

# ARKANSAS PUBLIC SERVICE COMMISSION

## Enabling Laws

Act 191 of 2012

A.C.A., Title 23, Arkansas Public Service Commission

A.C.A. §23-15-101 to 217, Pipeline Safety Program

A.C.A. §26-24-101 to 123, and 26-26-1601 to 1616, Tax Division

## History and Organization

### **Utilities Division of the Public Service Commission**

The Arkansas Public Service Commission (Commission or APSC) has general regulatory authority over electric, gas, telecommunications, water and sewer services which are provided to the public for compensation. The Commission does not have regulatory authority over municipally-owned or operated utilities. Additionally, the Commission has limited jurisdiction over small water and sewer utilities and most telecommunications utilities. More specifically, small water and sewer utilities are not subject to Commission jurisdiction unless either the utility or its customers petition the Commission to exercise its regulatory jurisdiction over that utility.

The Commission is charged with the duty of ensuring that a public utility's authorized rates will allow it the opportunity to earn a fair return on invested capital and that the customer does not pay more than necessary to produce a fair return to the utility for its service. In addition, the Commission has the responsibility to ensure that utility service is provided in a safe and adequate manner consistent with the Commission's rules and regulations.

The utilities under the Commission's jurisdiction are listed below:

Investor-Owned Electric Utilities	4
Electric Cooperatives	18
Investor-Owned Gas Utilities	4
Natural Gas Operators	20
Master Meter Gas Operators	151
Water and Sewer Utilities	3
Incumbent Local Exchange Carriers	23
Regional Transmission Organization	1

Competitive Local Exchange Carriers	95
Interexchange Carriers and Private Pay Telephone Providers	<u>156</u>
TOTAL	475

These utilities generate annual revenues in Arkansas of approximately \$5.7 billion, of which \$4.5 billion are jurisdictional revenues.

The APSC consists of three Commissioners appointed by the Governor for overlapping six-year terms. The agency has 115 regular staff positions divided into two Divisions: The Utilities Division and the Tax Division.

The Commissioners have oversight responsibility for both Divisions.

The Utilities Division, including the partially federally reimbursed Pipeline Safety Office, has 100 authorized regular positions. This total includes the Commissioners and their immediate staff, which encompasses their Administrative Law Judges and Legal Section, Research and Policy Development Section, the Office of the Secretary of the Commission, the Administrative Services Section, the Information Technology Section, and the Executive Director including the nine General Staff Sections.

**Tax Division of the Public Service Commission**

The Tax Division of the Arkansas Public Service Commission is responsible for performing all functions and duties regarding the annual assessment, for property taxation purposes, of public utilities and carriers operating in Arkansas.

The Tax Division was created by the General Assembly as part of the Board of Railroad Commissioners in 1883. Under the authority of the Arkansas Constitution, Article 16, § 5, the General Assembly vested the Board with the power of original assessment of certain railroad property for the purpose of taxation. Through the years, the Tax Division’s responsibilities have been broadened to include assessment of public utility property and the administration and enforcement of the tax laws related to public utilities and carriers. The Tax Division has been placed under the direction and supervision of the Arkansas Public Service Commission.

