

PUBLIC SERVICE COMMISSION (0450)

FISCAL YEAR 2016

As Enacted by Act 711 of 2015

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Public Service Commission (PSC), through its Utilities Division, has general regulatory authority over public utilities that provide electric, gas, telecommunications, water, and sewer services to State consumers for compensation (no authority over municipals), and also monitors and inspects pipeline transmissions. Through its Tax Division, the PSC annually assesses the property of public utilities and carriers operating in the State for property taxation purposes. The Public Service Commission (PSC) has 3 gubernatorially appointed Commissioners who serve six-year overlapping terms.

TOTAL APPROPRIATION

The total appropriation is \$13,631,361.

FUNDING SOURCES

The appropriations for the PSC are funded by fund balances, special revenues, federal funds (cost reimbursement to the Pipeline Safety Program), Ad Valorem taxes, and general revenues **if needed** (for the Tax Division). General revenues are not projected to be needed for FY2016.

II) CHANGE LEVEL REQUESTS

UTILITIES DIVISION-OPERATIONS (APPROPRIATION 255)

This appropriation provides for the operating costs of the Utilities Division which has general authority over electric, gas, telecommunications, water and sewer services provided to the public for compensation, and is funded by assessments paid by utility companies under PSC's jurisdiction. The appropriation is \$9.95 million each year and includes the following increases:

Regular Salaries and Personal Services Matching- Provides for an increase of \$8,474, for the reclassification of a Legal support Specialist (C113) to a PSC Rate Case Analyst (C121).

Capital Outlay - Provides an increase of \$21,000 for one vehicle replacement.

Operating Expense - Provides an increase of \$14,600 to cover a 3% Arkansas Building Authority rent increase.

PIPELINE SAFETY PROGRAM (APPROPRIATION 256)

This appropriation provides for the operating costs of monitoring and inspecting transmission by pipeline of hazardous materials, and is funded by inspection fees paid by companies according to their pipeline mileage and by expense reimbursements (up to 50% of actual cost) paid by the Federal Department of Transportation - Office of Pipeline Safety. The appropriation is \$941,875 and includes the following increases:

Regular Salaries and Personal Services Matching - Provides for an increase of \$9,896, for the reclassification of (3) Corrosion Inspectors (C115) to PSC Pipeline Safety Specialists (C120).

Capital Outlay - Provides an increase of \$25,000 for the replacement of one vehicle each year.

Operating Expenses - Provides \$714 to cover a 3% Arkansas Building Authority rent increase.

TAX DIVISION-OPERATIONS (APPROPRIATION 257)

This appropriation provides for operating costs of the Tax Division which is responsible for the annual ad valorem tax assessment values of public utilities and carriers operating in Arkansas, and is funded by a portion of Ad Valorem revenues. The appropriation is \$1,735,627, which includes the following increase:

Operating Expenses - Provides \$1,113 to cover a 3% Arkansas Building

Authority rent increase.

III) ADDITIONAL POSITIONS (Total FY2015 Authorized Positions: 114)

Total Authorized Positions for FY2016: 114
Total Base Level Positions for FY2015: 114
Increase/(Decrease): 0

Extra Help Positions FY2016: 11 (Total FY2015 Authorized Extra Help: 11)

IV) SPECIAL LANGUAGE

CONTINGENCY RESTRICTION - UTILITIES DIVISION: Authorizes the Director to request a transfer from the Department's Contingency appropriation to the Utilities Division Operations appropriation in the event of an unforeseen emergency and upon approval of the Governor, Chief Fiscal Officer of the State and prior review and approval of the Arkansas Legislative Council/Joint Budget Committee. Classifies the legislative prior review and approval language as non-severable language, and if the prior approval is ruled unconstitutional then the entire section is void.

CONTINGENCY RESTRICTION - TAX DIVISION: Authorizes the transfer of appropriation from the Contingency Line Item in the Tax Division Operations Appropriation to other line items in the same appropriation upon approval of the Governor, Chief Fiscal Officer of the State and prior review and approval of the Arkansas Legislative Council/Joint Budget Committee. Classifies the legislative prior review and approval language as non-severable language, and if the prior review and approval is ruled unconstitutional then the entire section is void.

***LANGUAGE TO BE DELETED* ARKANSAS HIGH COST FUND (AHCF):** Requires the Public Service Commission to insure that telecommunication rates are reasonable and affordable, by taking all steps necessary to reduce the Arkansas High Cost Fund (AHCF) and avoid mandating any additional charges or expenses for telecommunications services which can lead to increases in AHCF assessments which result in higher AHCF surcharges being passed on to customers.

***NEW LANGUAGE* REFUND TO EXPENDITURE:** States the proceeds from the reimbursement of travel expenses received by the Public Service Commission shall be deposited into the same State Treasury Fund or Fund Account from which the original travel expenditure was incurred as a refund to expenditure, to the credit of the appropriation from which the original expenditure was made.

Revised: April 2015