Questions for agencies appearing before subcommittees:

During the 2016 sessions, what did the department testify would be the effects of the FY 17 budget on services, staffing and contracts?

We receive no general fund money and have zero impact on the general fund. Our collections are based on Gross Receipts of the entities we regulate; we can only spend what we collect regardless of our appropriated budget. For FY 17, only 90 of our 99 positions were funded. This has delayed the filling of critical vacancies such as Attorneys, Auditors and PSC Enforcement Agents. We have had to absorb additional statewide increases in retirement costs, insurance and new interagency transfers. The Commission has also had to delay expenses such as: upgrades to our hurricane outage tracking and reporting software which is relied upon by GOHSEP and other state agencies during declared emergencies, enhancements to the agency Store, Track and Report (STAR) system which allows full agency automation and case management system, replacement of IT equipment (computers/software) which is past useful life.

Compared to FY 16, what reductions, including services, staffing and contracts, have been made in the department in FY17?

There have been no reductions in services, staffing and contracts in FY17 as compared to FY16. The Commission has two contracts totally $47,800. The contracts have been reviewed and it has been determined they are appropriate and necessary to further the operations of the Commission. The funding for these contracts are paid by fees collected only from Commission-regulated entities and has no impact on the state general fund.

<u>High Power Consulting d/b/a Envoc:</u> $32,800 for data collection and verification of telephonic subscriber registration in the La. Do Not Call (“DNC”) solicitation program. DNC program was established by Act 40 of the 2001 Regular Session and codified in La. R.S. 45:844,11, et seq., in which the Commission was statutorily mandated to administer the program. The means of finance is the Statutory Dedication Telephonic Solicitation Relief Fund. The program is funded by solicitor registrations.

<u>Hometown Productions:</u> $15,000 for broadcasting by audio and video, the Commission’s monthly Business and Executive Sessions. This contract is valuable in that it affords an opportunity for those not able to attend the Commission’s Sessions in person to follow the discussions of the Commission monthly proceedings and the ultimate impact they may have on constituents. The means of finance is the Statutory Dedication Utility and Carrier Inspection & Supervision Fee Fund. These dedicated fees are collected only from public utilities and common carriers regulated by the Commission.

What reductions would the department make if there are mid-year reductions to the FY17 budget?

The majority of the reductions would come from salaries and related benefits which would prohibit us from filling critical positions such as Attorneys, Auditors and PSC Enforcement Agents. The Commission is a small agency with an historically low T.O. of only 99. Additionally, the agency would likely be unable to complete the work in progress on our new Motor Carrier database. The Commission has a constitutional mandate to regulate Common Carriers. We received funding in the FY17 budget to begin work on replacing the current antiquated database which is over 30 years old. The database is the only source of maintaining all records for 900+ regulated Common Carriers; for example, insurance, registrations, fines/payments, leases, tariffs, etc.

Provide a brief overview of the FY18 budget request compared to FY 17 by budget unit. What increases are requested in FY18 and why are the increases necessary, including any new or expanded programs or services to additional populations? Are there any reductions in the FY18 budget requests, including those as a result of annualizing reductions made in FY17?

There are some increases as well as reductions. The Department of Public Service – Public Service Commission is one budget unit. The Commission currently regulates 1,500+ public utilities and common carriers and serves over two million direct users and countless others who benefit indirectly. There is a requested increase of $496,058 (5.11%) in the FY18 budget from FY17. Increases include $301,585 in salaries and related benefits for nine Civil Service Career Progression Group ("CPG") position increases and pay adjustments for ninety three positions and funding of all vacancies. A travel increase of $121,253 for required regulatory training for new Attorneys and Auditors, out of state travel for Federal Energy Regulatory Commission ("FERC") matters, National Association of Regulatory Utility Commissioners ("NARUC") bi-annual meetings and the Mid-Continent Independent System Operator ("MISO") meetings. The travel request is necessary as it allows education for new, proposed and current regulatory policies, procedures and rate setting for utilities and telecommunications, as well as staff and Commissioner attendance at critical meetings. In-state travel consists of on-site audits, enhanced enforcement and constituent meetings. In addition, we will have one new Commissioner (possibly three) who will require extensive regulatory training and travel. An operating services increase of $26,550 for software maintenance. A necessary acquisition request of $105,541 to replace enforcement vehicles and antiquated I.T. equipment. There is a $58,871 reduction in Other Charges – Professional Services due to partial completion of new motor carrier database. There are no new or expanded programs in FY18 budget request.

