

Representative Jim Fannin
Chairman



Representative Simone Champagne
Vice Chairman

FY 14-15 Executive Budget Review
LOUISIANA PUBLIC SERVICE COMMISSION

House Committee on Appropriations
by the House Fiscal Division
March 17, 2014



Agenda

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Department Functions

- **Regulates Utilities**

- Audits financial information to ensure that utility companies set appropriate rates
- Examines and audits the cost of electric fuel adjustments and natural gas purchases by natural gas companies
- Resolves disputes between consumers and utilities
- Conducts public hearings on issues within the commission's jurisdiction (rates and services of public utilities and motor carriers)

- **Regulates Motor Carriers**

- Regulates approximately 900 common carriers statewide
- Ensures that common carriers have complied with all liability insurance and financial responsibility requirements of the state
- Ensures that waste is transported by and disposed of properly by certificated and trained carriers

- **Enforces “Do Not Call” Regulations**

- Levies fines for violations
- Promulgates rules and regulations



Department Structure

Administrative

- Executive
- General Counsel
- Management and Finance
- Do Not Call

Support Services

- Administrative Hearings Division
- Utilities Division

Motor Carrier Registration

- Administrative Hearing Division
- Enforcement Section

District Offices

- District 1 – Commissioner Eric Skrmetta
- District 2 – Commissioner Scott Angelle
- District 3 – Commissioner Lambert Boissiere, III
- District 4 – Commissioner Clyde Holloway
- District 5 – Commissioner Foster Campbell



Means of Finance

Means of Finance	Actual Expenditures FY 12-13	Existing Operating Budget FY 13-14 (12/1/13)	Executive Budget Recommended FY 14-15	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
State General Fund	\$0	\$0	\$0	\$0	0.0%
Interagency Transfers	\$0	\$0	\$0	\$0	0.0%
Fees and Self-Gen Rev	\$0	\$0	\$0	\$0	0.0%
Statutory Dedications	\$8,617,853	\$9,198,657	\$9,510,646	\$311,989	3.4%
Federal Funds	\$79,794	\$422,609	\$0	(\$422,609)	(100.0%)
TOTAL	\$8,697,647	\$9,621,266	\$9,510,646	(\$110,620)	(1.1%)
Authorized Positions	97	97	94	(3)	(3.1%)

Significant Changes

Statutory Dedications

- Increases are used to fund performance adjustments and retirement adjustments

\$311,989



Federal

- AARA funding ended

\$422,609



Authorized Positions

- Inadvertently reduced during budget process

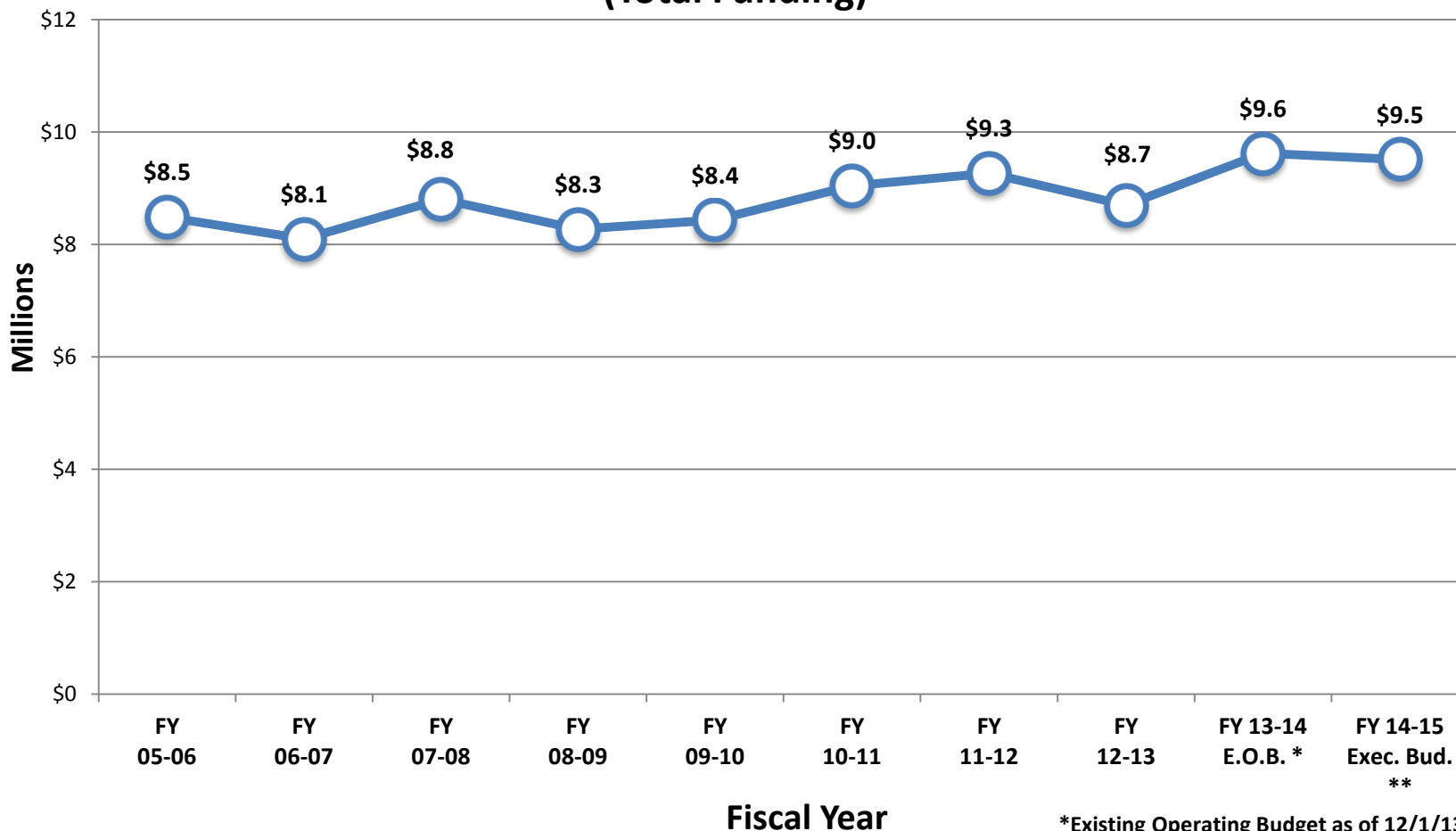
3 T.O.





