

ARKANSAS PUBLIC SERVICE COMMISSION

Enabling Laws

Act 31 of 2010

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	22
Master Meter Gas Operators	165
Water and Sewer Utilities	4
Incumbent Local Exchange Carriers	30
Regional Transmission Organization	1

Competitive Local Exchange Carriers	91
Interexchange Carriers and Private Pay Telephone Providers	<u>172</u>
TOTAL	511

These utilities generate annual revenues in Arkansas of approximately \$5.5 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 Tax Division submits a separate budget request.

The Utilities Division, including the 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 had its beginning in the creation, by the General Assembly, 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.

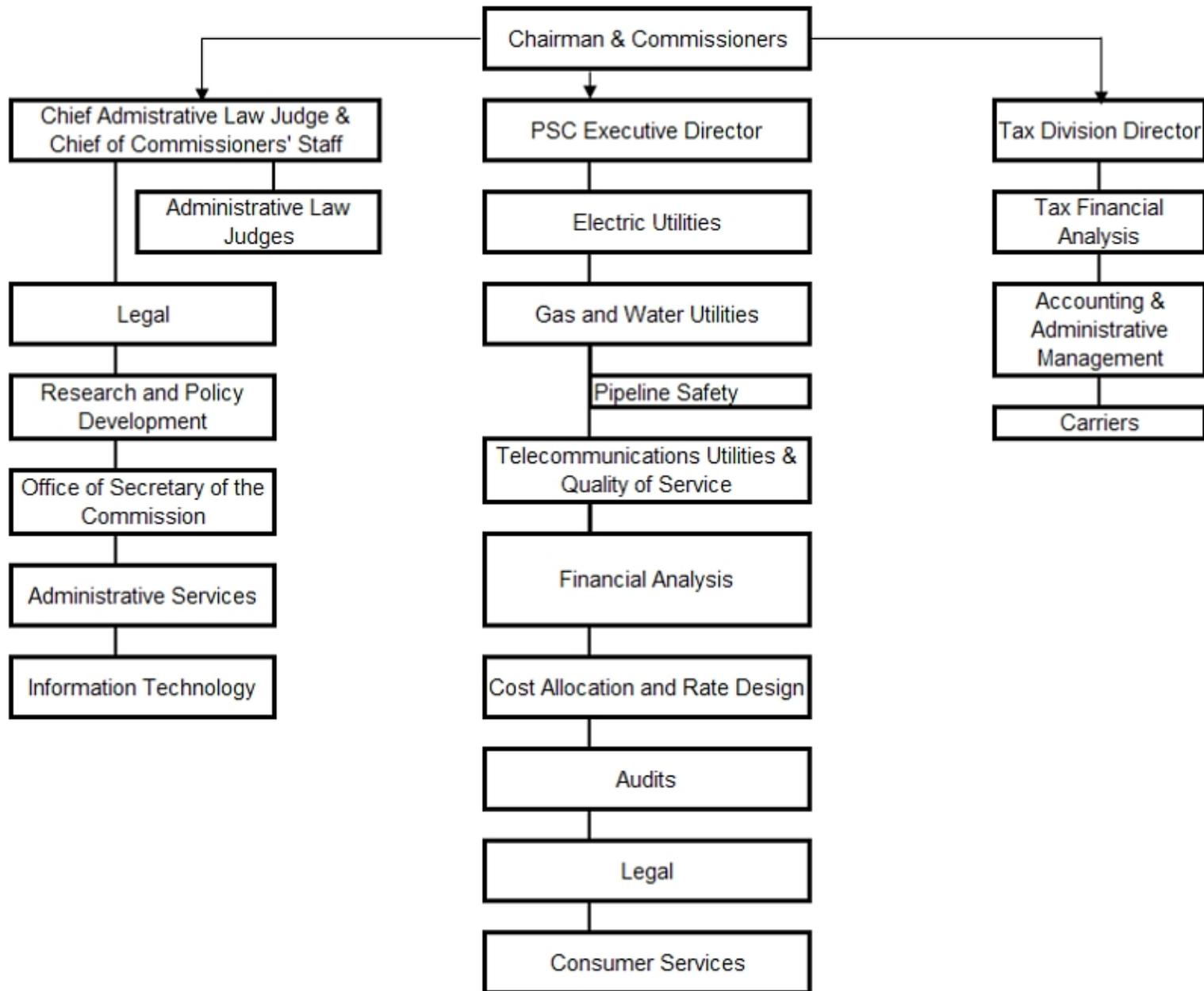
For the purpose of assessment, the Tax Division determines the fair market value of the property of all public utilities and carriers doing business in Arkansas. Once the Tax Division determines the fair market value, it calculates an assessed value which is distributed to the counties where the utility 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 2009, the Tax Division assessed over 45,000 companies, with assessments rendered by the Tax Division totaling \$3,193,000,000. Revenue generated from these assessments provides approximately \$128,177,000 annually for the support of schools, cities, and counties. Annual tax revenue of approximately \$18,735,000 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 is one of the two divisions of the Arkansas Public Service Commission, the other being the Utilities Division. 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 \$9,709,891 each year, with 90 full-time positions and 6 Extra Help positions authorized 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 levels for the Utilities Division totaling \$11,229 and \$21,000, respectively, are requested each year of the 2011-2013 Biennium for Operating Expenses and Capital Outlay. The Agency has exhausted its current Internet capacity and the Operating Expenses requests will enable the Commission to acquire additional capacity. Capital Outlay requests are for the replacement of one state vehicle in each year. The Agency also requests the reclassification of one position and title changes of two other positions.

