

Representative Jim Fannin
Chairman



Representative Bryan Adams
Vice Chairman

FY 15-16 Executive Budget Review
LOUISIANA PUBLIC SERVICE COMMISSION

House Committee on Appropriations
by the House Fiscal Division
March 18, 2015



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 13-14	Existing Operating Budget FY 14-15 (12/1/14)	Executive Budget Recommended FY 15-16	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
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	\$8,372,064	\$9,742,481	\$8,895,471	(\$847,010)	(8.7%)
Federal Funds	\$147,573	\$275,036	\$0	(\$275,036)	(100.0%)
TOTAL	\$8,519,637	\$10,017,517	\$8,895,471	(\$1,122,046)	(11.2%)
Authorized Positions	97	97	97	0	0.0%

Significant Changes

Statutory Dedications

- Decreases are in the estimates provided by REC.
- Decrease is due to statewide adjustments, including base salary, retirement, health insurance, and other benefits.

(\$847,010)



Federal

- Decrease is due to non-recurring carryforward of ARRA funding.

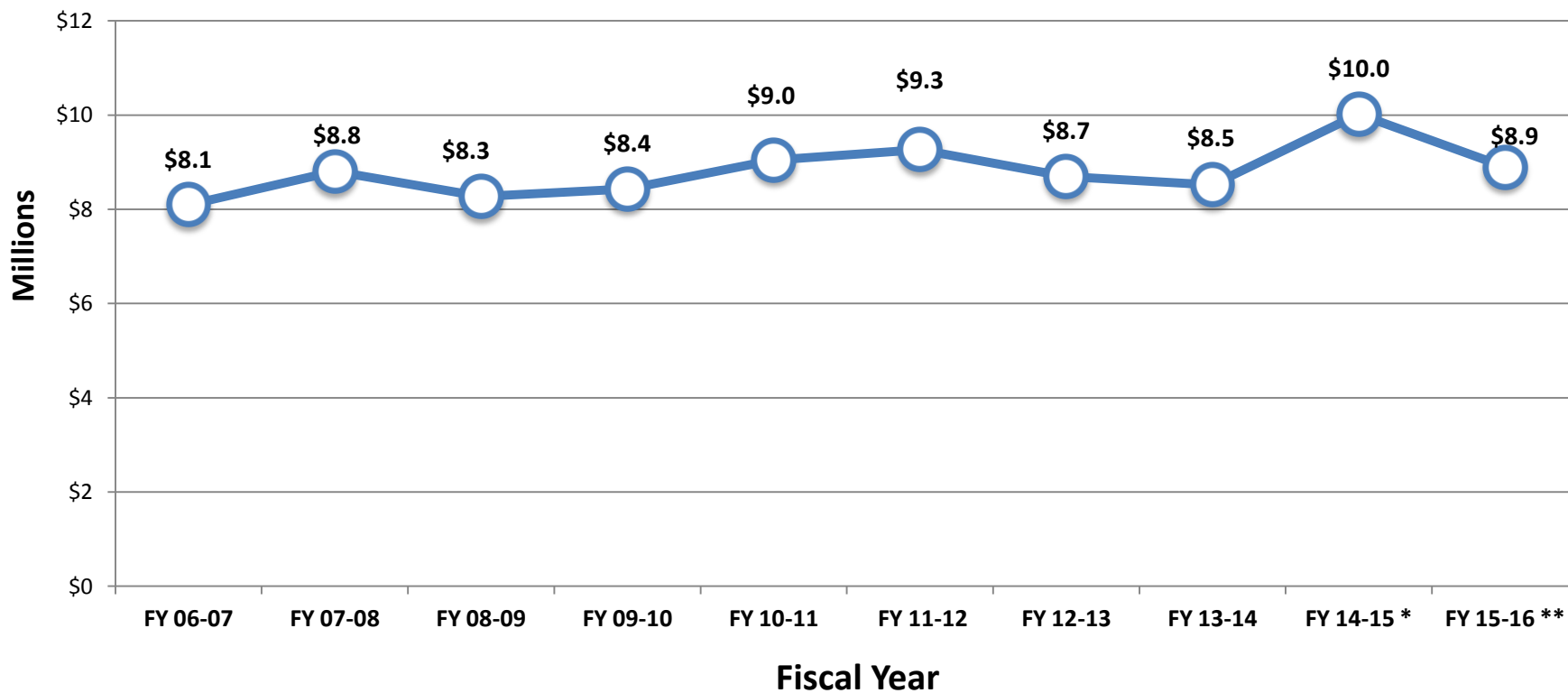
(\$275,036)





