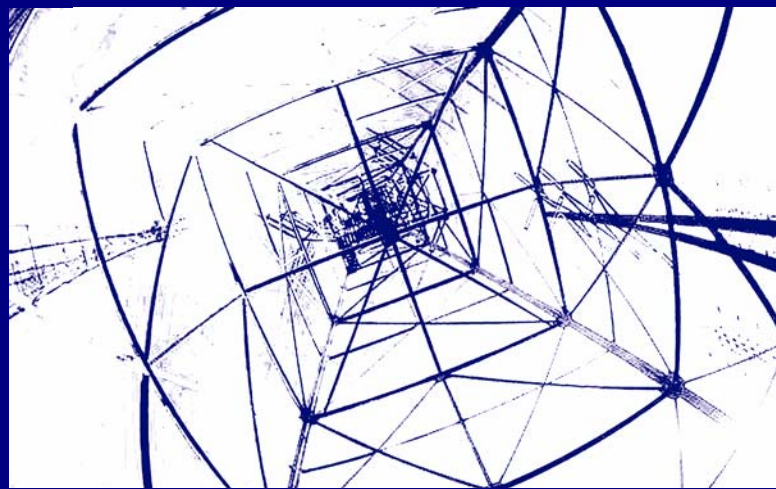


# The National Regulatory Research Institute

**STATE  
REGULATORY  
COMMISSION  
BUDGET  
REDUCTIONS  
AND COST  
CONTAINMENT:  
RESULTS OF A  
SURVEY**



**STATE REGULATORY COMMISSION BUDGET  
REDUCTIONS AND COST CONTAINMENT:  
RESULTS OF A SURVEY**

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## EXECUTIVE SUMMARY

State public utility commissions have been funded in a variety of ways, clearly demonstrating the observation that "states are the laboratories of democracy." The variety reflects each state commission's unique circumstances.

The National Regulatory Research Institute (NRRI) conducted a survey of state public utility commissions in spring 2002 in order to provide baseline information about how commissions are funded, as well as how various funding and financial issues are treated. Nearly every state commission has had to respond to or initiate an assortment of cost containment activities. This report provides data in a tabular format on a number of these important issues. Data is included, for example, on the sources of commission budgets, how the amounts from those sources are determined, and whether marketplace changes have led to underfunding of operating needs.

The survey was initiated to meet the needs of the executive directors and chief fiscal officers at state regulatory commissions. An initial version was distributed to the National Association of Regulatory Utility Commissioners' Staff Subcommittee on Executive Management. Based upon the feedback received, the NRRI will update the survey as appropriate.

The survey represents the initial effort in our current project to develop a compendium of information on commission structure, organization and transformational issues. The completed volume of *Regulatory Profiles* will be available in the summer of 2003.

## INTRODUCTION

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**BUDGET REDUCTIONS AND COST CONTAINMENT**

<b>1. What is the approximate percentage of the commission budget which comes from: General tax funds; utility specific taxes; fees and charges on utilities/phone companies for specific filings; fees and charges on utilities/phone companies for general filings; fines; federal programs; other</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	Commission Budget: 79 percent fees and charges on utilities/phone companies for general regulatory purposes; 20 percent other (transportation companies 19 percent); 1 percent federal
Alaska	No response
Arizona	Commission Budget: 25 percent from general tax funds; 49.4 percent from fees and charges on utilities/phone companies. For general regulatory purposes
Arkansas	Commission Budget: assessments to jurisdictional utilities. Utility assessments are based on commission's budget and utilities' revenues. Each jurisdictional utility is assessed proportional to its revenues.
California	No response
Colorado	No response
Connecticut	No response
Delaware	Commission Budget: 25 percent fees and charges on utilities/phone companies for specific filings etc; 75 percent fees and charges on utilities/phone companies for general regulatory purposes
District of Columbia	Commission Budget: 100 percent direct assessments on utilities/phone companies for specific filings, transactions or commission actions; 100 percent direct assessments on utilities/phone companies for general regulatory purposes
Florida	For the year-ended June 30, 2002 Utility Specific taxes (regulatory assessment fees) provided 99.5% of funding and Filing Fees provided .5% of funding
Georgia	Commission Budget: 85 percent general tax funds; 11 percent utility specific taxes; 4 percent federal programs
Hawaii	Commission Budget: 1 percent fees and charges on utilities/phone companies for specific filings etc; 90 percent fees and charges on utilities/phone companies for general regulatory purposes; 8 percent other; one percent fines. PUC is "special funded" exclusively through Public Utilities Commission Special Fund. It receives monies from public utility fees, motor carrier fees, penalties and filing fees.