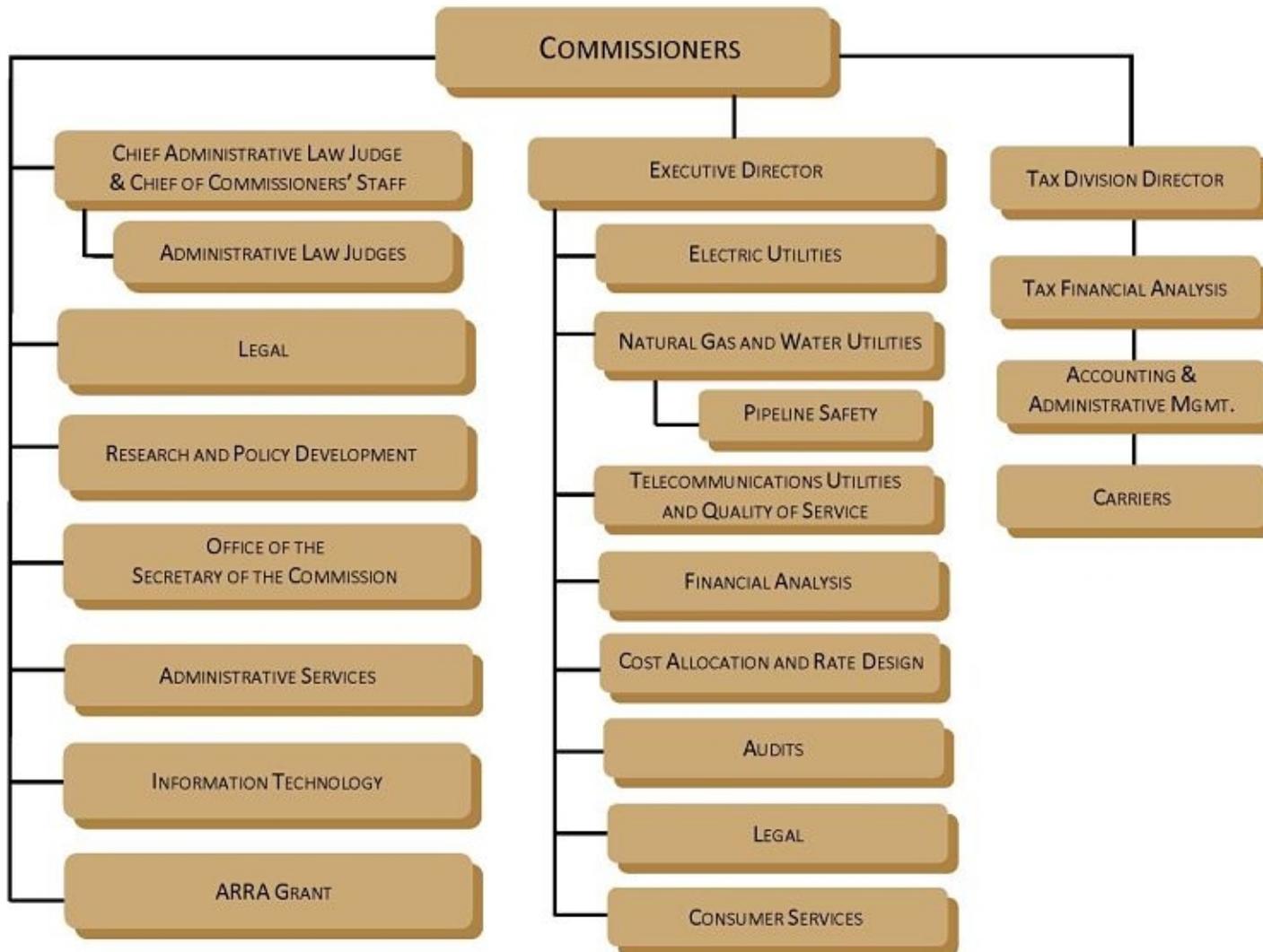
For the purpose of assessment, the Tax Division determines the fair market value of the property of all public utilities and carriers doing business in Arkansas. Once the Tax Division determines the fair market value, it calculates an assessed value which is distributed to the counties where the utility and railroad property is located for the calculation of property taxes due. The property tax revenue which results from the assessments made by the Division is a significant source of monetary support for the schools, cities, and counties of Arkansas.

Annually, the Tax Division determines the property tax assessments for public utilities and carriers in accordance with Title 26 of Arkansas Code Annotated (1997). Once determined, the assessments placed on the property of public utilities are approved by the Arkansas Public Service Commission. The assessments placed on the property of carriers are approved by the Arkansas Highway Commission.

With certain exceptions, the Tax Division certifies the approved assessments on utility and carrier property to the counties in which the property is located by the fifteenth of July each year. The various county assessors then place these assessment amounts on the property tax rolls. The exceptions are the assessments on the personal property of bus lines, motor carriers, airlines, barge lines, and private car companies, which are certified to the Department of Finance and Administration after the average state millage rate has been determined and applied to the assessments.