10-Year Budget History

PUBLIC SERVICE COMMISSION (Total Funding)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



Major Sources of Revenues FY 14-15

Motor Carrier Regulation Fund

- Funded by the collection of intrastate application, registration, and permit fees, and fines collected from penalties.

Telephonic Solicitation Relief Fund

- The monies in the fund shall be used solely and exclusively for implementation, administration, and enforcement of the "Do Not Call" listing.

Utility & Carrier Inspection/Supervision Fund

- Each common carrier, contract carrier, and public utility doing business in Louisiana, and subject to control and jurisdiction of the commission, shall pay to the state a fee for inspection, control, and supervision of the business service and rates of such common carrier and public utility.



Statutory Dedications

	Actual FY 12-13	EOB FY 13-14	Exec Budget FY 14-15
Motor Carrier Regulation Fund	\$145,501	\$145,500	\$154,170
Telephonic Solicitation Relief Fund	\$236,500	\$254,040	\$293,288
Utility & Carrier Inspection and Supervision Fund	\$8,235,852	\$8,799,117	\$9,063,188
Total	\$8,617,853	\$9,198,657	\$9,510,646
Percent of the Department Total Budget	99.1%	95.6%	100%



Expenditure Breakdown

Expenditures	FY 12-13 Actual Expenditures	FY 13-14 Existing Operating Budget (12/1/13)	FY 14-15 Executive Budget Recommendation	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
Salaries	\$4,841,255	\$4,905,342	\$4,894,293	(\$11,049)	(0.2%)
Other Compensation	\$44,167	\$58,564	\$38,558	(\$20,006)	(34.2%)
Related Benefits	\$2,213,734	\$2,260,161	\$2,488,866	\$228,705	10.1%
Travel	\$53,375	\$351,591	\$206,675	(\$144,916)	(41.2%)
Operating Services	\$360,107	\$438,798	\$421,473	(\$17,325)	(3.9%)
Supplies	\$38,860	\$94,771	\$74,810	(\$19,961)	(21.1%)
Professional Services	\$2,414	\$5,000	\$5,000	\$0	0.0%
Other Charges	\$1,126,260	\$1,399,418	\$1,194,570	(\$204,848)	(14.6%)
Acq/Major Repairs	\$17,475	\$107,621	\$186,401	\$78,780	73.2%
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXP	\$8,697,647	\$9,621,266	\$9,510,646	(\$110,620)	(1.1%)

Related Benefits

- Increase is due to a higher retirement rate for active and retired state employees

Travel

- Decrease is due to the elimination of ARRA funding and associated travel

Acquisitions and Major Repairs

- Increase is due to hardware/software upgrades for the agency's data storage system

Other Charges

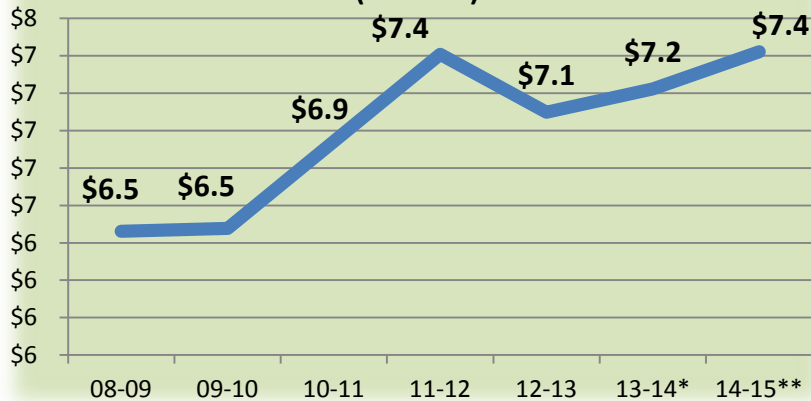
- Elimination of ARRA Funding in the upcoming fiscal year