<b>1. What is the approximate percentage of the commission budget which comes from: General tax funds; utility specific taxes; fees and charges on utilities/phone companies for specific filings; fees and charges on utilities/phone companies for general filings; fines; federal programs; other</b>	
<b>STATE</b>	<b>RESPONSE</b>
Idaho	Commission Budget: 100 percent from fees and charges on utilities/phone companies for general regulatory purposes. Each utility pays a pro rata share of the IPUC's appropriation. This is a FEE not a tax.
Illinois	Commission Budget: 7 percent general fund taxes; 86 percent utility specific taxes; 1.7 percent fees and charges on utilities/phone companies for specific filings etc; 1.8 percent federal programs; 3.5 percent repayment for tax credits taken for the construction of waste to energy facilities
Indiana	Commission Budget: 100 percent fees and charges on utilities/phone cos. for general regulatory purposes
Iowa	Commission Budget: 25 percent fees and charges on utilities/phone companies for specific filings etc; 72 percent fees and charges on utilities/phone companies for general regulatory purposes; 3 percent federal programs, pipeline safety
Kansas	Commission Budget: 21 percent fees and charges on utilities for general regulatory purposes; 14 percent fees and charges on utilities for specific filings, transactions; 7.5 percent federal programs; .3 percent fines; 54 percent other
Kentucky	Commission Budget: 100 percent utility specific taxes
Louisiana	Commission Budget: 100 percent other; the Inspections and Supervision Fee funds the Louisiana PSC. Louisiana PSC also gets funds from motor carrier fees; transport carrier fees and utility fines

<b>1. What is the approximate percentage of the commission budget which comes from: General tax funds; utility specific taxes; fees and charges on utilities/phone companies for specific filings; fees and charges on utilities/phone companies for general filings; fines; federal programs; other</b>	
<b>STATE</b>	<b>RESPONSE</b>
Maine	<p>Commission Budget: Commission's regulatory program is funded almost totally by assessments against those utilities we regulate, i.e., electric transmission and distribution (T&amp;D), natural gas, telecommunications, water, and water carriers (water taxis and ferries). For FY03 (July 1, 2002 - June 30, 2003): electric T&amp;D 68.5%; natural gas 2.7%; telecommunication 23.9%; water 4.7%; water carriers 0.2%.</p> <p>The 120<sup>th</sup> Maine State Legislature also added a new program starting in FY03. This was to develop and implement a statewide electric energy conservation program. We estimate that approximately \$7.2 million will be assessed against our electric T&amp;D utilities in FY03 for this program.</p> <p>Others include a federal grant from the Office of Pipeline Safety for up to \$50,000 to offset the cost of our pipeline safety program, filing fees, reproduction fees, and penalties to recover our expenses involved in the enforcement actions (i.e., Dig Safe Program and slamming/cramming complaints violations).</p>
Maryland	Commission Budget: 100 percent fees and charges on utilities/phone companies for general regulatory purposes
Massachusetts	Commission Budget: 82 percent utility specific taxes; 18 percent general tax funds (for transportation division activities)
Michigan	No response
Minnesota	Commission Budget: 100 percent fees and charges on utilities/phone companies for general regulatory purposes
Mississippi	Commission Budget: 85 percent utility specific taxes; 15 percent federal programs
Missouri	Commission Budget: 100 percent from fees and charges on utilities/phone companies for general regulatory purposes
Montana	Commission Budget: 99.8 percent utility specific taxes; .2 percent federal pipeline safety
Nebraska	Commission Budget: 75 percent general tax funds; 22 percent utility specific fees and charges; 2 percent fines; 1 percent federal programs
Nevada	No response

<b>1. What is the approximate percentage of the commission budget which comes from: General tax funds; utility specific taxes; fees and charges on utilities/phone companies for specific filings; fees and charges on utilities/phone companies for general filings; fines; federal programs; other</b>	
<b>STATE</b>	<b>RESPONSE</b>
New Hampshire	Commission budget: 98% assessment to jurisdictional utilities; 2% federal funding
New Jersey	Commission Budget: 100 percent from fees and charges on utilities/phone companies for general regulatory purposes
New Mexico	Commission Budget: 100 percent general tax funds
New York	Commission Budget: 98 percent fees and charges on utilities/phone companies for general regulatory purposes; 2 percent federal
North Carolina	Commission Budget: 3 percent utility taxes; 2 percent fees and charges on utilities/phone companies for specific filings etc; 91 percent fees and charges on utilities/phone companies for general regulatory purposes; 4 percent federal
North Dakota	Commission Budget: 40 percent general tax funds; 60 percent federal programs, primarily federal mining programs
Ohio	Commission Budget: 97.19 percent "assessment to the Utilities"; 1.07 percent charges to Utilities for specific commission cases; 1.643 percent federal programs; .1 percent other
Oklahoma	Commission Budget: 36 percent general tax funds; 14 percent utility specific taxes; 3 percent federal; 47 percent other-fees from other regulated industries
Oregon	Commission Budget: 57.3 percent from fees and charge on utilities/phone companies for general regulatory purposes; .01 percent fines; 1.16 percent federal programs; 41.53 percent other
Pennsylvania	Commission Budget: 93 percent fees and charges on utilities for general regulatory purposes; .64 percent fees and charges on utilities for specific filings, transactions; 2.26 percent federal programs; 4.1 percent other
Rhode Island	Commission Budget: 23 percent fees and charges on util./phone co. for specific filings, transactions, comm. actions; 77 percent fees and charges on util./phone co. for general regulatory purposes
South Carolina	Commission Budget: 100 percent from assessment on companies
South Dakota	Commission Budget: 17 percent general tax funds; 76 percent utility specific taxes; 4 percent fees and charges on utilities/phone companies for specific filings etc; 3 percent federal programs