10-Year Budget History

PUBLIC SERVICE COMMISSION (Total Funding)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



Major Sources of Revenue FY 15-16

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 13-14	EOB FY 14-15	Exec Budget FY 15-16
Motor Carrier Regulation Fund	\$145,500	\$154,170	\$154,170
Telephonic Solicitation Relief Fund	\$214,151	\$293,288	\$241,301
Utility & Carrier Inspection and Supervision Fund	\$8,012,413	\$9,295,023	\$8,500,000
Total	\$8,372,064	\$9,742,481	\$8,895,471
Percent of the Department Total Budget	98%	97%	100%



Expenditure Breakdown

Expenditures	FY 13-14 Actual Expenditures	FY 14-15 Existing Operating Budget (12/1/14)	FY 15-16 Executive Budget Recommendation	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
Salaries	\$4,638,730	\$5,062,261	\$4,748,875	(\$313,386)	(6.2%)
Other Compensation	\$63,700	\$71,855	\$38,558	(\$33,297)	(46.3%)
Related Benefits	\$2,221,802	\$2,564,979	\$2,457,223	(\$107,756)	(4.2%)
Travel	\$85,508	\$239,200	\$132,747	(\$106,453)	(44.5%)
Operating Services	\$375,389	\$425,597	\$262,477	(\$163,120)	(38.3%)
Supplies	\$29,058	\$78,728	\$58,365	(\$20,363)	(25.9%)
Professional Services	\$282	\$5,000	\$5,000	\$0	0.0%
Other Charges	\$1,064,031	\$1,380,827	\$1,192,226	(\$188,601)	(13.7%)
Acq/Major Repairs	\$41,137	\$189,070	\$0	(\$189,070)	(100.0%)
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXPENDITURES	\$8,519,637	\$10,017,517	\$8,895,471	(\$1,122,046)	(11.2%)

Salaries and Related Benefits

Decrease is due to attrition adjustments for vacant positions.

Acquisitions and Major Repairs

No acquisitions or major repairs are budgeted in FY 15-16.

Travel

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

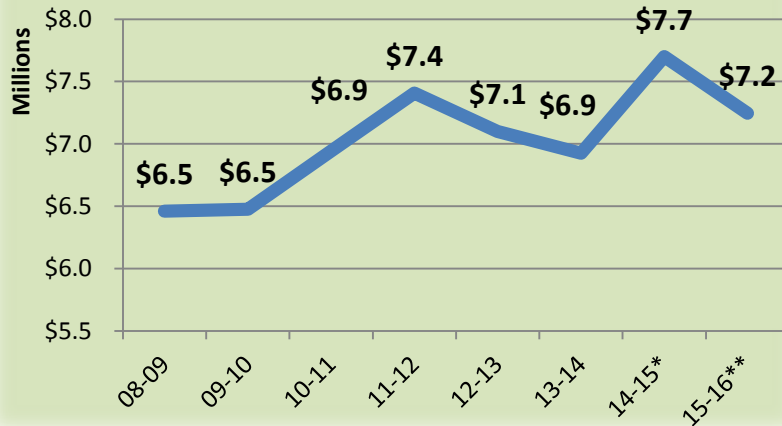
Other Charges

Elimination of ARRA Funding in the upcoming fiscal year.