Has the department added any positions, including classified, unclassified, and other charges positions, in FY17? If so, how many and what positions? Did the department request additional positions in the FY18 budget request? If so, how many and what positions?

The Commission had two (2) classified positions added in FY17 pursuant to R.S. 45:1161.3, which requires thirty-seven full-time employee positions in the District Offices. Due to previous budget reductions, the district office T.O. had been reduced to thirty-five. The positions of PSC Enforcement Agent and Administrative Coordinator had to be restored in order to comply with the statute.

Provide a summary of changes in salaries from FY16 to FY17, including performance adjustments, promotions, or any other changes in salaries. Provide a summary of requested changes in salaries from FY17 to FY18, including performance adjustments, promotions or any other changes in salaries.

<u>FY16 to FY17</u>

Merits (pay adjustments): Pay adjustments (merits) were not awarded.

Promotion/Reallocation: Five employees were promoted or reallocated; three employees were reallocated in a Career Progression Group. Two employees were promoted. Annual increase to the agency is $16,734

Detail to Special Duty: One employee was detailed. Annual increase to the agency is $5,949

Optional Pay: One employee received optional pay. Annual increase to the agency is $4,995

<u>FY17 to FY18</u>

Merits (pay adjustments): A 4% pay adjustment was requested for ninety-three positions in the amount of $134,054.

Promotion/Reallocation: Nine positions qualify for reallocations in Career Progression Groups for a total request of $23,382.

Other Changes: Funding requested in the amount of $172,601 to fill unfunded vacant positions.

Total of $330,037: We asked for an increase of $330,037 in salaries and a decrease in related benefits of ($28,452) which resulted in an overall increase of $301,585 as mentioned on page 2 paragraph one.

What budget adjustments have been made since the initial appropriation to your department? How much in each means of finance has been appropriated to each agency since the initial appropriation?

The Public Service Commission has not had a budget adjustment since the initial appropriation.

Do your spending and staffing levels match the priorities of your department?

Yes, our Statutory Dedicated collections are based on Gross Receipts of the entities we regulate; we can only spend what we collect regardless of our appropriated budget. As a result, we are continuously prioritizing and reassessing our expenditures throughout the budget year.

Provide the top 5 performance measures that give the outcomes in your department. How do you rank nationally based on these priority measures?

1. Direct savings to rate payers (millions)

2. Indirect savings to rate payers (millions)

3. Percentage of rate cases completed within one year.

4. Percentage of outage reports and outage maps provided to the GOHSEP by established deadlines or as required.

5. Percentage of complaints resolved within 45 business days.

Louisiana has been in the top 5, if not number 1, in lowest electricity rates in the country for the last several years. The Commission has ordered over $950 million in refunds to ratepayers since 2005. Restoration times after major weather events as well as communication with the public and other agencies continues to improve.

Provide a list of all sources of revenue that are not appropriated. These funds could include restricted or off budget accounts. Also, please provide the amount anticipated to be used in FY17, the amount in FY18, and any balance or reserve amount for each source or revenue.

The Public Service Commission has no source of revenue that is not appropriated.

Department contacts:

Eve Gonzalez	Executive Secretary	(225) 342-4427
Johnny Snellgrove	Deputy Undersecretary	(225) 342-4999
Colby Cook	Legislative Liaison	(225) 342-4427