<b>1. What is the approximate percentage of the commission budget which comes from: General tax funds; utility specific taxes; fees and charges on utilities/phone companies for specific filings; fees and charges on utilities/phone companies for general filings; fines; federal programs; other</b>	
<b>STATE</b>	<b>RESPONSE</b>
Tennessee	Commission Budget: 76 percent utility specific taxes; 1 percent fees and charges on utilities/phone companies for specific filings etc; 3 percent fines; 5 percent federal; 15 percent other
Texas	Commission Budget: 45 percent utility specific taxes; 2 percent fees and charges on utilities/phone companies for specific filings etc.; 52 percent fees and charges on utilities/phone companies for general regulatory purposes; 1 percent other
Utah	Commission Budget: 97 percent fees and charges on utilities/phone companies for general regulatory purposes; 2 percent federal programs; 1 percent other
Vermont	Commission Budget: 90 percent utility specific taxes; 10 percent fees and charges on utilities/phone companies for specific filings etc
Virginia	Commission Budget: 98.1 percent utility specific taxes; 1.9 percent fines
Washington	Commission Budget: 84 percent fees and charges on utilities for general regulatory purposes; 10 percent federal programs; 6 percent fines
West Virginia	Commission Budget: 1 percent fees and charges on utilities/phone companies for specific filings etc.; 90 percent fees and charges on utilities/phone companies for general regulatory purposes; 9 percent federal programs
Wisconsin	Commission Budget: 40 percent fees and charges on all utilities for specific filings and commission action (direct assessments); 58 percent fees and charges for general regulatory work (remainder assessment); 1 percent federal gas pipeline safety; 1 percent other (fees for registering a reseller, farm visits related to state array stray voltage program)
Wyoming	Commission Budget: 97 percent utility specific taxes; 3 percent federal pipeline safety program

<b>2. Who calculates, administers, and levies utility taxes if you have them to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	No response
Arizona	Commission itself according to statutory formula
Arkansas	Commission itself
California	
Colorado	
Connecticut	
Delaware	Commission itself
District of Columbia	Commission itself
Florida	<p>Florida Statute 350.113 Florida Public Service Regulatory Trust Fund; moneys to be deposited therein. This statute requires regulated utilities to pay to the Commission a percentage of gross operating revenue for each six-month period commencing June 30, 1997. The law specifies that the percentage shall be no greater than percentages specified for different types of utilities. The Commission by rule may specify percentages lower than the statutory limits. That statute also states in part:</p> <p>The fees shall, to the extent practicable, be related to the cost of regulating such type of regulated company</p> <p>Florida Statutes are available online at: <a href="http://www.flsenate.gov/statutes/index.cfm">http://www.flsenate.gov/statutes/index.cfm</a></p>
Georgia	The amount of utility taxes paid was set by statute at \$1,050,000 in the early 1990's.
Hawaii	Levying utility taxes is the responsibility of the Hawaii State Department of Taxation.
Idaho	Commission itself
Illinois	State tax agency collects the electricity excise tax for about 51 percent of the agency's non-general fund revenue, all other taxes are collected by the Illinois Commerce Commission.
Indiana	Commission itself
Iowa	N/A
Kansas	Commission itself
Kentucky	Governor's office of Policy and Management calculates it, Revenue cabinet bills and collects assessments.
Louisiana	Tax agency; Department of Revenue and Taxation