7-Year Expenditure History

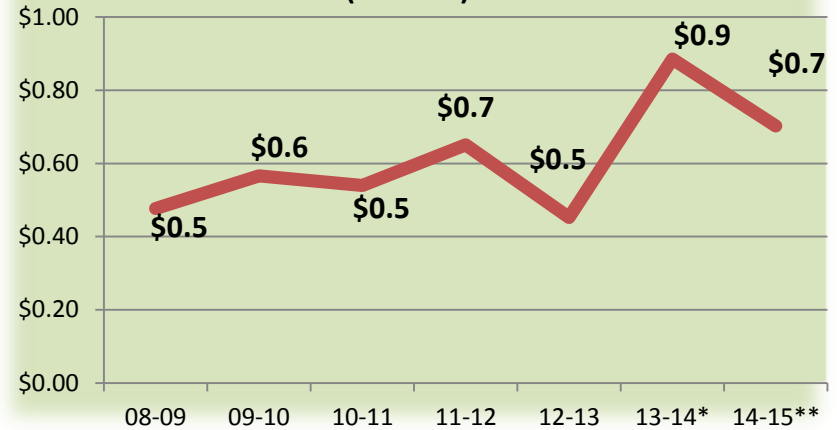
Personal Services

(millions)

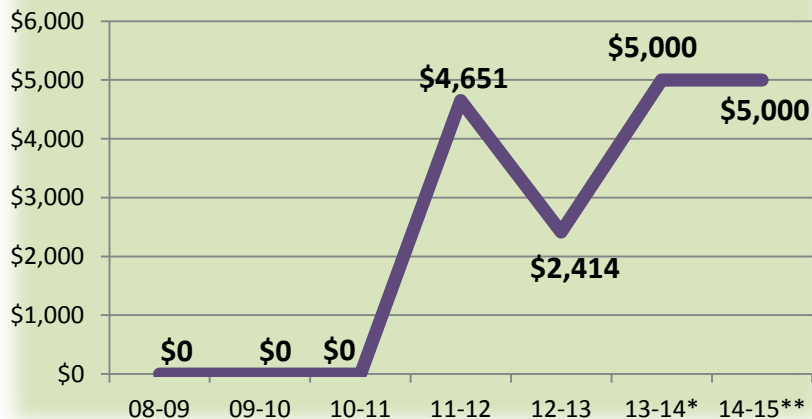


Operating Expenses

(millions)