In 2011, the Tax Division assessed over 41,000 companies, with assessments rendered by the Tax Division totaling \$3,528,000,000. Revenue generated from these assessments provides approximately \$146,000,000 annually for the support of schools, cities, and counties. Annual tax revenue of approximately \$18,257,000 resulting from these assessments is used to partially fund the Tax Division, the Assessment Coordination Department, and the Division of Local Affairs and Audits of the Division of Legislative Audit.

The Tax Division has an authorized staff of 15 full-time positions and five Extra Help positions. The Division, for functional purposes, is organized into three smaller sections: the Tax Financial Analysis Section, which determines assessments for public utilities and carriers and determines financial inputs necessary for such assessments; the Motor Carrier Section, which determines assessments for all motor carrier companies and certain other types of carriers; and the Accounting & Administrative Management Section, which distributes and prepares the certification of the assessments, assists the other sections in determining utility and carrier assessments, and assists in Division administration.



## **Agency Commentary**

### **Utilities Division of the Public Service Commission**

The Arkansas Public Service Commission (Commission or APSC) has general regulatory authority over electric, gas, telecommunications, water and sewer services which are provided to the public for compensation. The Commission is charged with the duty of ensuring that a public utility charges rates that will allow it the opportunity to earn a fair rate of return on invested capital and that the customer does not pay more than necessary to produce a fair return to the utility for its service. Funding for the Arkansas Public Service Commission - Utilities Division comes from special revenues derived from assessments on jurisdictional utility companies' revenues.

Base Level for the Utilities Division is \$9,604,296 for FY14 and \$9,606,277 for FY15, with 88 full-time positions and 6 Extra Help positions budgeted for each fiscal year. The Contingency appropriation has a Total Base Level of \$1,000,000 for each fiscal year. Utilization of the Contingency appropriation is only in the case of unforeseen events with the approval of the Governor and review by the Arkansas Legislative Council.

Change level for the Utilities Division of \$21,000 is requested each year of the 2013-2015 Biennium in Capital Outlay for the replacement of one state vehicle in each year. The Agency also requests the reclassification of two positions and the continuation of two positions obtained from the growth pool. The agency will not budget a Grade C129, Director of Cost Allocation and Rate Design, and a Grade C126, Attorney Specialist to offset the additions.

The Pipeline Safety Office (PSO) of the Arkansas Public Service Commission has primary safety jurisdiction and authority to ensure that natural gas operators are in compliance with the *Arkansas Gas Pipeline Code*. Compliance is determined through periodic inspections of safety, corrosion, and leakage control which are performed on 24 intra-state natural gas operators and 151 operators covering 184 master-metered gas systems. Funding for the Pipeline Safety Office comes from special revenues derived from assessments on jurisdictional natural gas operators. In addition, the Pipeline Safety Office receives a partial federal reimbursement. The federal Department of Transportation - Office of Pipeline Safety provides reimbursement funding up to fifty percent of actual expenditures for salaries, equipment and related pipeline safety expenses.

The Pipeline Safety Office Base Level is \$830,247 in each year of the 2013-2015 Biennium, with ten positions authorized for each fiscal year.

Change level requests for the Pipeline Safety Office totaling \$29,363 and \$39,363 respectively, are requested each year of the 2013-2015 Biennium for Operating Expenses and Capital Outlay. Capital Outlay requests are for the purchase of a Remote Methane Laser Detector (RMLD) in fiscal year 2014 and the replacement of one vehicle in fiscal year 2015. Due to an increase in inspection requirements by the Pipeline and Hazardous Materials Safety Administration the Operating Expenses request will allow the Pipeline Safety Program to perform the required inspections.

The Commission is also requesting continuation of 3 positions and \$326,156 in the first year only to complete a federally funded ARRA program that was originally approved by a miscellaneous federal grant in January, 2010.