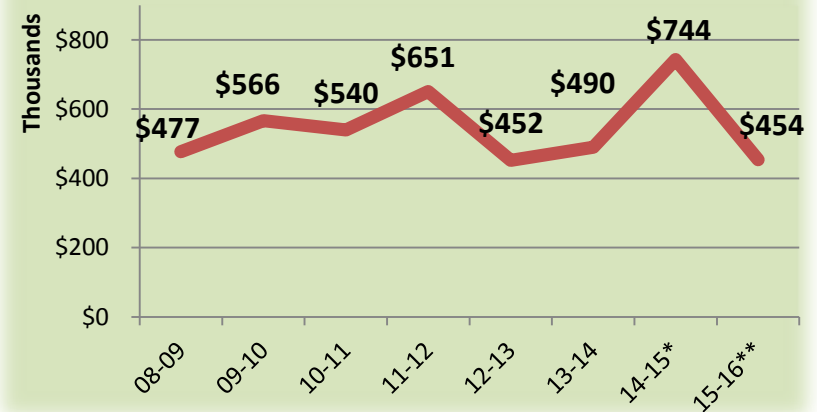


8-Year Expenditure History

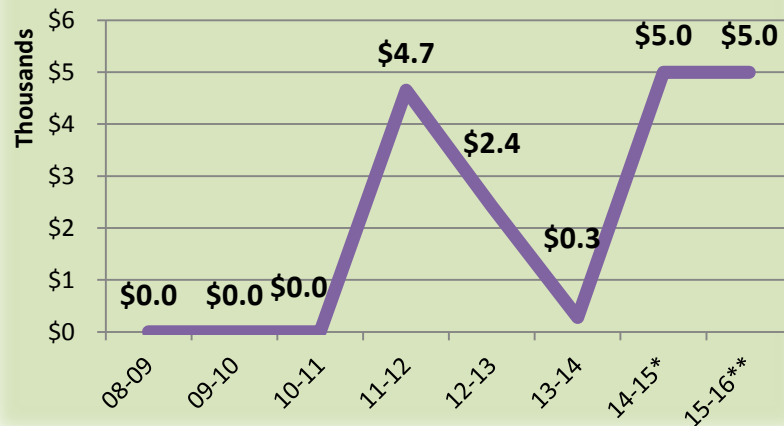
Personal Services



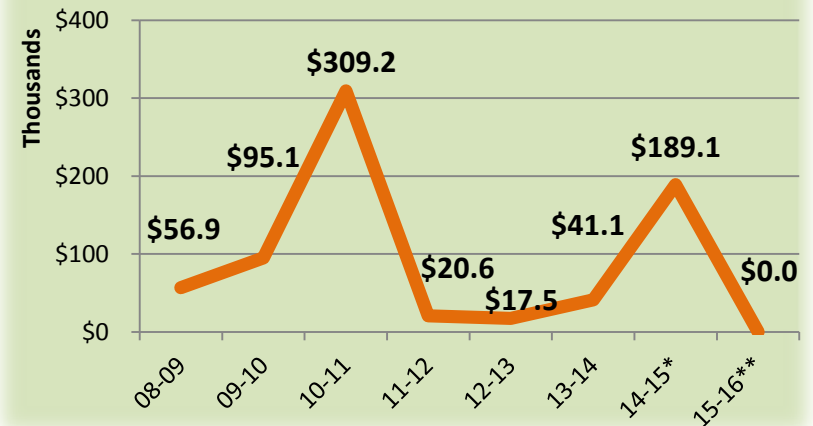
Operating Expenses



Professional Services



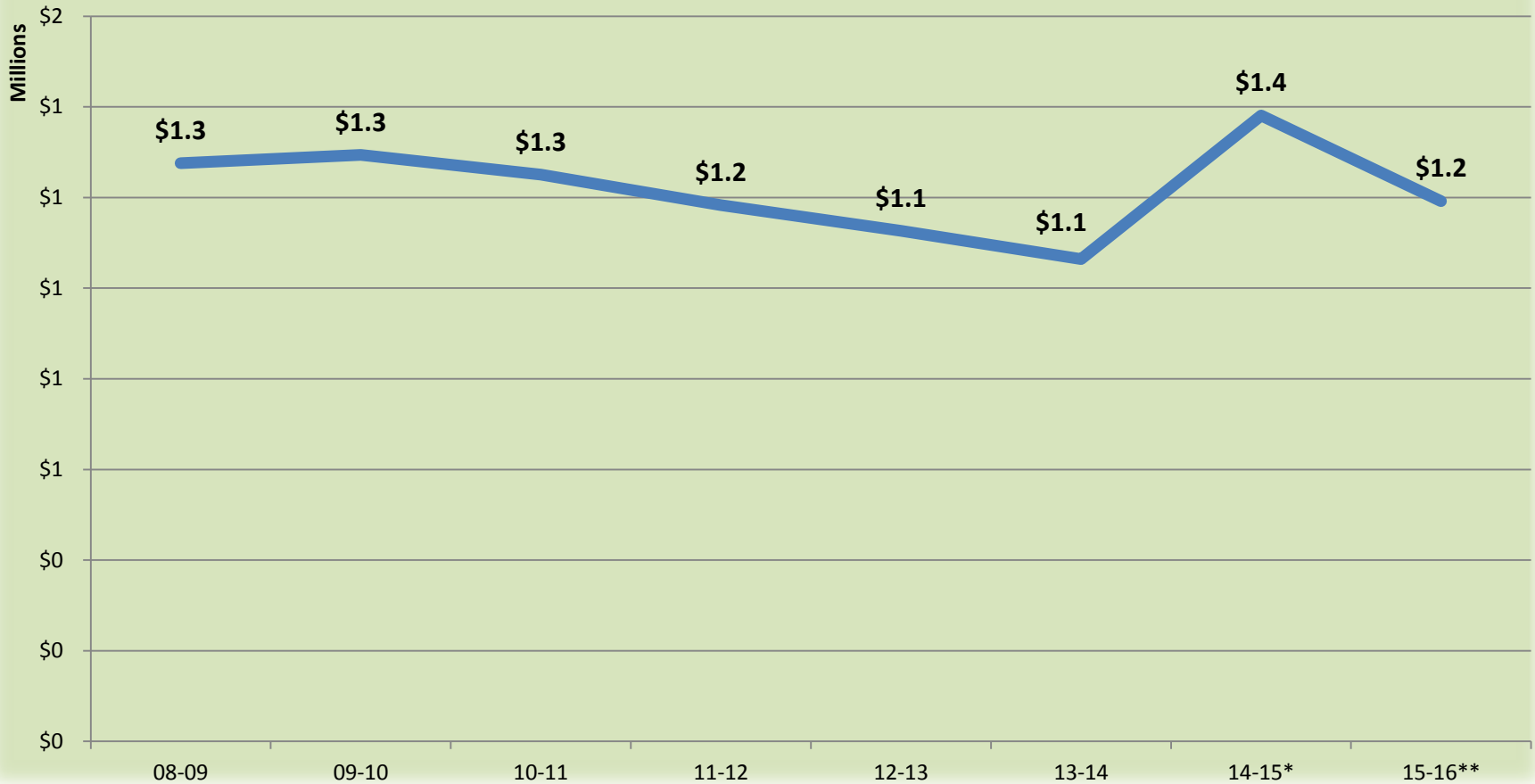
Acquisitions & Major Repairs





8-Year Expenditure History (in millions)

Other Charges



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



Significant Adjustments

(\$795,032)

Stat Deds



The majority of the overall reduction to Statutory Dedications was due to a decrease of \$795,032 in the Utility & Carrier Inspection/Supervision Fund. The reduction is to reflect the updated estimates provided by the Revenue Estimating Conference.

- The estimates in this fund were reduced by about \$920,000 in Revenue Estimating Conference to properly align with FY 13-14 actual collections.

(\$224,324)

Stat Deds



Statewide attrition adjustments for vacant positions.

(\$186,401)