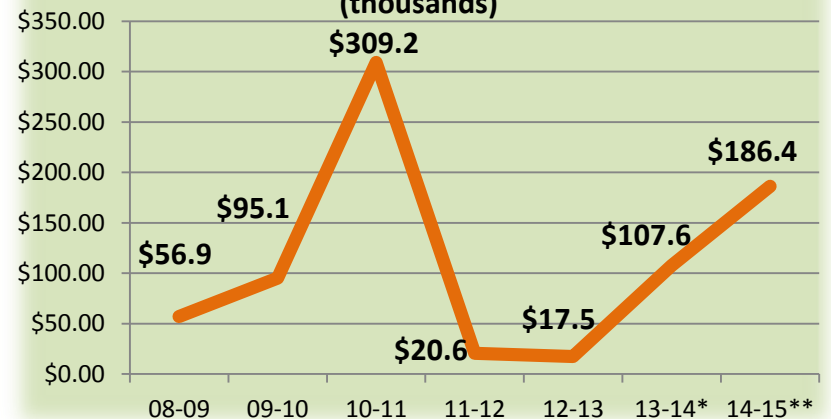


Professional Services



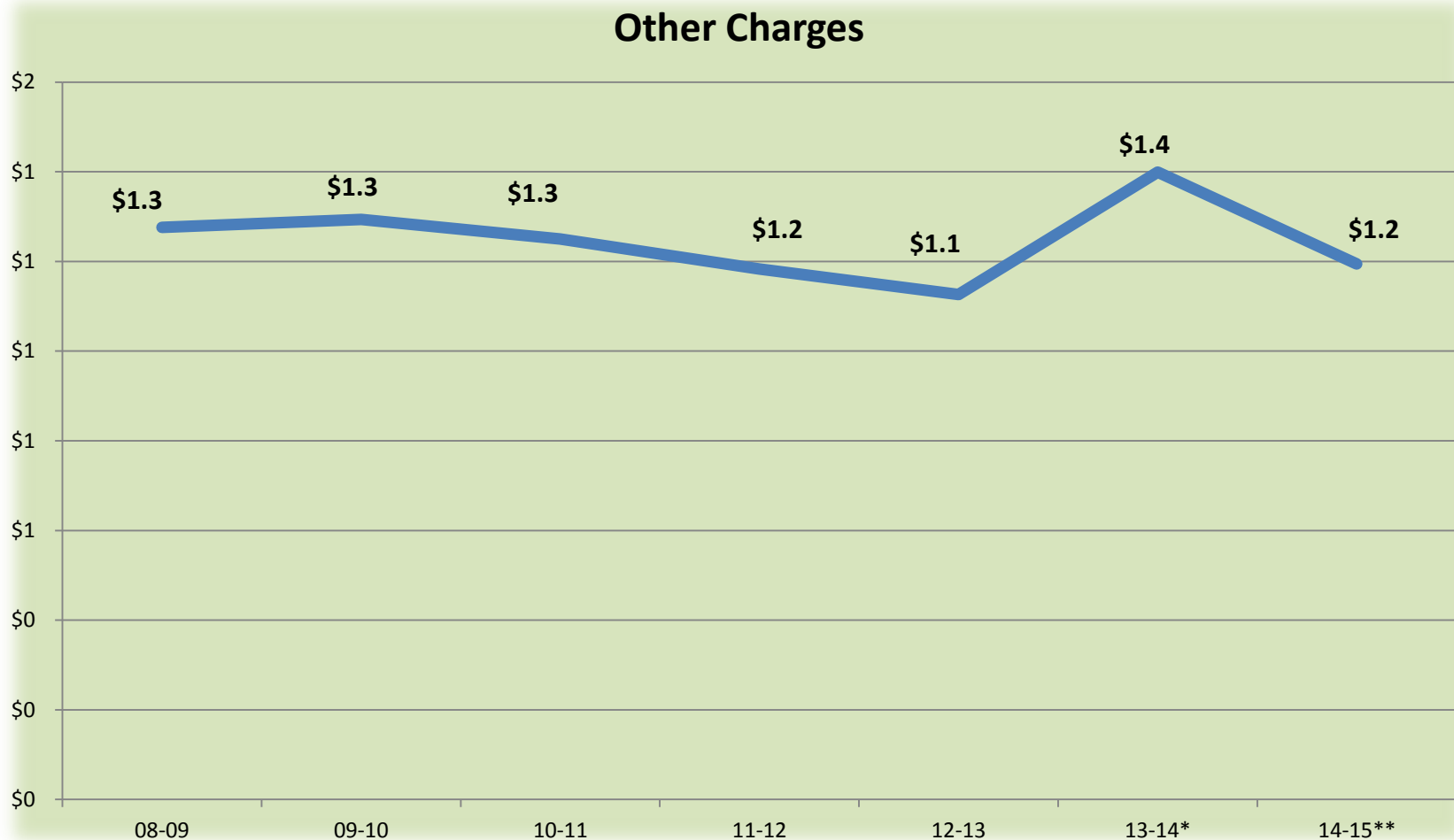
Acquisitions & Major Repairs

(thousands)





7-Year Expenditure History (in millions)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



Significant Adjustments

\$276,267
SD



Provides funding for the retirement rate adjustment. The LASERS retirement rate increased from 31.7% to 37.4%.

\$218,737
SD



Provides funding for state employee pay increases through performance pay adjustments. This also includes a salary base adjustment for the department.

\$235,155
3 T.O.
SD



Reduction of three T.O. and associated funding. According to the Division of Administration, this reduction was in error and will be corrected during the amendment process.



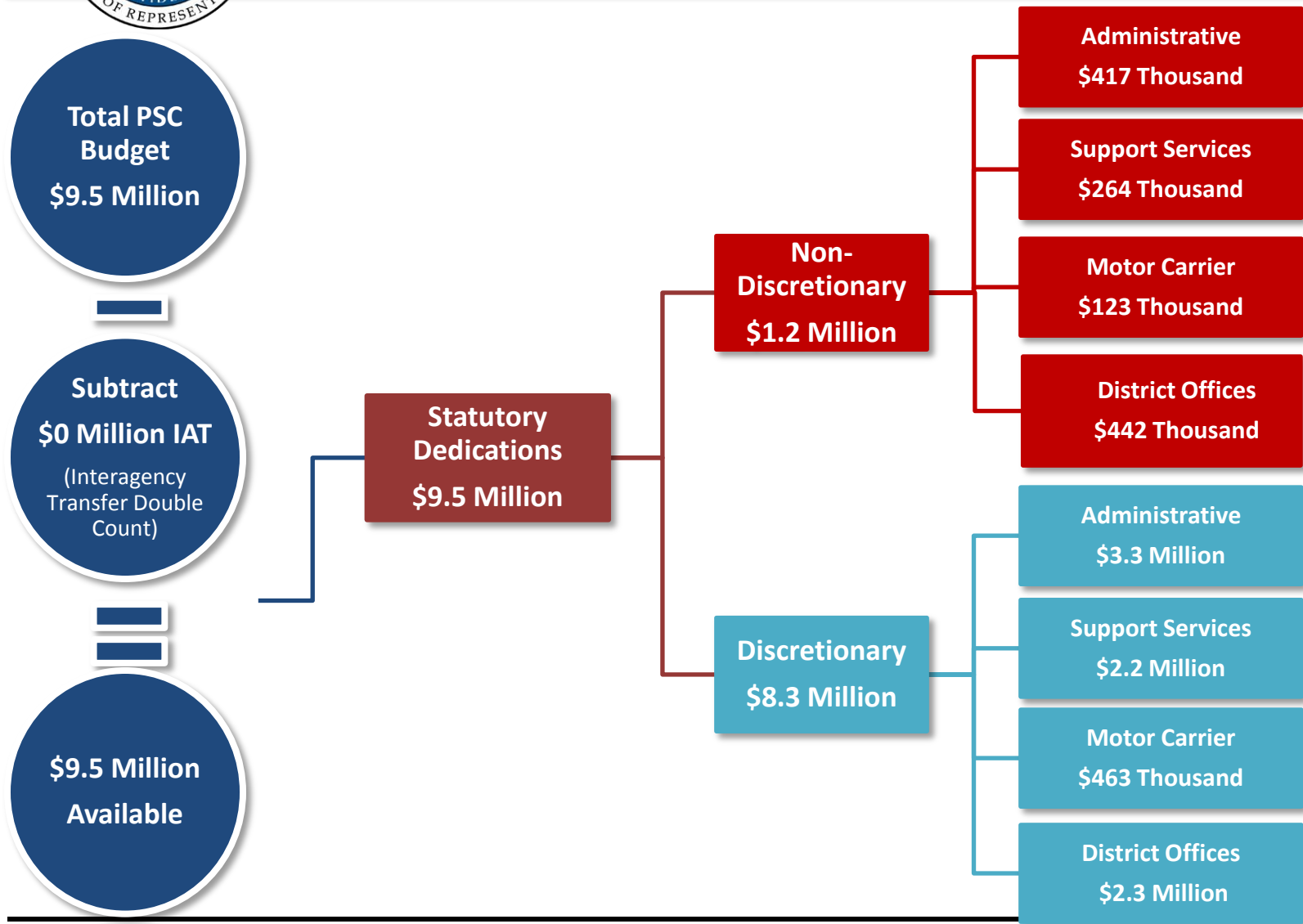
Discretionary/Nondiscretionary Funding in FY 14-15

