td>0.15%</td>
<td>0.35%</td>
</tr>
<tr>
<td>2010</td>
<td>0.05%</td>
<td>0.25%</td>
</tr>
<tr>
<td>2011</td>
<td>0.10%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2012</td>
<td>0.15%</td>
<td>0.35%</td>
</tr>
<tr>
<td>2013</td>
<td>0.05%</td>
<td>0.25%</td>
</tr>
<tr>
<td>2014</td>
<td>0.10%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2015</td>
<td>0.15%</td>
<td>0.35%</td>
</tr>
<tr>
<td>2016</td>
<td>0.05%</td>
<td>0.25%</td>
</tr>
<tr>
<td>2017</td>
<td>0.10%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2018</td>
<td>0.15%</td>
<td>0.35%</td>
</tr>
<tr>
<td>2019</td>
<td>0.05%</td>
<td>0.25%</td>
</tr>
<tr>
<td>2020</td>
<td>0.10%</td>
<td>0.30%</td>
</tr>
<tr>
<td>2021</td>
<td>0.15%</td>
<td>0.35%</td>
</tr>
<tr>
<td>2022</td>
<td>0.05%</td>
<td>0.25%</td>
</tr>
</tbody>
</table>
25 Year Budget Trajectory
2010-2025
Projected as of January 2021

2019 and 2021 spikes in budget are attributable to modernizing the PSC’s 30-year old electronic data base and docketing system; and restoration of 3 previously cut FTE’s. Once those issues are addressed, the budget is projected to drop and flatten substantially.

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.
Regulated Industries

- Energy
- Telecom
- Transportation
- Water & Sewer
- Pipeline Safety
- Railway Safety
We Saved Utility Customers $73 Million in 4 Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Docket No.</th>
<th>Utility</th>
<th>Customer Savings vs Utility Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2016.12.103</td>
<td>MTSUN (after MSC decision)</td>
<td>$31 Million (25 yr NPV)</td>
</tr>
<tr>
<td>2017</td>
<td>2017.09.079</td>
<td>Montana-Dakota - Gas</td>
<td>$1 Million</td>
</tr>
<tr>
<td>2017</td>
<td>2017.09.080</td>
<td>Energy West - Gas</td>
<td>$1 Million</td>
</tr>
<tr>
<td>2018</td>
<td>2018.02.012</td>
<td>NorthWestern - Electric</td>
<td>$28 Million</td>
</tr>
<tr>
<td>2018</td>
<td>2018.09.060</td>
<td>Montana-Dakota - Gas</td>
<td>$3 Million</td>
</tr>
<tr>
<td>2019</td>
<td>2019.09.058</td>
<td>NorthWestern - Electric</td>
<td>$9 Million</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>$73 Million</td>
</tr>
</tbody>
</table>
We Prevent Train Derailments Nationwide
EAGER TO IMPROVE

Elected Regional Representation
### HOW THE LEGISLATURE CAN HELP IMPROVE DPSR OPERATIONS & PERFORMANCE

<table>
<thead>
<tr>
<th>Correct</th>
<th>Repeal</th>
<th>Stabilize</th>
<th>Learn</th>
<th>Coordinate</th>
<th>Streamline</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORRECT BUDGET For Software Modernization</td>
<td>REPEAL Hearings Examiner Mandate</td>
<td>STABILIZE FTE To functional level • Railway Inspector • Accountant • Technology • Attorney</td>
<td>LEARN About Agency Process for Regulating Monopolies Field Visit 1701 Prospect Ave</td>
<td>COORDINATE with PSC on Proposed Legislation Draw Upon Agency Expertise &amp; Institutional Knowledge When Considering Legislation</td>
<td>STREAMLINE Statutes To Improve Efficiencies</td>
</tr>
</tbody>
</table>
How We Are Funded

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 Companies & Federal Safety Programs

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

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