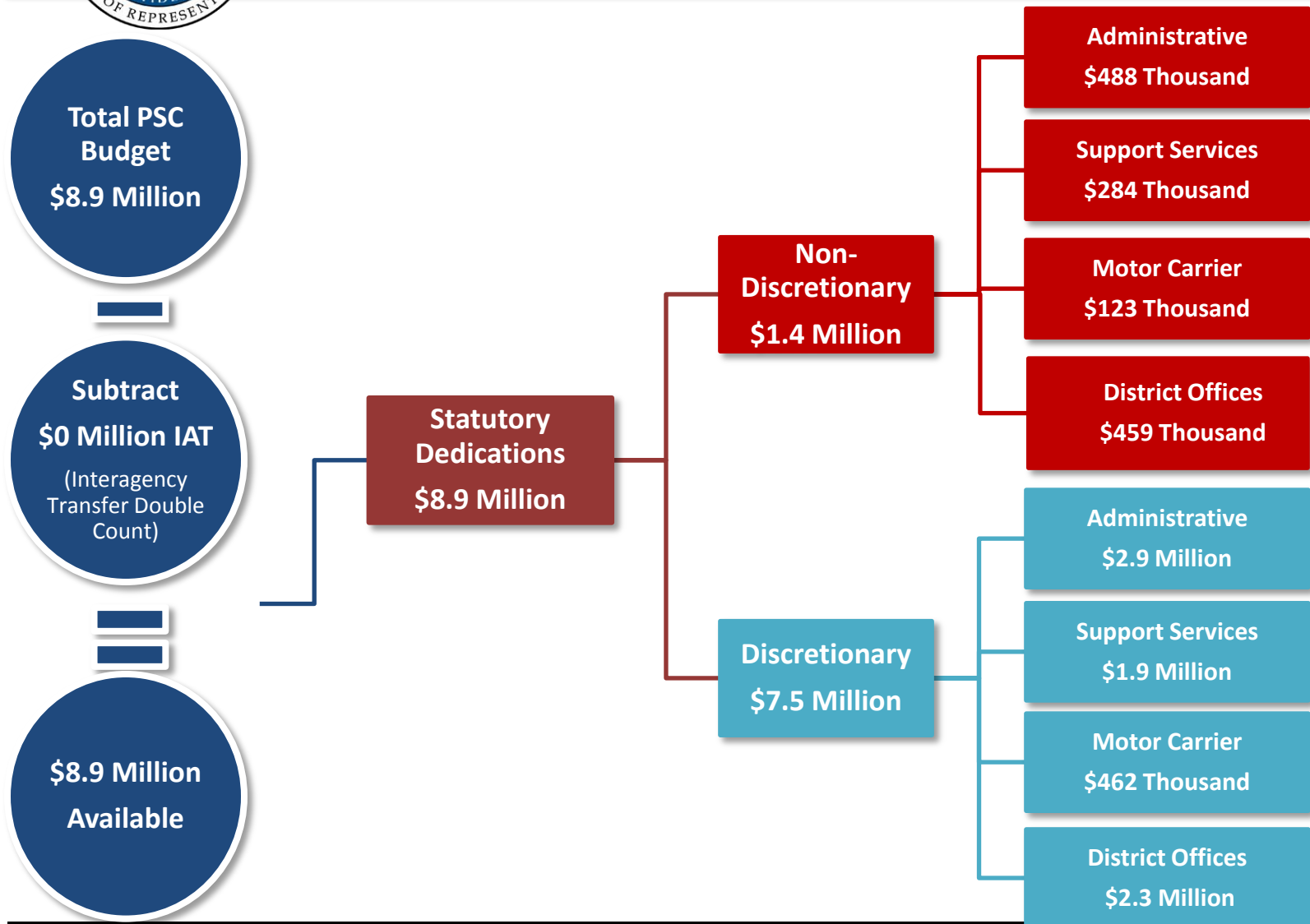
Stat Deds



There is no funding for acquisitions and major repairs in FY 15-16.



Discretionary/Non-Discretionary Funding in FY 15-16 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

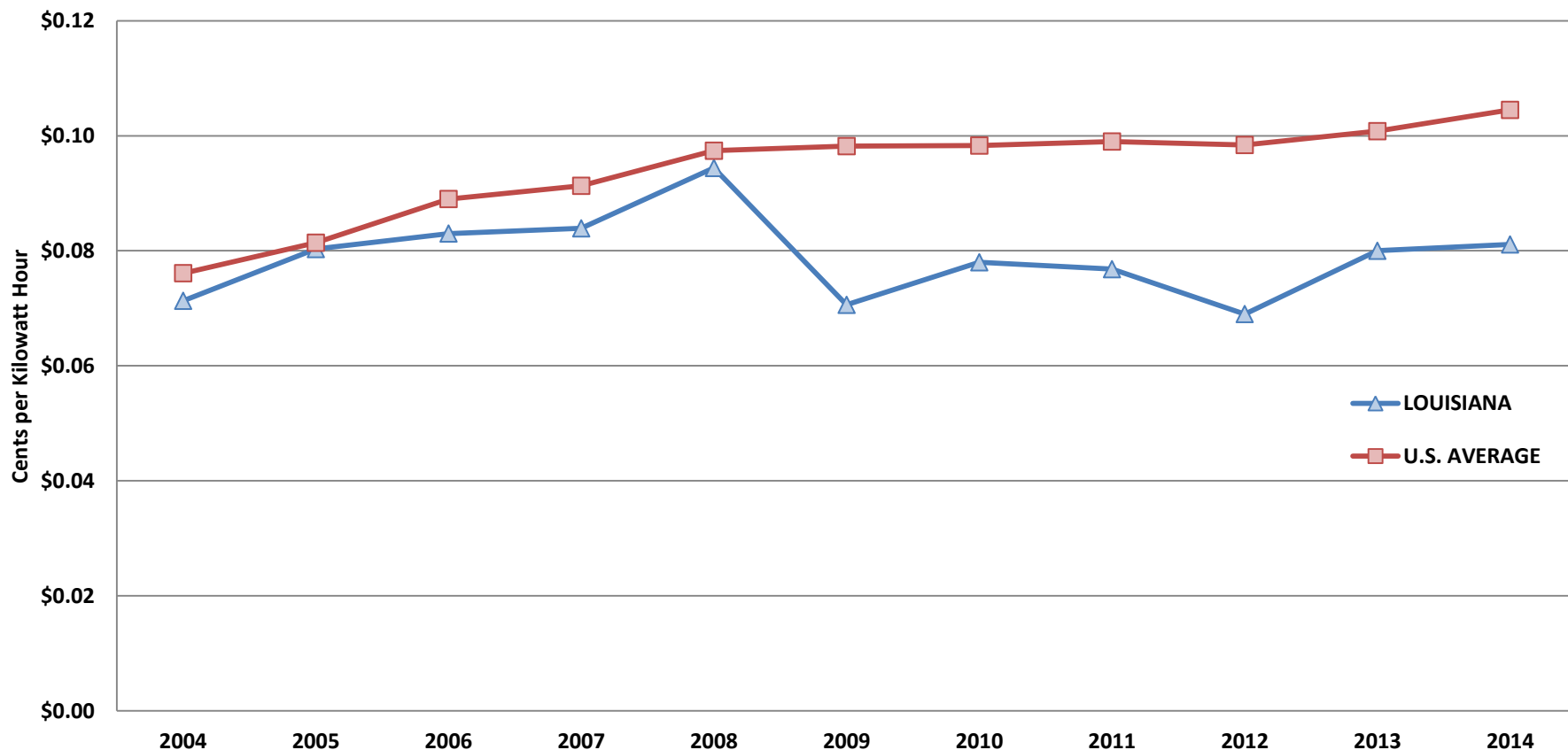
<u>Do Not Call</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Statewide Subscribers Registered	2,613,334	2,735,462	2,851,855	2,933,556	2,995,928
Solicitors Registered	808	870	1,064	1,729	1,461
Solicitor Registration Fee	\$300,203	\$301,500	\$288,100	\$299,550	\$283,101
Solicitor Fines Collected	\$6,000	\$11,000	\$5,000	\$1,000	\$1,500