Executive Budget

<u>Activity/Program</u>	<u>TOTAL FUNDING -\$9,510,646</u>		<u>STATE GENERAL FUND -\$0</u>	
	Discretionary	Non-Discretionary	Discretionary	Non-Discretionary
<u>Administrative</u>	\$ 3,281,520	\$ 416,956	\$ 0	\$ 0
Do Not Call	\$ 270,373	\$22,915	\$ 0	\$ 0
<u>Support Services</u>	\$ 2,205,267	\$264,894	\$ 0	\$ 0
<u>Motor Carrier Registration</u>	\$ 462,893	\$ 122,501	\$ 0	\$ 0
<u>District Offices</u>	\$ 2,314,035	\$ 442,580	\$ 0	\$0
TOTAL	\$8,263,715	\$ 1,246,931	\$0	\$ 0



Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget





The Louisiana “Do Not Call” Program

Established on January 1, 2002, it is a list, updated and maintained by the Public Service Commission, of residential telephone subscribers who do not wish to receive telephone solicitations. Business numbers may not be registered in the program.

Any business wishing to engage in telephone solicitation of residential subscribers within the state of Louisiana is required by law (***R.S. 45:844.14***) to purchase a copy of the customer register.

Program Notes:

- The range for fines is \$500 to \$10,000.
- The program is free to all Louisiana residential landline telephone customers.
- The collections of fees and fines support the program.



5-Year Actuals for the “Do Not Call” Program

<u>Do Not Call</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Statewide Subscribers Registered	2,449,072	2,613,334	2,735,462	2,851,855	2,933,556
Solicitors Registered	836	808	870	1,064	1,729
Solicitor Registration Fee	\$307,108	\$300,203	\$301,500	\$288,100	\$299,550
Solicitor Fines Collected	\$3,000	\$6,000	\$11,000	\$5,000	\$1,000

Source: Executive Budget Supporting Documents



Average Retail Price of Electricity to Customers by State by Year (Cents per Kwh)

