

ARKANSAS PUBLIC SERVICE COMMISSION

Enabling Laws

Act 2017 of 2005

AR Code § 23-2-101 to 112, Arkansas Public Service Commission

AR Code § 23-15-201 to 217, Pipeline Safety Program

AR Code § 26-24-101 to 123, 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 utilities¹. 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	26
Master Meter Gas Operators	181
Water and Sewer Utilities	4
Incumbent Local Exchange Carriers	30
Competitive Local Exchange Carriers	108
Interexchange Carriers and Private Pay Telephone Providers	<u>214</u>
TOTAL	589

These utilities generate annual revenues in Arkansas of approximately \$4.9 billion, of which \$4.0 billion are jurisdictional revenues.

The APSC consists of three Commissioners appointed by the Governor for overlapping six-year terms. The agency has 114 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 99 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.

¹ In response to the Federal Telecommunications Act of 1996 which opened telecommunications markets to competition; the General Assembly enacted Act 77 of 1997 which significantly altered the regulation of the telecommunications industry in the state. The rates of most of the Incumbent Local Exchange Carriers (ILECs) in the state are not subject to regulation; however, the Commission continues to regulate the quality of service of all ILECs and Competitive Local Exchange Carriers. Competitive Local Exchange Carriers and Interexchange Carriers must obtain a Certificate of Public Convenience and Necessity from the Commission to provide service in Arkansas and all jurisdictional telecommunications providers must comply with the Telecommunications Provider Rules adopted by the Commission in response to Act 77. The Commission has no jurisdiction over wireless carriers.

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.

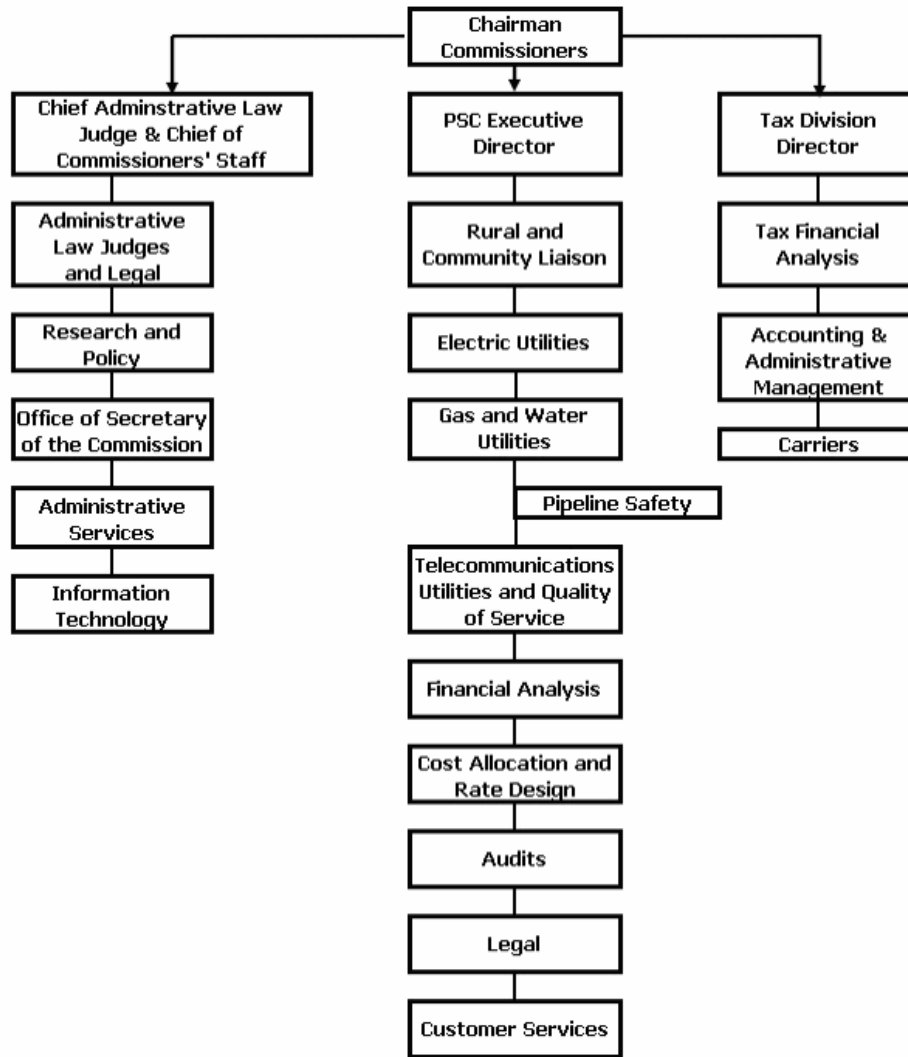
Annually, the Tax Division determines the property tax assessments for public utilities and carriers in accordance with Title 26 of Arkansas Code Annotated (1997). Once determined, the assessments placed on the property of public utilities are approved by the Arkansas Public Service Commission. The assessments placed on the property of carriers are approved by the Arkansas State Highway Commission.