**Tax Division of the Public Service Commission**

The Tax Division of the Arkansas Public Service Commission is responsible for performing all functions and duties regarding the annual assessment, for property taxation purposes, of public utilities and carriers operating in Arkansas. The property tax revenue which results from the assessments made by the Tax Division is a significant source of monetary support for the schools, cities, and counties of Arkansas. In 2011, the Tax Division assessed over 41,000 companies. Revenue generated from these assessments provides approximately \$146,000,000 annually for the support of schools, cities, and counties. In addition, a portion of ad valorem revenues is used to partially fund the Tax Division, the Assessment Coordination Department and the Division of Local Affairs and Audits of the Division of Legislative Audit.

For the 2013-2015 Biennium, the Tax Division is requesting Base Level as an operating budget.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS PSYCHOLOGY BOARD  
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

## State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

### Employment Summary

	Male	Female	Total	%
White Employees	47	40	87	82 %
Black Employees	2	16	18	17 %
Other Racial Minorities	1	0	1	1 %
	Total Minorities		19	18 %
	Total Employees		106	100 %

### Publications

#### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
PSC Annual Report	A.C.A. 23-2-315 and A.C.A. 13-2-212	Y	N	31	Required by Statute. One copy provided to the Governor and 30 copies to the State Library.
Tax Division Biennial Report	A.C.A. 26-24-121 and A.C.A. 13-2-212	Y	N	31	Required by Statute. One copy provided to the Governor and 30 copies to the State Library.
Utility Rate Case Report	A.C.A. 23-4-420 and A.C.A. 13-2-212	Y	Y	167	Required by Statute. One copy provided to the Governor, 136 copies to the General Assembly, and 30 copies to the State Library.

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
255 Utilities Division-Operations	9,212,601	86	9,822,971	90	10,081,016	90	9,604,296	88	9,856,143	90	9,848,361	90	9,606,277	88	9,858,124	90	9,850,342	90
256 Pipeline Safety Program	809,677	10	890,025	10	945,368	10	830,247	10	859,610	10	859,610	10	830,247	10	869,610	10	869,610	10
257 Tax Division-Operations	1,091,692	15	1,319,112	15	1,711,090	15	1,724,651	15	1,724,651	15	1,724,651	15	1,724,651	15	1,724,651	15	1,724,651	15
2KA Contingency	0	0	0	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
82X ARRA Federal	235,093	3	410,896	3	822,779	3	0	0	326,756	3	326,756	3	0	0	0	0	0	0
<b>Total</b>	<b>11,349,063</b>	<b>114</b>	<b>12,443,004</b>	<b>118</b>	<b>14,560,253</b>	<b>118</b>	<b>13,159,194</b>	<b>113</b>	<b>13,767,160</b>	<b>118</b>	<b>13,759,378</b>	<b>118</b>	<b>13,161,175</b>	<b>113</b>	<b>13,452,385</b>	<b>115</b>	<b>13,444,603</b>	<b>115</b>

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	5,291,452	31.8	5,309,379	30.2	5,158,761	28.5	5,158,761	28.0	5,158,761	28.0	4,919,128	27.0	4,637,918	25.9	4,645,700	25.9
Federal Revenue	4000020	356,747	2.1	445,012	2.5	429,805	2.4	429,805	2.3	429,805	2.3	434,805	2.4	434,805	2.4	434,805	2.4
Special Revenue	4000030	9,874,248	59.3	10,711,478	60.9	11,764,756	65.1	11,764,756	63.9	11,764,756	63.9	12,110,286	66.6	12,110,286	67.6	12,110,286	67.6
Ad Valorem Tax	4000060	900,902	5.4	725,000	4.1	725,000	4.0	725,000	3.9	725,000	3.9	725,000	4.0	725,000	4.0	725,000	4.0
Federal Funds-ARRA	4000244	235,093	1.4	410,896	2.3	0	0.0	326,756	1.8	326,756	1.8	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>16,658,442</b>	<b>100.0</b>	<b>17,601,765</b>	<b>100.0</b>	<b>18,078,322</b>	<b>100.0</b>	<b>18,405,078</b>	<b>100.0</b>	<b>18,405,078</b>	<b>100.0</b>	<b>18,189,219</b>	<b>100.0</b>	<b>17,908,009</b>	<b>100.0</b>	<b>17,915,791</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(5,309,379)		(5,158,761)		(4,919,128)		(4,637,918)		(4,645,700)		(5,028,044)		(4,455,624)		(4,471,188)	
<b>Grand Total</b>		<b>11,349,063</b>		<b>12,443,004</b>		<b>13,159,194</b>		<b>13,767,160</b>		<b>13,759,378</b>		<b>13,161,175</b>		<b>13,452,385</b>		<b>13,444,603</b>	

## Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
115	111	7	118	-3	3.48 %	118	103	13	116	2	12.71 %	118	102	15	117	1	13.56 %

Total Budgeted positions exceed Authorized due to positions authorized through the Miscellaneous Federal Grant process.

## **Analysis of Budget Request**

**Appropriation:** 255 - Utilities Division-Operations

**Funding Sources:** SJP - Public Service Commission Fund

The Public Service Commission - Utilities Division is funded entirely by special revenues derived from assessments paid by the utility companies under its jurisdiction, as authorized in A.C.A. § 19-6-406. Base Level for the Division totals \$9,604,296 for FY14 and \$9,606,277 for FY15, with 88 budgeted positions.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salaries of unclassified positions reflect the FY13 line item maximums.

Requested changes total \$251,847 each year and are listed as follows:

- Capital Outlay of \$21,000 each year for replacement of vehicles.
- \$202,721 each year in salaries and matching for continuation of two positions, Director of Rates and Demand Resources and an Administrative Law Judge, Grade N906, obtained from the growth pool in May and July, 2012.
- Reclassification of two positions: An Administrative Specialist I to PSC Rate Case Analyst and a Legal Support Specialist to Administrative Analyst, with salary and matching costs of \$28,126 each year.
- Continuation of special language for contingency transfers.

The Executive Recommendation provides for the Agency Request, but does not include reclassification of the Legal Support Specialist position to Administrative Analyst.

## Appropriation Summary

**Appropriation:** 255 - Utilities Division-Operations

**Funding Sources:** SJP - Public Service Commission Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,610,847	5,537,421	5,840,803	5,363,396	5,544,624	5,541,904	5,364,296	5,545,524	5,542,804
<b>#Positions</b>		<b>86</b>	<b>90</b>	<b>90</b>	<b>88</b>	<b>90</b>	<b>90</b>	<b>88</b>	<b>90</b>	<b>90</b>
Extra Help	5010001	1,973	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
<b>#Extra Help</b>		<b>1</b>	<b>6</b>							
Personal Services Matching	5010003	1,561,950	1,638,881	1,593,544	1,615,231	1,664,850	1,659,788	1,616,312	1,665,931	1,660,869
Overtime	5010006	539	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	891,151	1,055,997	1,055,997	1,055,997	1,055,997	1,055,997	1,055,997	1,055,997	1,055,997
Conference & Travel Expenses	5050009	53,393	68,922	68,922	68,922	68,922	68,922	68,922	68,922	68,922
Professional Fees	5060010	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	21,000	21,000	0	21,000	21,000	0	21,000	21,000
Special Maintenance	5120032	21,770	24,319	24,319	24,319	24,319	24,319	24,319	24,319	24,319
Fed Regulatory Services	5900040	237,956	290,575	290,575	290,575	290,575	290,575	290,575	290,575	290,575
Professional Services	5900043	740,807	998,000	998,000	998,000	998,000	998,000	998,000	998,000	998,000
Data Processing Services	5900044	92,215	138,856	138,856	138,856	138,856	138,856	138,856	138,856	138,856
<b>Total</b>		<b>9,212,601</b>	<b>9,822,971</b>	<b>10,081,016</b>	<b>9,604,296</b>	<b>9,856,143</b>	<b>9,848,361</b>	<b>9,606,277</b>	<b>9,858,124</b>	<b>9,850,342</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,988,498	1,714,124		1,714,124	1,714,124	1,714,124	1,965,971	1,714,124	1,721,906
Special Revenue	4000030	8,938,227	9,822,971		9,856,143	9,856,143	9,856,143	9,858,124	9,858,124	9,858,124
<b>Total Funding</b>		<b>10,926,725</b>	<b>11,537,095</b>		<b>11,570,267</b>	<b>11,570,267</b>	<b>11,570,267</b>	<b>11,824,095</b>	<b>11,572,248</b>	<b>11,580,030</b>
Excess Appropriation/(Funding)		(1,714,124)	(1,714,124)		(1,965,971)	(1,714,124)	(1,721,906)	(2,217,818)	(1,714,124)	(1,729,688)
<b>Grand Total</b>		<b>9,212,601</b>	<b>9,822,971</b>		<b>9,604,296</b>	<b>9,856,143</b>	<b>9,848,361</b>	<b>9,606,277</b>	<b>9,858,124</b>	<b>9,850,342</b>