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 26 intra-state natural gas operators and 165 operators covering 297 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 \$873,916 in each year of the 2011-2013 biennium, with ten positions authorized for each fiscal year.

Change level requests for the Pipeline Safety Office include Capital Outlay of \$24,000 each year for replacement of a four wheel drive vehicle in each fiscal year.

The Commission is also requesting continuation of 3 positions and \$822,779 in appropriation to employ ARRA federal funds that were 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 2009, the Tax Division assessed over 45,000 companies. Revenue generated from these assessments provides approximately \$128,177,000 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 Legislative Audit.

For the 2011-2013 biennium, the Tax Division is requesting Base Level as an operating budget.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC SERVICE COMMISSION
FOR THE YEAR ENDED JUNE 30, 2008

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	45	43	88	81 %
Black Employees	2	18	20	18 %
Other Racial Minorities	1	0	1	1 %
Total Minorities			21	19 %
Total Employees			109	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	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
255 Utilities Division-Operations	8,158,275	89	9,697,015	90	9,964,776	90	9,709,891	90	9,742,120	90	9,730,891	90	9,709,891	90	9,742,120	90	9,730,891	90
256 Pipeline Safety Program	800,375	10	891,653	10	901,215	10	873,916	10	897,916	10	897,916	10	873,916	10	897,916	10	897,916	10
257 Tax Division-Operations	1,012,345	15	1,263,868	15	1,592,701	15	1,657,699	15	1,657,699	15	1,657,699	15	1,657,699	15	1,657,699	15	1,657,699	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	14,909	2	822,779	3	0	0	0	0	822,779	3	822,779	3	0	0	822,779	3	822,779	3
Total	9,985,904	116	12,675,315	118	13,458,692	115	13,241,506	115	14,120,514	118	14,109,285	118	13,241,506	115	14,120,514	118	14,109,285	118

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	6,380,817	39.2	6,274,652	36.4		4,539,535	26.4	4,539,535	25.1	4,539,535	25.1	3,978,525	23.4	3,978,525	22.3	3,978,525	22.3
Federal Revenue	4000020	467,052	2.9	445,826	2.6		418,000	2.4	430,000	2.4	430,000	2.4	418,000	2.5	430,000	2.4	430,000	2.4
Special Revenue	4000030	8,585,716	52.8	9,065,693	52.7		11,656,596	67.7	11,700,825	64.6	11,689,596	64.6	11,996,607	70.6	12,040,836	67.3	12,029,607	67.3
Ad Valorem Tax	4000060	812,062	5.0	605,900	3.5		605,900	3.5	605,900	3.3	605,900	3.3	605,900	3.6	605,900	3.4	605,900	3.4
Federal Funds-ARRA	4000244	14,909	0.1	822,779	4.8		0	0.0	822,779	4.5	822,779	4.5	0	0.0	822,779	4.6	822,779	4.6
Total Funds		16,260,556	100.0	17,214,850	100.0		17,220,031	100.0	18,099,039	100.0	18,087,810	100.0	16,999,032	100.0	17,878,040	100.0	17,866,811	100.0
Excess Appropriation/(Funding)		(6,274,652)		(4,539,535)			(3,978,525)		(3,978,525)		(3,978,525)		(3,757,526)		(3,757,526)		(3,757,526)	
Grand Total		9,985,904		12,675,315			13,241,506		14,120,514		14,109,285		13,241,506		14,120,514		14,109,285	

The ARRA Federal Program (82X) was established by the authority of the Miscellaneous Federal Program Act in January, 2010.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
114	108	6	114	0	5.26 %	115	109	6	115	0	5.22 %	115	111	7	118	-3	3.48 %

Total Budgeted positions in FY2010-2011 include 3 ARRA of 2009 positions established through the authority of the Miscellaneous Federal Program Act in January, 2010.

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 \$9,709,891, with 90 budgeted positions.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salaries of unclassified positions reflect the FY11 line item maximum.