With certain exceptions, the Tax Division certifies the approved assessments upon 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 2005, the Tax Division assessed over 57,000 companies, with assessments rendered by the Tax Division totaling \$2,661,000,000. Revenue generated from these assessments provides approximately \$103,000,000 annually for the support of schools, cities, and counties. Annual tax revenue of approximately \$15,000,000 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, telecommunications¹, 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.

Total Base Level for the Utilities Division is \$9,579,132 in FY08 and \$9,253,023 in FY09 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.

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 30 intra-state natural gas operators and 181 operators covering 331 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 Total Base Level is \$790,137 for each year of the biennium, with nine positions authorized for each fiscal year.

Change level requests for the Utilities Division include Capital Outlay for the replacement of two state vehicles. Capital Outlay requests total \$21,000 for each year of the biennium. The Agency requests that special language provisions be continued.

Change level requests for the Pipeline Safety Office include Capital Outlay for the replacement of state vehicles. This request includes the replacement of a four wheel drive vehicle each fiscal year. Capital Outlay requests total \$24,000 for each year of the biennium.

¹ In response to the Federal Telecommunications Act of 1996 which opened telecommunications markets to competition; the General Assembly enacted Act 77 of 1997 which significantly altered the regulation of the telecommunications industry in the state. The rates of most of the Incumbent Local Exchange Carriers (ILECs) in the state are not subject to regulation; however, the Commission continues to regulate the quality of service of all ILECs and Competitive Local Exchange Carriers. Competitive Local Exchange Carriers and Interexchange Carriers must obtain a Certificate of Public Convenience and Necessity from the Commission to provide service in Arkansas and all jurisdictional telecommunications providers must comply with the Telecommunications Provider Rules adopted by the Commission in response to Act 77. The Commission has no jurisdiction over wireless carriers.

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 2005, the Tax Division assessed over 57,000 companies. Revenue generated from these assessments provides approximately \$103,000,000 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 Coordinaton Department and the Division of Legislative Audit.

The Tax Division is funded from a combination of ad valorem tax revenues, and a transfer of special revenues from the Public Service Commission Fund as authorized by Act 352 of 1985.

Total Base Level for the Tax Division is \$1,475,752 for each year of the biennium, with 15 full-time positions and five Extra Help positions authorized.

The Tax Division is requesting Base Level for each fiscal year and continuation of special language governing its Contingency line item.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC SERVICE COMMISSION
FOR THE YEAR ENDED JUNE 30, 2004

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	39	50	89	83 %
Black Employees	4	13	17	16 %
Other Racial Minorities	1	0	1	1 %
Total Minorities			18	17%
Total Employees			107	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

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
255 Utilities Division-Operations	7,631,805	90	9,479,842	90	9,188,686	90	9,600,132	90	9,600,132	90	9,274,023	90	9,274,023	90
256 Pipeline Safety Program	649,672	9	810,742	9	805,750	9	814,137	9	814,137	9	814,137	9	814,137	9
257 Tax Division-Operations	825,640	15	1,470,217	15	1,465,751	15	1,475,752	15	1,475,752	15	1,475,752	15	1,475,752	15
2KA Contingency	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
Total	9,107,117	114	12,760,801	114	12,460,187	114	12,890,021	114	12,890,021	114	12,563,912	114	12,563,912	114

Funding Sources		%		%		%		%		%		%		
Fund Balance	4000005	5,931,300	39.4	5,952,402	35.4		4,063,954	24.3	4,063,954	24.3	3,843,371	23.5	3,843,371	23.5
Federal Revenue	4000020	213,545	1.4	137,783	0.8		407,068	2.4	407,068	2.4	407,068	2.5	407,068	2.5
Special Revenue	4000030	8,250,648	54.8	10,039,570	59.7		11,567,370	69.1	11,567,370	69.1	11,384,640	69.7	11,384,640	69.7
Ad Valorem Tax	4000060	664,026	4.4	695,000	4.1		695,000	4.2	695,000	4.2	695,000	4.3	695,000	4.3
Total Funds		15,059,519	100.0	16,824,755	100.0		16,733,392	100.0	16,733,392	100.0	16,330,079	100.0	16,330,079	100.0
Excess Appropriation/(Funding)		(5,952,402)		(4,063,954)			(3,843,371)		(3,843,371)		(3,766,167)		(3,766,167)	
Grand Total		9,107,117		12,760,801			12,890,021		12,890,021		12,563,912		12,563,912	

The Budget amount exceeds Authorized in the Utilities Division-Operations appropriation due to special language carry forward provisions in Act 2017 of 2005 affecting the Special Maintenance and Data Processing Services special line items and matching rate adjustments made during the 2005-2007 Biennium.