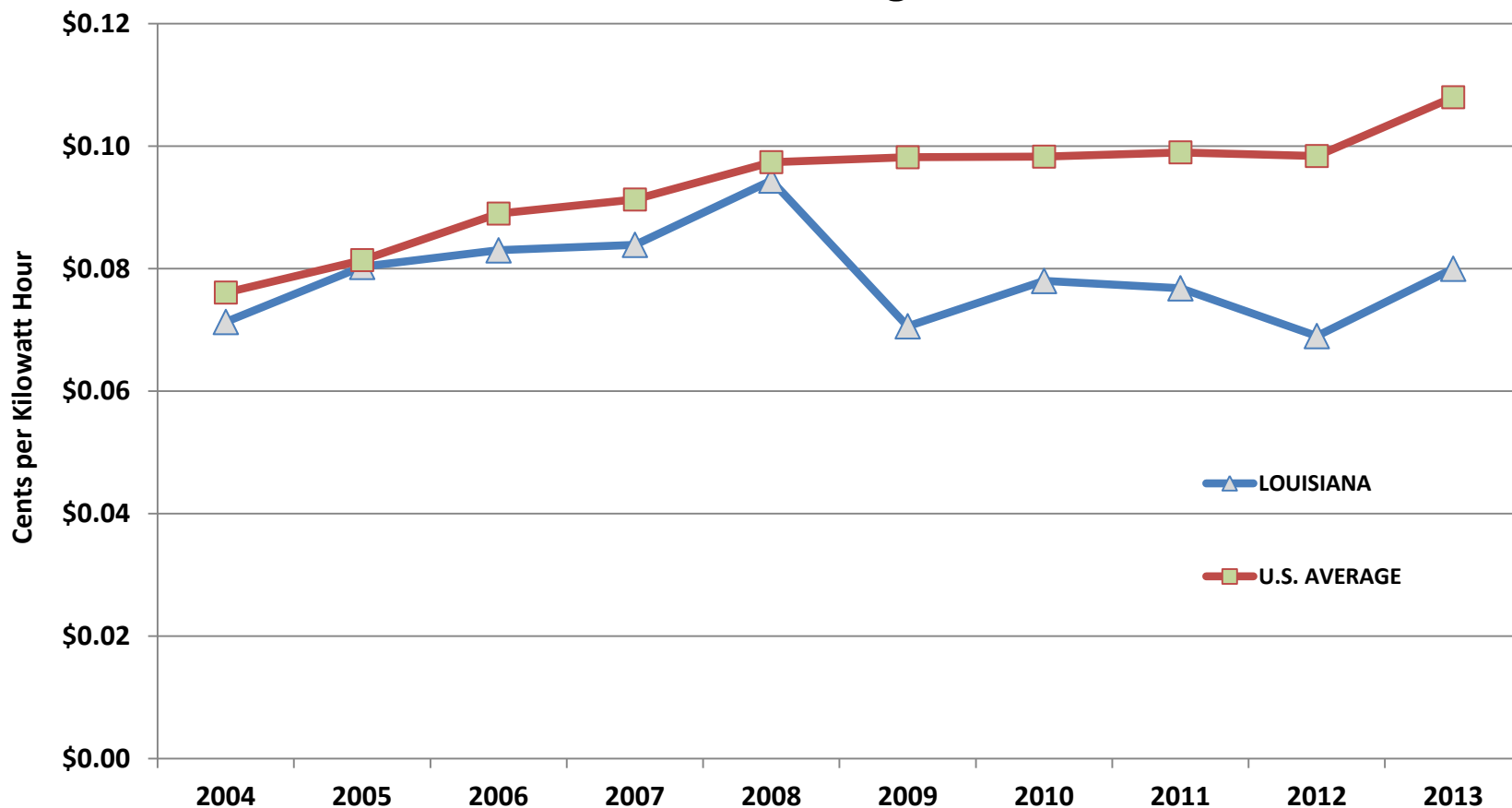
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
ALABAMA	6.08	6.46	7.07	7.57	8.59	8.83	8.89	9.10	9.18	9.02
ARKANSAS	5.67	6.30	6.99	6.96	7.60	7.57	7.28	7.43	7.62	7.82
FLORIDA	8.16	8.76	10.45	10.33	10.74	11.49	10.58	10.61	10.44	10.30
GEORGIA	6.58	7.43	7.63	7.86	8.84	8.81	8.87	9.61	9.37	9.53
KENTUCKY	4.63	5.01	5.43	5.84	6.26	6.52	6.73	7.17	7.26	7.54
LOUISIANA	7.13	8.03	8.30	8.39	9.44	7.06	7.80	7.68	6.90	8.00
MISSISSIPPI	7.00	7.54	8.33	8.03	8.99	8.85	8.59	8.78	8.60	9.15
MISSOURI	6.07	6.13	6.30	6.56	6.84	7.35	7.78	8.32	8.53	8.96
NORTH CAROLINA	6.97	7.19	7.53	7.83	7.96	8.48	8.67	8.64	9.15	9.18
SOUTH CAROLINA	6.22	6.72	6.98	7.18	7.85	8.42	8.49	8.80	9.10	9.14
TENNESSEE	6.14	6.31	6.97	7.07	8.18	8.69	8.61	9.28	9.27	9.22
TEXAS	7.95	9.14	10.34	10.11	10.99	9.86	9.34	9.00	8.55	8.77
U.S. AVERAGE	7.61	8.14	8.90	9.13	9.74	9.82	9.83	9.90	9.84	10.08
VIRGINIA	6.43	6.64	8.90	7.12	8.00	8.93	8.69	8.84	9.07	9.01
WEST VIRGINIA	5.13	5.15	5.04	5.34	5.61	6.65	7.45	7.88	8.14	7.91

Source: The U.S. Energy Information Administration and the Louisiana Public Service Commission



10-Year History of the Retail Price of Electricity to Customers in Louisiana (Cents per Kwh)

Louisiana Rates Per Kilowatt Hour Comparison to the National Average



Source: The U.S. Energy Information Administration and the Louisiana Public Service Commission



