



FY 2013-14 Base Budget Intensive Review

Senate General Government Appropriations Subcommittee

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Executive Director
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Overview

- The Public Service Commission (PSC) is a Legislative agency with responsibilities over the state's investor-owned utilities (IOUs).
- Electricity, Natural Gas, and Water and Wastewater:
 - The PSC regulates the electric and gas IOUs in the state and the water and wastewater IOUs in those counties that have given us jurisdiction.
 - The PSC also has limited authority over publicly-owned municipal and rural cooperative utilities.
- Telecommunications:
 - The PSC has regulatory authority over the wholesale relationships of the state's various telecommunications companies, and over certain retail programs such as Lifeline and Relay.



Funding

- 100% Trust Funded, No General Revenue
 - Temporary federal funding through the American Recovery and Reinvestment Act of 2009, \$350,000 per year through September 2013
- The PSC collects fees from the utility companies it regulates.
- Maximum fees are set by statute.
- Actual fees are established by rule
- Continuation Budget Request for Fiscal Year 2013-14 of \$25,062,551, and 293 FTE.



Regulatory Jurisdiction

- The PSC currently regulates:
 - 5 investor-owned electric companies
 - 6 investor-owned natural gas utilities
 - 145 investor-owned water and wastewater utilities
- The PSC has limited jurisdiction over:
 - 18 rural electric co-ops
 - 35 Municipal systems
- The PSC exercises competitive market oversight for:
 - 10 incumbent local exchange telephone companies (ILECs)
 - 315 competitive local exchange telephone companies (CLECs)
 - 85 competitive pay telephone service providers



Programs

- **Commissioners and Administrative Services**
 - Commissioners
 - Executive Director
 - Administrative and Information Technology Services
 - Commission Clerk
 - Legal Services

- **Utility Regulation and Consumer Assistance**
 - Accounting and Finance
 - Engineering
 - Economics
 - Consumer Assistance
 - Industry Development and Market Analysis
 - Auditing and Performance Analysis



Exercise of Authority

- The FPSC exercises regulatory authority over utilities in three (3) key areas:
 - I. **Rate Base/Economic Regulation** involves analyzing requested rate changes and conducting earnings surveillance to ensure that regulated utilities are not exceeding their authorized rates of return.
 - II. **Safety, Reliability, and Consumer Protection** involves electric and gas safety inspections, ensuring electric, gas, and water reliability, determining the need for additional power plants, oversight of conservation programs and responding to consumer contacts regarding utility matters.
 - III. **Competitive Market Oversight** entails facilitating the function of existing markets, resolving disputes and investigating allegations of anti-competitive behavior, while ensuring low-income and hard of hearing citizens have access to telephone service.



Intensive Review

- Should utility regulation be a part of state government?
- What are the benefits of utility regulation to the citizens of Florida?
- What is the performance of utility regulation?
- Are any utility regulation services duplicated by other state or federal agencies?
- How can utility regulation function more efficiently or effectively?