The Budget amount exceeds Authorized in the Pipeline Safety Program and in Tax Division-Operations due to matching rate adjustments during the 2005-2007 Biennium.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
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	109	5	114	0	4.39%	114	104	10	114	0	8.77%	114	107	7	114	0	6.14%

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 \$9,579,132 for FY08 and \$9,253,023 for FY09, with 90 budgeted positions. The second year Base Level is less than the first year because current special language for the Data Processing Services and Special Maintenance line items provide for the entire appropriation to be placed in the first year and its balance to be carried forward into the second year of the biennium.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

Requested changes include Capital Outlay of \$21,000 each year for replacement of vehicles. Also requested is continuation of special language that provides special pay rates for professional employees, contingency transfers, and carry forward of first year balances for the Data Processing Services and Special Maintenance line items.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	4,846,431	5,334,753	5,359,553	5,334,753	5,334,753	5,334,753	5,334,753	5,334,753	5,334,753
#Positions	90	90	90	90	90	90	90	90	90
Extra Help 5010001	0	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
#Extra Help	0	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	1,269,406	1,407,281	1,353,314	1,463,209	1,463,209	1,463,209	1,463,451	1,463,451	1,463,451
Overtime 5010006	3,474	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses 5020002	911,522	1,040,997	1,040,997	1,040,997	1,040,997	1,040,997	1,040,997	1,040,997	1,040,997
Conference & Travel Expenses 5050009	64,254	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	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Capital Outlay 5120011	34,824	21,000	21,000	0	21,000	21,000	0	21,000	21,000
Special Maintenance 5120032	864	47,774	0	48,638	48,638	48,638	0	0	0
Fed Regulatory Services 5900040	261,960	290,575	290,575	290,575	290,575	290,575	290,575	290,575	290,575
Professional Services 5900043	175,572	998,000	998,000	998,000	998,000	998,000	998,000	998,000	998,000
Data Processing Services 5900044	63,498	214,215	0	277,713	277,713	277,713	0	0	0
Total	7,631,805	9,479,842	9,188,686	9,579,132	9,600,132	9,600,132	9,253,023	9,274,023	9,274,023
Funding Sources									
Fund Balance 4000005	2,439,113	2,733,768		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Special Revenue 4000030	7,926,460	8,746,074		9,579,132	9,600,132	9,600,132	9,253,023	9,274,023	9,274,023
Total Funding	10,365,573	11,479,842		11,579,132	11,600,132	11,600,132	11,253,023	11,274,023	11,274,023
Excess Appropriation/(Funding)	(2,733,768)	(2,000,000)		(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Grand Total	7,631,805	9,479,842		9,579,132	9,600,132	9,600,132	9,253,023	9,274,023	9,274,023

FY07 Budgeted in Personal Services Matching exceeds Authorized due to matching rate adjustments during the 2005-2007 Biennium. FY06 Authorized Appropriation for Capital Outlay was \$44,000 per Act 2017 of 2005, with \$21,000 Authorized for FY07. Special Maintenance and Data Processing Services special line items are appropriated in the first year only. Special language in Sections 12 and 13 of Act 2017 of 2005 provide that unexpended amounts remaining in FY06 shall be carried forward into FY07.

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	9,579,132	90	9,579,132	100.0	9,253,023	90	9,253,023	100.0
C01	Existing Program	21,000	0	9,600,132	100.2	21,000	0	9,274,023	100.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	9,579,132	90	9,579,132	100.0	9,253,023	90	9,253,023	100.0
C01	Existing Program	21,000	0	9,600,132	100.2	21,000	0	9,274,023	100.2

Justification

C01	Change Level totaling \$21,000 is requested for each year of the 2007-09 biennium for Capital Outlay. The Capital Outlay request is for replacement of (1) one vehicle each year.
-----	---

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.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all 9 incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month. The following additions to Base Level are requested:

Capital Outlay of \$24,000 each year is requested for replacement of a four-wheel drive vehicle in each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	420,456	527,111	529,211	527,111	527,111	527,111	527,111	527,111	527,111
#Positions	9	9	9	9	9	9	9	9	9
Personal Services Matching 5010003	117,060	141,145	134,053	144,540	144,540	144,540	144,540	144,540	144,540
Operating Expenses 5020002	88,103	97,637	89,637	97,637	97,637	97,637	97,637	97,637	97,637
Conference & Travel Expenses 5050009	5,201	12,620	20,620	12,620	12,620	12,620	12,620	12,620	12,620
Professional Fees 5060010	1,172	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	17,680	24,000	24,000	0	24,000	24,000	0	24,000	24,000
Total	649,672	810,742	805,750	790,137	814,137	814,137	790,137	814,137	814,137
Funding Sources									
Fund Balance 4000005	1,207,757	985,176		450,000	450,000	450,000	450,000	450,000	450,000
Federal Revenue 4000020	213,545	137,783		395,068	407,068	407,068	395,068	407,068	407,068
Special Revenue 4000030	213,546	137,783		395,069	407,069	407,069	395,069	407,069	407,069
Total Funding	1,634,848	1,260,742		1,240,137	1,264,137	1,264,137	1,240,137	1,264,137	1,264,137
Excess Appropriation/(Funding)	(985,176)	(450,000)		(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Grand Total	649,672	810,742		790,137	814,137	814,137	790,137	814,137	814,137

The FY07 Budgeted amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2005-2007 Biennium.

FY07 Budgeted amount exceeds Authorized Appropriation in Operating Expenses by authority of Budget Classification Transfer.

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	790,137	9	790,137	100.0	790,137	9	790,137	100.0
C01	Existing Program	24,000	0	814,137	103.0	24,000	0	814,137	103.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	790,137	9	790,137	100.0	790,137	9	790,137	100.0
C01	Existing Program	24,000	0	814,137	103.0	24,000	0	814,137	103.0

Justification

C01	Capital Outlay of \$24,000 is requested for replacement of (1) one four wheel drive vehicle each year.
-----	--

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 \$1,475,752 each year, with 15 positions authorized and budgeted.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

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

Commitment Item	Historical Data			Agency Request and Executive Recommendation			2008-2009		
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008 Base Level	2007-2008 Agency	2007-2008 Executive	2008-2009 Base Level	2008-2009 Agency	2008-2009 Executive
Regular Salaries 5010000	506,091	541,951	544,751	541,951	541,951	541,951	541,951	541,951	541,951
#Positions	15	15	15	15	15	15	15	15	15
Extra Help 5010001	1,495	38,238	38,238	38,238	38,238	38,238	38,238	38,238	38,238
#Extra Help	1	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	156,995	171,169	163,903	176,704	176,704	176,704	176,704	176,704	176,704
Overtime 5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses 5020002	145,136	201,359	201,359	201,359	201,359	201,359	201,359	201,359	201,359
Conference & Travel Expenses 5050009	13,043	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Professional Fees 5060010	2,880	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	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Total	825,640	1,470,217	1,465,751	1,475,752	1,475,752	1,475,752	1,475,752	1,475,752	1,475,752
Funding Sources									
Fund Balance 4000005	1,284,430	1,233,458		613,954	613,954	613,954	393,371	393,371	393,371
Special Revenue 4000030	110,642	155,713		560,169	560,169	560,169	703,548	703,548	703,548
Ad Valorem Tax 4000060	664,026	695,000		695,000	695,000	695,000	695,000	695,000	695,000
Total Funding	2,059,098	2,084,171		1,869,123	1,869,123	1,869,123	1,791,919	1,791,919	1,791,919
Excess Appropriation/(Funding)	(1,233,458)	(613,954)		(393,371)	(393,371)	(393,371)	(316,167)	(316,167)	(316,167)
Grand Total	825,640	1,470,217		1,475,752	1,475,752	1,475,752	1,475,752	1,475,752	1,475,752

The FY07 Budgeted amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2005-2007 Biennium.

FY06 Actual expenditures exceed Authorized Appropriation in Conference & Travel Expenses by authority of Budget Classification Transfer.

Analysis of Budget Request

Appropriation: 2KA - Contingency

Funding Sources: SJP - Public Service Commission Fund

The Contingency appropriation of the Public Service Commission-Utilities Division 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 continuation of this appropriation at the budgeted level of \$1,000,000 each year and that special language governing transfers during emergencies and unforeseen circumstances also be continued for the 2007-2009 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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contingency 5130018	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	0	1,000,000	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	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding	1,000,000	2,000,000		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	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000