Salaries and Positions

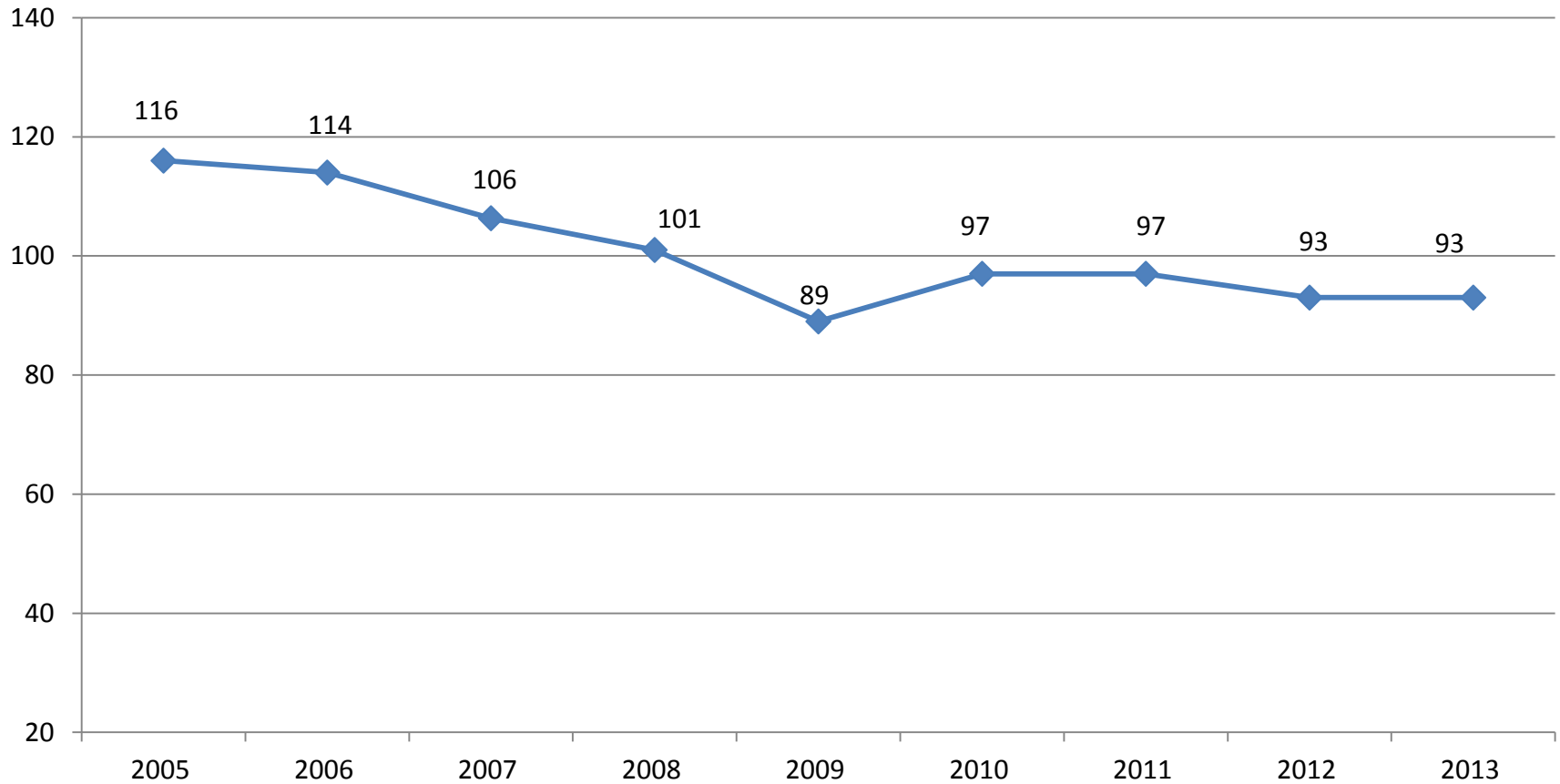
FY 14-15 SALARIES/POSITIONS

- \$4.9 million for Salaries and Other Compensation
- \$2.5 million for Related Benefits
- Total Personnel Services = \$7.4 million; 89% of the Public Service Commission total Executive Budget Recommendation (excluding Other Charges)
- 94 Authorized Positions (76 classified and 18 unclassified)
- 1 full-time non-T.O. position
- 0 Other Charges positions
- As of 12/27/2013, the Public Service Commission had 7 vacancies and 3 of the positions were eliminated