Source: Executive Budget Supporting Documents



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

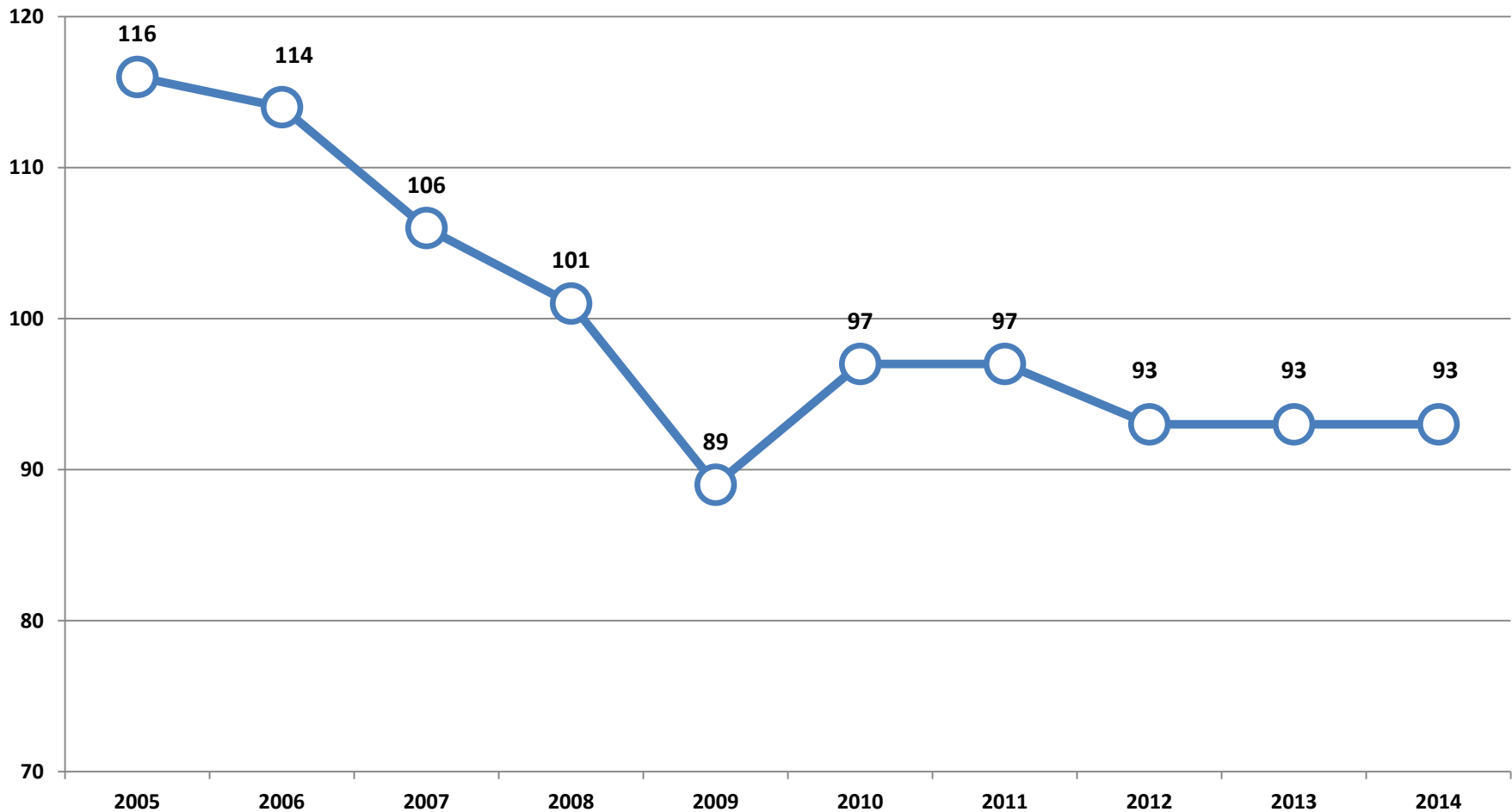
FY 15-16 SALARIES/POSITIONS

- \$4.8 million for Salaries and Other Compensation
- \$2.5 million for Related Benefits
- Total Personal Services = \$7.3 million; 94% of the Public Service Commission total Executive Budget Recommendation (excluding Other Charges)