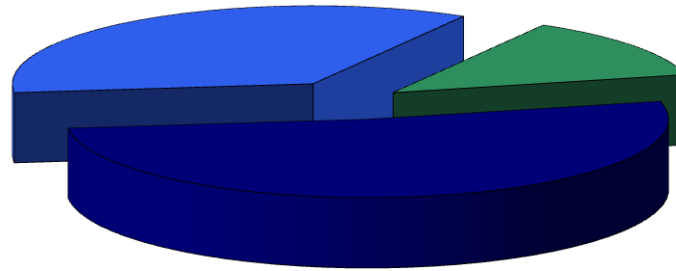


FTEs by Key Area

Total FTEs - 293

**Safety,
Reliability, and
Consumer
Protection
103 FTE**

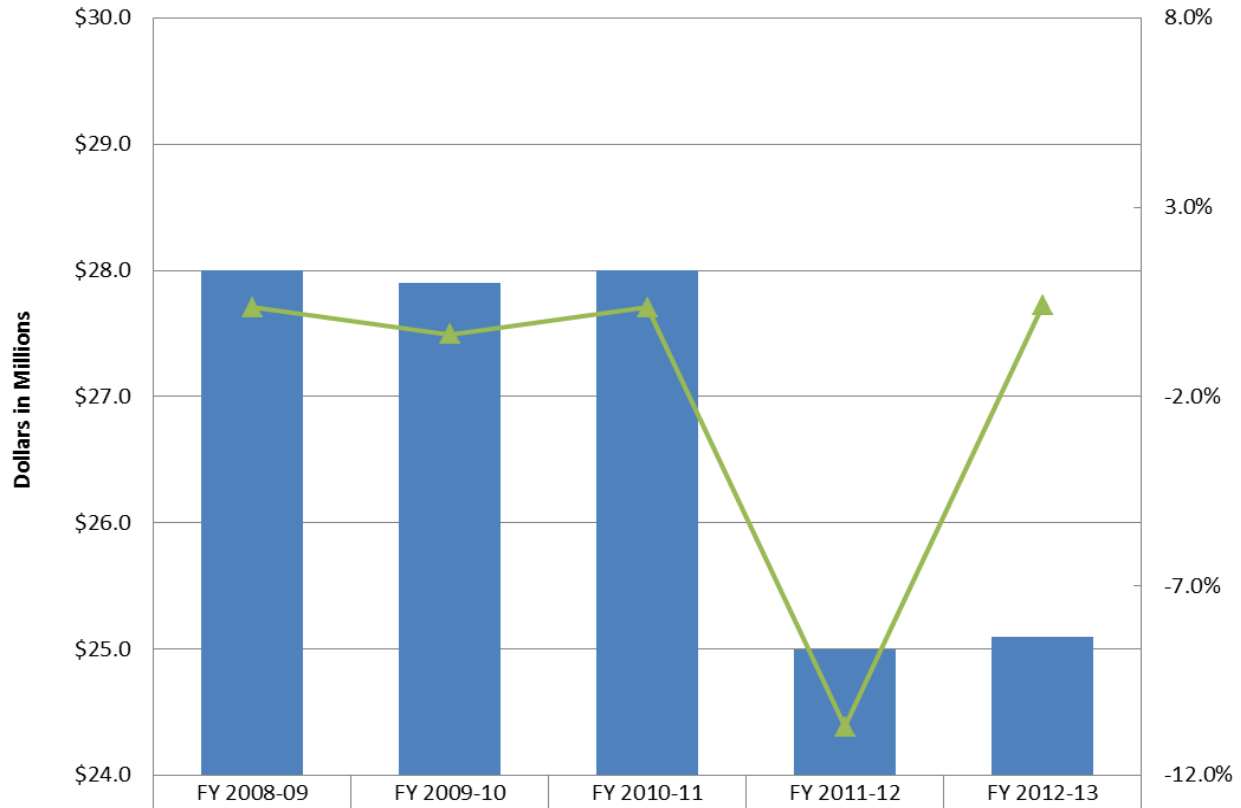
**Competitive
Market
Oversight
38 FTE**



**Rate
Base/Economic
Regulation
152 FTE**



Funding History



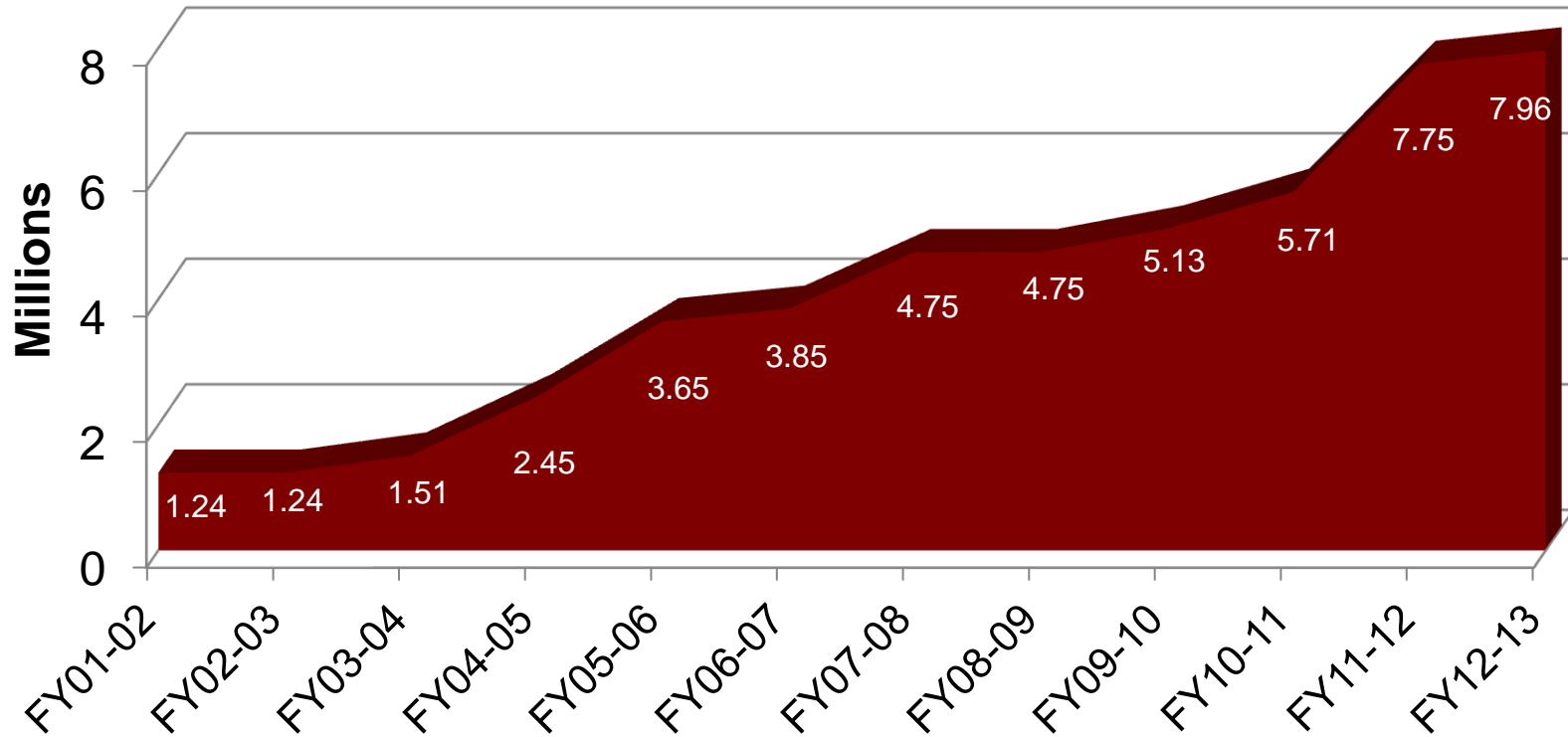
General Revenue	\$0	\$0	\$0	\$0	\$0
Trust Funds	\$28.0	\$27.9	\$28.0	\$25.0	\$25.1
Percent Change from Prior Year	0.4%	-0.4%	0.4%	-10.7%	0.4%