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

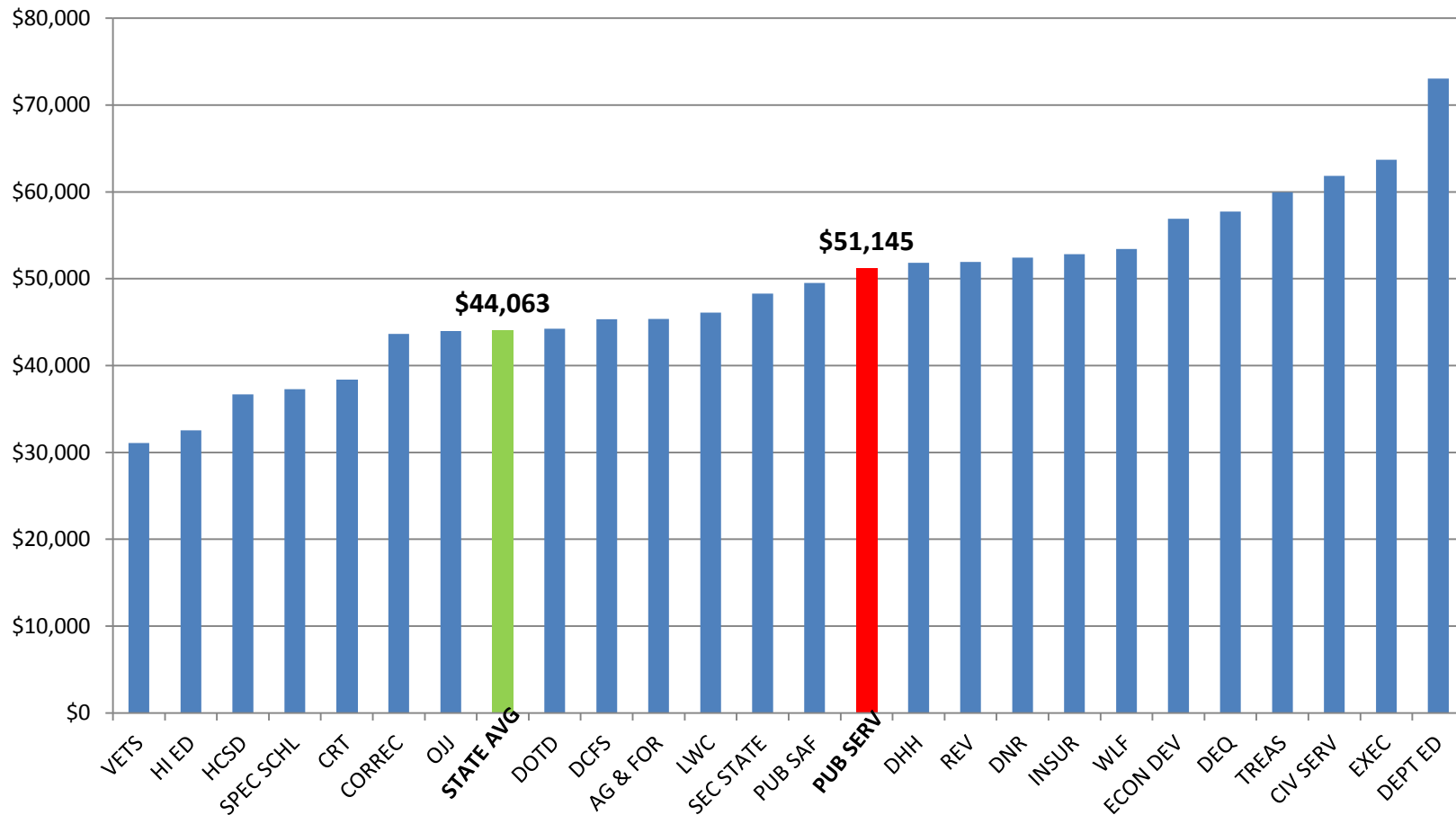


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 13 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

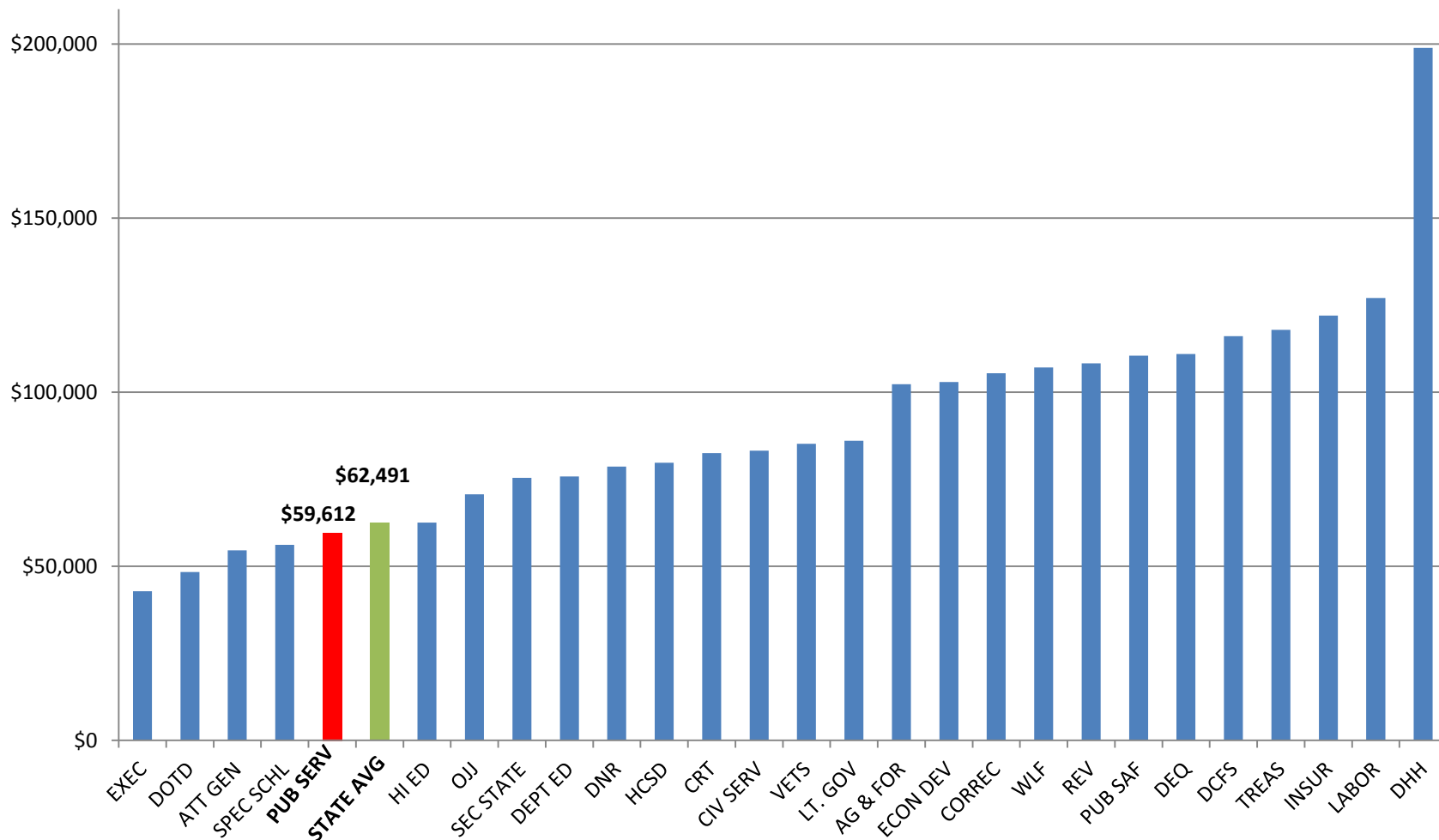


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 13 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE





Department Contacts

Title	Contact Name	Phone
Secretary	Eve Gonzales	225-342-9503
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