- 97 Authorized Positions (79 classified and 18 unclassified)
- 0 full-time non-T.O. position
- 0 Other Charges positions
- As of 1/30/2015, the Public Service Commission had 4 vacancies, none were eliminated in the Executive Budget.



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

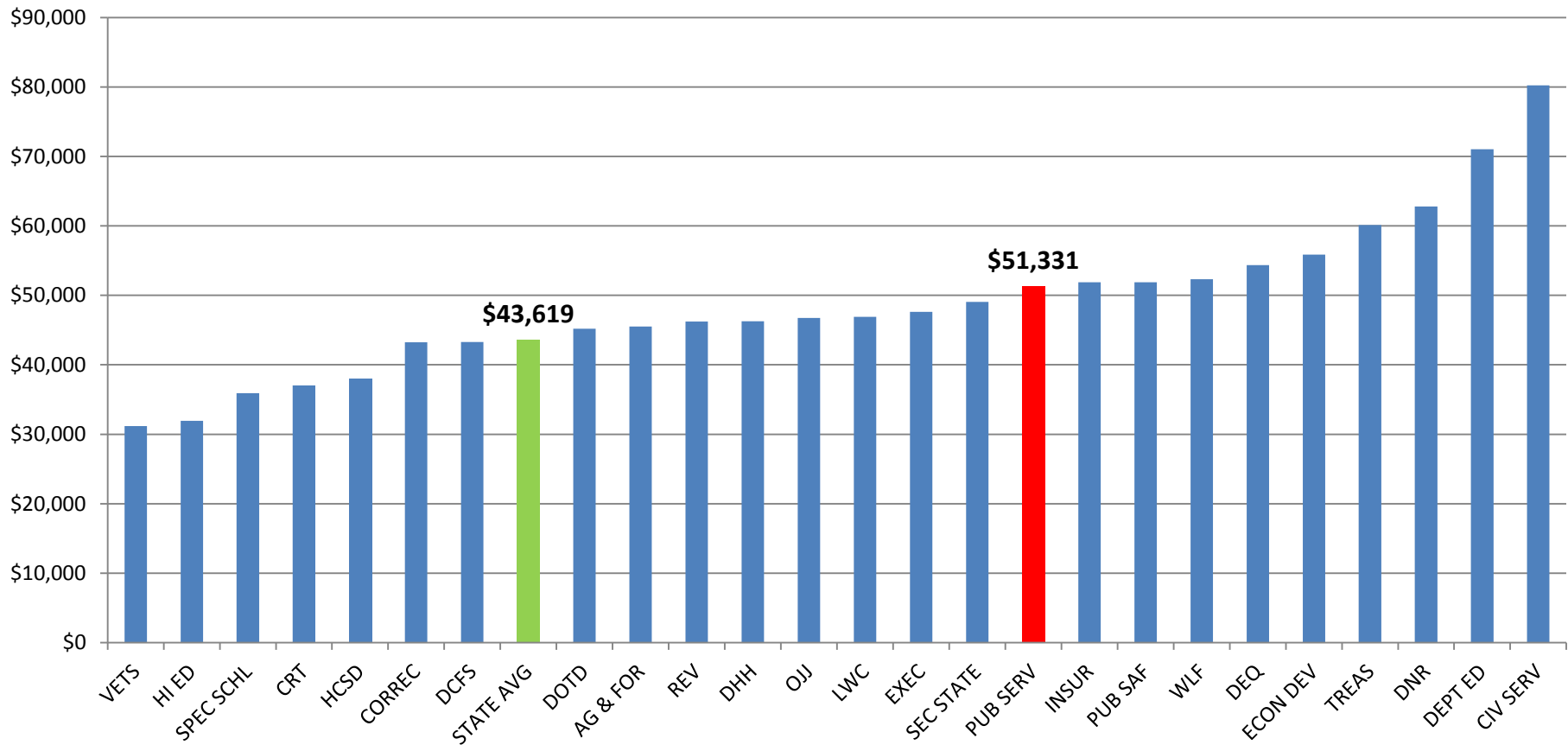


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 14 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