Requested changes include Capital Outlay of \$21,000 each year for replacement of vehicles; \$11,229 each year in Operating Expenses for additional Internet capacity; reclassification of one position from PSC Senior Public Utility Auditor, Grade C122, to PSC Senior Rate Case Analyst, Grade C124; and title changes for two positions from PSC Administrative Coordinator, Grade C118, to Executive Assistant to the Commissioners.

The Executive Recommendation provides for Base Level, plus two position title changes and Capital Outlay to replace one aging, high mileage vehicle each year in accordance with A.C.A. §22-8-201 et seq., the Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 255 - Utilities Division-Operations

Funding Sources: SJP - Public Service Commission Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,401,010	5,556,919	5,760,596	5,540,956	5,540,956	5,540,956	5,540,956	5,540,956	5,540,956
#Positions		89	90	90	90	90	90	90	90	90
Extra Help	5010001	0	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
#Extra Help		0	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	1,377,546	1,493,427	1,557,511	1,543,266	1,543,266	1,543,266	1,543,266	1,543,266	1,543,266
Overtime	5010006	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	913,633	1,055,997	1,055,997	1,055,997	1,067,226	1,055,997	1,055,997	1,067,226	1,055,997
Conference & Travel Expenses	5050009	53,081	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	18,011	21,000	21,000	0	21,000	21,000	0	21,000	21,000
Special Maintenance	5120032	0	24,319	24,319	24,319	24,319	24,319	24,319	24,319	24,319
Fed Regulatory Services	5900040	216,579	290,575	290,575	290,575	290,575	290,575	290,575	290,575	290,575
Professional Services	5900043	81,663	998,000	998,000	998,000	998,000	998,000	998,000	998,000	998,000
Data Processing Services	5900044	96,752	138,856	138,856	138,856	138,856	138,856	138,856	138,856	138,856
Total		8,158,275	9,697,015	9,964,776	9,709,891	9,742,120	9,730,891	9,709,891	9,742,120	9,730,891
Funding Sources										
Fund Balance	4000005	2,833,871	2,572,109		1,243,454	1,243,454	1,243,454	1,243,454	1,243,454	1,243,454
Special Revenue	4000030	7,896,513	8,368,360		9,709,891	9,742,120	9,730,891	9,709,891	9,742,120	9,730,891
Total Funding		10,730,384	10,940,469		10,953,345	10,985,574	10,974,345	10,953,345	10,985,574	10,974,345
Excess Appropriation/(Funding)		(2,572,109)	(1,243,454)		(1,243,454)	(1,243,454)	(1,243,454)	(1,243,454)	(1,243,454)	(1,243,454)
Grand Total		8,158,275	9,697,015		9,709,891	9,742,120	9,730,891	9,709,891	9,742,120	9,730,891

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,709,891	90	9,709,891	100.0	9,709,891	90	9,709,891	100.0
C01	Existing Program	32,229	0	9,742,120	100.3	32,229	0	9,742,120	100.3
C10	Reclass	0	0	9,742,120	100.3	0	0	9,742,120	100.3
C14	Title Change	0	0	9,742,120	100.3	0	0	9,742,120	100.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,709,891	90	9,709,891	100.0	9,709,891	90	9,709,891	100.0
C01	Existing Program	21,000	0	9,730,891	100.2	21,000	0	9,730,891	100.2
C10	Reclass	0	0	9,730,891	100.2	0	0	9,730,891	100.2
C14	Title Change	0	0	9,730,891	100.2	0	0	9,730,891	100.2

Justification

C01	\$11,229 each year in Operating Expenses is requested to increase Internet capacity. Also requested is Capital Outlay of \$21,000 each year for replacement of one vehicle in each year.
C10	Reclassification of one position from PSC Senior Public Utility Auditor, Grade C122, to PSC Senior Rate Case Analyst, Grade C124, is requested.
C14	A title change is requested for two positions from PSC Administrative Coordinator, Grade C118, to Executive Assistant to the Commissioners, Grade C118.

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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level for this program is \$873,916 each year. The only change requested is for Capital Outlay of \$24,000 each year for replacement of one four-wheel drive vehicle in each year.