Budget History

Cumulative Budget Reductions

Since FY 2001-02





Funding by Category

		Program: Commissioners and Administration			Program: Utility Reg. & Cons. Assist		Fiscal Year 2013-14		
		Budget Entity							
Appropriation Category	Public Service Comm.	Exec. Dir. and Supp. Svcs.	Legal Svcs.	Utility Reg.	Audit & Perf. Anal.	Total Trust Fund	Explanation		
FTE	18.00	61.00	30.00	153.00	31.00	293.00	Approved FTE: 293.00		
Dollars in Thousands									
Salaries & Benefits	1,938	4,023	2,225	9,503	1,961	19,650	The Salaries and Benefits budget includes costs for salary and wages, and employer contributions for FICA, state retirement, health, life, and disability insurances.		
Other Personal Services	0	97	17	86	0	200	The OPS appropriation category provides funding for security guards, court reporters, interpreter services, expert witness fees, Attorney General legal services, and temporary employees to assist with other duties.		
Expense	366	1,158	382	1,468	421	3,795	The Expenses appropriation category primarily includes funding for building rent, communication services, postage, WFSU-TV broadcasts, travel, automobile fuel and oil, office supplies and materials, IT supplies, application software licenses, subscriptions, and dues.		
Operating Capital Outlay	0	266	0	0	0	266	The OCO appropriation category typically provides funding for the acquisition of items costing more than \$1,000.		
Motor Vehicle Acquisition	0	72	0	0	0	72	This special category provides funding for the acquisition of motor vehicles.		
Contracted Services	7	263	38	182	13	503	This special category provides funding for vendor payments for a variety of outside contracted services such as security, energy consultants, equipment repairs, and vehicle repairs.		
Risk Management Ins.	4	15	7	33	7	66	This special category provides funding for premiums to the state self-insurance program administered by the Department of Financial Services.		
HR Assessment	6	26	11	51	11	105	This special category provides funding for the transfer of the statewide personnel assessment to the State Personnel System Trust Fund to fund the human resource outsourcing contract and the Division of Human Resource Management.		
Data Processing Services	0	47	0	0	0	47	This category is used to pay subscriptions such as LexisNexis, LobbyTools, and anti-virus updates.		
Southwood Resource Center	0	8	0	0	0	8	This special category provides funding for the transfer to the Southwood Shared Resource Center for IT related services such as: communications access, information processing, Internet services, custom application development infrastructure support and maintenance for Internet and mainframe applications, electronic commerce services, and legacy system operations and maintenance.		
Federal Funds – American Reinvestment & Recovery Act	0	0	0	350	0	350	This special category was created by the 2010 Legislature to provide the authority to expend Federal funds for training and management purposes associated with additional regulatory activity resulting from electricity-related initiatives of the American Reinvestment & Recovery Act. The amount of \$1.2 million was awarded to the Commission. The Commission will receive the funds based on a four-year installment arrangement.		
Total By Budget Entity	2,320	5,975	2,680	11,674	2,413	25,062			



Summary

- Legislative Agency
- 100% Trust Funded Recurring Budget
 - *FY 2013-14* *\$ 25,062,551* *293 FTE*
- *Salaries & Benefits 80% of budget*
- Requesting Continuation Budget – No Issues



Questions?