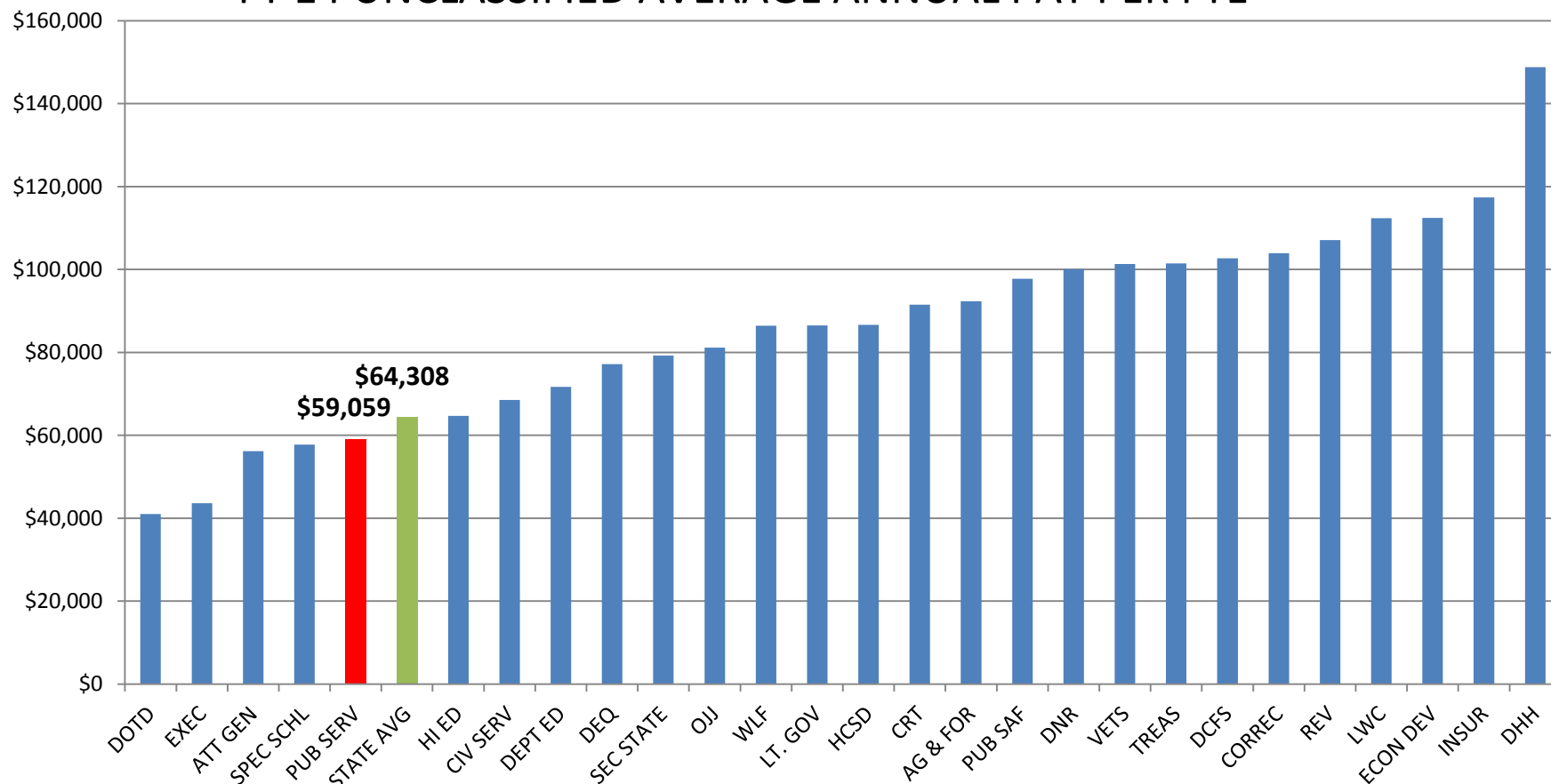


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 14 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE



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



Department Contacts

TITLE	CONTACT	PHONE NUMBER
Secretary	Eve Gonzales	225-342-4427
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Budget Analyst	Donna Seidel	225-342-2834