The Executive Recommendation provides for Base Level, plus Capital Outlay to replace one aging, high mileage vehicle each year in accordance with A.C.A. §22-8-201 et seq., the Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	575,337	594,890	594,830	589,690	589,690	589,690	589,690	589,690	589,690
#Positions		10	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	143,688	154,277	163,899	165,740	165,740	165,740	165,740	165,740	165,740
Operating Expenses	5020002	71,241	97,637	97,637	97,637	97,637	97,637	97,637	97,637	97,637
Conference & Travel Expenses	5050009	8,618	12,620	12,620	12,620	12,620	12,620	12,620	12,620	12,620
Professional Fees	5060010	1,491	8,229	8,229	8,229	8,229	8,229	8,229	8,229	8,229
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	24,000	24,000	0	24,000	24,000	0	24,000	24,000
Total		800,375	891,653	901,215	873,916	897,916	897,916	873,916	897,916	897,916
Funding Sources										
Fund Balance	4000005	1,138,089	1,368,201		1,451,775	1,451,775	1,451,775	1,413,859	1,413,859	1,413,859
Federal Revenue	4000020	467,052	445,826		418,000	430,000	430,000	418,000	430,000	430,000
Special Revenue	4000030	563,435	529,401		418,000	430,000	430,000	418,000	430,000	430,000
Total Funding		2,168,576	2,343,428		2,287,775	2,311,775	2,311,775	2,249,859	2,273,859	2,273,859
Excess Appropriation/(Funding)		(1,368,201)	(1,451,775)		(1,413,859)	(1,413,859)	(1,413,859)	(1,375,943)	(1,375,943)	(1,375,943)
Grand Total		800,375	891,653		873,916	897,916	897,916	873,916	897,916	897,916

The FY11 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2009-2011 biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	873,916	10	873,916	100.0	873,916	10	873,916	100.0
C01	Existing Program	24,000	0	897,916	102.7	24,000	0	897,916	102.7

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	873,916	10	873,916	100.0	873,916	10	873,916	100.0
C01	Existing Program	24,000	0	897,916	102.7	24,000	0	897,916	102.7

Justification

C01	This request is for Capital Outlay of \$24,000 each year to replace one four wheel drive vehicle in each year as they meet the mileage and time-of-service requirements.
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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 \$1,657,699 each year, with 15 positions authorized and budgeted.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

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		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	568,672	693,231	634,650	687,731	687,731	687,731	687,731	687,731	687,731
#Positions	15	15	15	15	15	15	15	15	15
Extra Help 5010001	10,737	38,238	38,238	38,238	38,238	38,238	38,238	38,238	38,238
#Extra Help	2	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	177,643	213,540	200,954	212,871	212,871	212,871	212,871	212,871	212,871
Overtime 5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses 5020002	161,335	201,359	201,359	201,359	201,359	201,359	201,359	201,359	201,359
Conference & Travel Expenses 5050009	8,793	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Professional Fees 5060010	85,165	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
Total	1,012,345	1,263,868	1,592,701	1,657,699	1,657,699	1,657,699	1,657,699	1,657,699	1,657,699
Funding Sources									
Fund Balance 4000005	1,408,857	1,334,342		844,306	844,306	844,306	321,212	321,212	321,212
Special Revenue 4000030	125,768	167,932		528,705	528,705	528,705	868,716	868,716	868,716
Ad Valorem Tax 4000060	812,062	605,900		605,900	605,900	605,900	605,900	605,900	605,900
Total Funding	2,346,687	2,108,174		1,978,911	1,978,911	1,978,911	1,795,828	1,795,828	1,795,828
Excess Appropriation/(Funding)	(1,334,342)	(844,306)		(321,212)	(321,212)	(321,212)	(138,129)	(138,129)	(138,129)
Grand Total	1,012,345	1,263,868		1,657,699	1,657,699	1,657,699	1,657,699	1,657,699	1,657,699

The FY11 Budget amounts in Regular Salaries and Personal Services Matching exceed the Authorized amounts due to salary adjustments and matching rate adjustments during the 2009-2011 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 2011-2013 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	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 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
Funding Sources									
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 of 3 positions and \$822,779 in appropriation that were 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	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
ARRA of 2009 5900052	14,909	822,779	0	0	822,779	822,779	0	822,779	822,779
Total	14,909	822,779	0	0	822,779	822,779	0	822,779	822,779
Funding Sources									
Federal Funds-ARRA 4000244	14,909	822,779		0	822,779	822,779	0	822,779	822,779
Total Funding	14,909	822,779		0	822,779	822,779	0	822,779	822,779
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	14,909	822,779		0	822,779	822,779	0	822,779	822,779

THIS APPROPRIATION WAS ESTABLISHED THROUGH THE AUTHORITY OF THE MISCELLANEOUS FEDERAL PROGRAM ACT AND INCLUDES THREE POSITIONS NOT SHOWN DUE TO SALARY AND MATCHING AMOUNTS INCLUDED IN THE ARRA OF 2009 SPECIAL LINE ITEM.

Change Level by Appropriation

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

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C16	ARRA	822,779	3	822,779	100.0	822,779	3	822,779	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C16	ARRA	822,779	3	822,779	100.0	822,779	3	822,779	100.0

Justification

C16	The Commission is requesting continuation of 3 positions and appropriation to employ ARRA federal funds that were originally approved by miscellaneous federal grant in January, 2010. The grant award period that makes this funding available continues to October 31, 2013.
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