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

**Appropriation:** 255 - Utilities Division-Operations  
**Funding Sources:** SJP - Public Service Commission Fund

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,604,296</b>	<b>88</b>	<b>9,604,296</b>	<b>100.0</b>	<b>9,606,277</b>	<b>88</b>	<b>9,606,277</b>	<b>100.0</b>
C01	Existing Program	21,000	0	9,625,296	100.2	21,000	0	9,627,277	100.2
C06	Restore Position/Approp	202,721	2	9,828,017	102.3	202,721	2	9,829,998	102.3
C10	Reclass	28,126	0	9,856,143	102.6	28,126	0	9,858,124	102.6

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,604,296</b>	<b>88</b>	<b>9,604,296</b>	<b>100.0</b>	<b>9,606,277</b>	<b>88</b>	<b>9,606,277</b>	<b>100.0</b>
C01	Existing Program	21,000	0	9,625,296	100.2	21,000	0	9,627,277	100.2
C06	Restore Position/Approp	202,721	2	9,828,017	102.3	202,721	2	9,829,998	102.3
C10	Reclass	20,344	0	9,848,361	102.5	20,344	0	9,850,342	102.5

### Justification

C01	Capital Outlay request in the amount of \$21,000 for the replacement of one vehicle for each year.
C06	This request is for the continuation of two positions, Director of Rates and Demand Resources, Grade N906, and PSC Administrative Law Judge, Grade N906, obtained from the growth pool in May and July, 2012.
C10	This request is for the reclassification of an Administrative Specialist I position, grade C106 to a PSC Rate Case Analyst position, grade C121. The reclassification is needed to provide assistance in the Electric Section to address the various issues confronting the electric utility industry. Also requested is the reclassification of a Legal Support Specialist position, grade C113 to an Administrative Analyst position, grade C115 which will better match the duties the position is required to perform.

## **Analysis of Budget Request**

**Appropriation:** 256 - Pipeline Safety Program

**Funding Sources:** SAD - Public Service Utility Safety Fund

The Public Service Commission's Pipeline Safety Program is funded by special revenue inspection fees charged annually to each company according to its pipeline mileage in Arkansas, as authorized in Arkansas Code § 23-15-214 et seq. The Program is also eligible for federal reimbursement for up to 50% of its expenditures. Under this program, the Commission maintains safety jurisdiction and monitors the transmission by pipeline of hazardous materials, such as gasoline, oil, and natural gas.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for this program is \$830,247 each year. Requested changes total \$29,363 for FY14 and \$39,363 for FY15 and are listed as follows:

- Capital Outlay of \$15,000 in the first year for purchase of a Remote Methane Laser Detector.
- Capital Outlay of \$25,000 in the second year for replacement of one four-wheel drive vehicle.
- The addition of \$14,363 each year in Operating Expenses for training and travel costs to meet new and increased inspection requirements of the Pipeline and Hazardous Materials Safety Administration.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 256 - Pipeline Safety Program  
**Funding Sources:** SAD - Public Service Utility Safety Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	538,473	574,753	630,185	543,305	543,305	543,305	543,305	543,305	543,305
<b>#Positions</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	153,135	172,786	172,697	168,456	168,456	168,456	168,456	168,456	168,456
Operating Expenses	5020002	79,481	90,637	97,637	90,637	105,000	105,000	90,637	105,000	105,000
Conference & Travel Expenses	5050009	18,148	25,620	12,620	25,620	25,620	25,620	25,620	25,620	25,620
Professional Fees	5060010	1,203	2,229	8,229	2,229	2,229	2,229	2,229	2,229	2,229
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	19,237	24,000	24,000	0	15,000	15,000	0	25,000	25,000
<b>Total</b>		<b>809,677</b>	<b>890,025</b>	<b>945,368</b>	<b>830,247</b>	<b>859,610</b>	<b>859,610</b>	<b>830,247</b>	<b>869,610</b>	<b>869,610</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,064,809	1,252,610		1,456,615	1,456,615	1,456,615	1,485,978	1,456,615	1,456,615
Federal Revenue	4000020	356,747	445,012		429,805	429,805	429,805	434,805	434,805	434,805
Special Revenue	4000030	640,731	649,018		429,805	429,805	429,805	434,805	434,805	434,805
<b>Total Funding</b>		<b>2,062,287</b>	<b>2,346,640</b>		<b>2,316,225</b>	<b>2,316,225</b>	<b>2,316,225</b>	<b>2,355,588</b>	<b>2,326,225</b>	<b>2,326,225</b>
Excess Appropriation/(Funding)		(1,252,610)	(1,456,615)		(1,485,978)	(1,456,615)	(1,456,615)	(1,525,341)	(1,456,615)	(1,456,615)
<b>Grand Total</b>		<b>809,677</b>	<b>890,025</b>		<b>830,247</b>	<b>859,610</b>	<b>859,610</b>	<b>830,247</b>	<b>869,610</b>	<b>869,610</b>

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Budget exceeds Authorized Appropriation in Conference & Travel Expenses by authority of a Budget Classification Transfer.

## Change Level by Appropriation

**Appropriation:** 256 - Pipeline Safety Program  
**Funding Sources:** SAD - Public Service Utility Safety Fund

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>830,247</b>	<b>10</b>	<b>830,247</b>	<b>100.0</b>	<b>830,247</b>	<b>10</b>	<b>830,247</b>	<b>100.0</b>
C01	Existing Program	29,363	0	859,610	103.5	39,363	0	869,610	104.7

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>830,247</b>	<b>10</b>	<b>830,247</b>	<b>100.0</b>	<b>830,247</b>	<b>10</b>	<b>830,247</b>	<b>100.0</b>
C01	Existing Program	29,363	0	859,610	103.5	39,363	0	869,610	104.7

### Justification

C01	This request is for Capital Outlay of \$15,000 in fiscal year 2014 for the purchase of a Remote Methane Laser Detector and \$25,000 in fiscal year 2015 for the replacement of one vehicle. A request for an increase in Operating Expenses in the amount of \$14,363 for each year of the biennium to allow the Pipeline Safety Office to meet new inspection requirements by the Pipeline and Hazardous Materials Safety Administration. This includes required training and operating expenses to enable the increased number of inspections.
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## **Analysis of Budget Request**

**Appropriation:** 257 - Tax Division-Operations

**Funding Sources:** HTD - Tax Division Fund

The Public Service Commission - Tax Division's appropriation is funded by special revenues transferred from the Public Service Commission Fund, the Division's share of ad valorem taxes, as authorized in Arkansas Code §19-5-1024, and general revenues, if needed. Base Level is \$1,724,651 each year, with 15 positions authorized and budgeted.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Division is requesting continuation of Base Level only and continuation of special language that governs transfers from the Contingency line item.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 257 - Tax Division-Operations

**Funding Sources:** HTD - Tax Division Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	709,894	728,168	733,100	729,568	729,568	729,568	729,568	729,568	729,568
<b>#Positions</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
Extra Help 5010001	0	38,238	38,238	38,238	38,238	38,238	38,238	38,238	38,238
<b>#Extra Help</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching 5010003	220,518	233,847	220,893	237,986	237,986	237,986	237,986	237,986	237,986
Overtime 5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses 5020002	149,842	201,359	201,359	201,359	201,359	201,359	201,359	201,359	201,359
Conference & Travel Expenses 5050009	11,438	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Professional Fees 5060010	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Contingency 5130018	0	0	400,000	400,000	400,000	400,000	400,000	400,000	400,000
<b>Total</b>	<b>1,091,692</b>	<b>1,319,112</b>	<b>1,711,090</b>	<b>1,724,651</b>	<b>1,724,651</b>	<b>1,724,651</b>	<b>1,724,651</b>	<b>1,724,651</b>	<b>1,724,651</b>
<b>Funding Sources</b>									
Fund Balance 4000005	1,238,145	1,342,645		988,022	988,022	988,022	467,179	467,179	467,179
Special Revenue 4000030	295,290	239,489		478,808	478,808	478,808	817,357	817,357	817,357
Ad Valorem Tax 4000060	900,902	725,000		725,000	725,000	725,000	725,000	725,000	725,000
<b>Total Funding</b>	<b>2,434,337</b>	<b>2,307,134</b>		<b>2,191,830</b>	<b>2,191,830</b>	<b>2,191,830</b>	<b>2,009,536</b>	<b>2,009,536</b>	<b>2,009,536</b>
Excess Appropriation/(Funding)	(1,342,645)	(988,022)		(467,179)	(467,179)	(467,179)	(284,885)	(284,885)	(284,885)
<b>Grand Total</b>	<b>1,091,692</b>	<b>1,319,112</b>		<b>1,724,651</b>	<b>1,724,651</b>	<b>1,724,651</b>	<b>1,724,651</b>	<b>1,724,651</b>	<b>1,724,651</b>

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 2KA - Contingency

**Funding Sources:** SJP - Public Service Commission Fund

The Public Service Commission - Utilities Division's Contingency appropriation provides additional spending authority that may be transferred to the Division's operating line items in emergency situations that would require additional resources. Funding for this appropriation is from Special Revenue balances held in the Public Service Commission Fund to support any transfers that may be made.

The Agency requests that this appropriation be continued at its current authorized level of \$1,000,000 each year and that special language governing transfers during emergencies and unforeseen circumstances also be continued for the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2KA - Contingency  
**Funding Sources:** SJP - Public Service Commission Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contingency 5130018	0	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	0	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Funding Sources</b>									
Fund Balance 4000005	1,000,000	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Special Revenue 4000030	0	0		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding	1,000,000	1,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)	(1,000,000)	(1,000,000)		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Grand Total	0	0		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

## **Analysis of Budget Request**

**Appropriation:** 82X - ARRA Federal

**Funding Sources:** FPS - Public Service Commission - Federal

This program employs ARRA federal funding for the purpose of assisting with the planning and management of electricity-related endeavors that include various approaches to conservation and energy efficiency.

The Commission is requesting continuation in the first year only for 3 positions and \$326,756 to complete a program that was originally approved by a miscellaneous federal grant in January, 2010. The grant award period that makes these funds available extends to October 31, 2013.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 82X - ARRA Federal

**Funding Sources:** FPS - Public Service Commission - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA of 2009	5900052	235,093	410,896	822,779	0	326,756	326,756	0	0	0
Total		235,093	410,896	822,779	0	326,756	326,756	0	0	0
<b>Funding Sources</b>										
Federal Funds-ARRA	4000244	235,093	410,896		0	326,756	326,756	0	0	0
Total Funding		235,093	410,896		0	326,756	326,756	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		235,093	410,896		0	326,756	326,756	0	0	0

Agency Change Level request consists of ARRA appropriation and 3 positions due to the extension of ARRA funding into FY14 by the federal granting agency.

## Change Level by Appropriation

**Appropriation:** 82X - ARRA Federal  
**Funding Sources:** FPS - Public Service Commission - Federal

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C16	ARRA	326,756	3	326,756	100.0	0	0	0	0.0

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C16	ARRA	326,756	3	326,756	100.0	0	0	0	0.0

### Justification

C16	The Commission is requesting continuation of 3 positions and \$326,156 in the first year only to complete a federally funded ARRA program that was originally approved by a miscellaneous federal grant in January, 2010.								
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