<b>2. Who calculates, administers, and levies utility taxes if you have them to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Maine	The Legislature authorizes a specific amount to which the commission can assess utilities against their total in-state revenues to fund our operations. The commission then uses this information, calculates the assessment amounts and bills the utilities.
Maryland	Commission itself
Massachusetts	Commission itself
Michigan	
Minnesota	N/A
Mississippi	Tax agency
Missouri	Commission itself
Montana	Tax agency
Nebraska	Commission itself
Nevada	
New Hampshire	N/A
New Jersey	N/A
New Mexico	N/A
New York	Commission itself-the Finance and Budget Office at the NY State PSC
North Carolina	Commission itself
North Dakota	N/A
Ohio	Commission itself
Oklahoma	Commission itself
Oregon	PUC does not recover commission budget costs per se and does not levy utility taxes. The commission charges fees to the utilities to pay projected expenses. Under state law, to cover the cost of carrying out the commission's statutory duties, the commission can collect the following fees: 1) up to twenty-five hundredths of one percent (0.25 percent) of the gross operating revenue of natural gas and water utilities; 2) up to twenty-five hundredths of one percent (0.25 percent) of the gross retail intrastate revenues of telecommunications providers; and, 3) up to eighteen-hundredths of one mill (0.018 cents) per kilowatt-hour for electric utilities. Pursuant to ORS 757.612 (3)(c), the commission can obtain funding from the public purpose charges to pay for certain of its conservation and renewable resource activities. In addition, the commission can use funds from the State Universal Service Fund created by SB 622. The Universal Service Fund exists to compensate telecommunications carriers for the cost of serving high cost areas.
Pennsylvania	N/A; they are not recovered for budget purposes.

<b>2. Who calculates, administers, and levies utility taxes if you have them to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Rhode Island	Commission itself
South Carolina	Commission itself; then Department of Revenue collects and remits to PSC
South Dakota	Commission itself
Tennessee	Commission itself
Texas	Public utility gross receipts assessments are specified in statute and administered by the comptroller of public accounts. The commission establishes and administers the assessment rates for three other funding sources: System Benefit Fund; the Texas Universal Service Fund and the Local Exchange Carriers Assessment. Comptroller of Public accounts receives the revenue collections from each assessment for deposit to the state treasury. Additionally, the Texas emissions reduction plan fund, administered by the comptroller of public accounts, receives revenue from statutory fees and surcharges on motor vehicles.
Utah	Other; the Division of Public Utilities within the Department of Commerce calculates, bills and collects the Public Utilities Regulation Fee, which is not a tax per se.
Vermont	Commission itself, actually Vermont Department of Public Service
Virginia	Commission itself
Washington	Utility taxes are not used to finance commission activities. Utility taxes are levied by local and state government and deposited into general revenue funds.
West Virginia	Commission itself
Wisconsin	PSC is not funded by tax revenues derived from any sources.
Wyoming	Tax agency (Wyoming Department of Revenue)

<b>3. Who determines the amount of utility taxes that may be levied each year to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	N/A
Arkansas	
California	
Colorado	
Connecticut	
Delaware	General assembly
District of Columbia	Commission
Florida	<p>Florida Statute 350.113 Florida Public Service Regulatory Trust Fund; moneys to be deposited therein. This statute requires regulated utilities to pay to the Commission a percentage of gross operating revenue for each six-month period commencing June 30, 1997. The law specifies that the percentage shall be no greater than percentages specified for different types of utilities. The Commission by rule may specify percentages lower than the statutory limits. That statute also states in part:</p> <p>The fees shall, to the extent practicable, be related to the cost of regulating such type of regulated company</p> <p>Florida Statutes are available online at: <a href="http://www.flsenate.gov/statutes/index.cfm">http://www.flsenate.gov/statutes/index.cfm</a></p>
Georgia	The amount of utility taxes paid was set by statute at \$1,050,000 in the early 1990's.
Hawaii	N/A
Idaho	The maximum percentage that can be assessed against a utility's gross intrastate revenue is set in Idaho code by the legislature. The legislature also sets the budget appropriation. Both are key elements to determining the annual assessment.
Illinois	State statute with cap on gross revenue tax of .1 percent (this can be set at any level below .1 percent through rule making), and a kilowatt hour rate on electricity which varies depending on usage is set in statute
Indiana	General assembly and commission
Iowa	General assembly sets annual budget.
Kansas	General Assembly
Kentucky	General assembly by statute
Louisiana	Legislature establishes the fee.

<b>3. Who determines the amount of utility taxes that may be levied each year to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Maine	The commission prepares a biennial budget for submit to the Legislature. The budget is reviewed and approved by the Joint Standing Committee on Utilities and Energy and then goes to the Joint Standing Committee on Appropriations and Financial Affairs. This Committee accepts the determination of the Utilities and Energy Committee and puts their recommendation into the budget package, which goes to the full Legislature for final approval.
Maryland	General assembly
Massachusetts	General assembly
Michigan	
Minnesota	N/A
Mississippi	General assembly
Missouri	Statutory cap on total assessment we can charge to utilities-- .25 percent of total intrastate gross revenue within our jurisdiction. Commission sets assessment annually, but all expenditures must comply with legislative appropriation.
Montana	Legislature sets commission budget and Revenue department determines and collects the tax.
Nebraska	Commission within limits set by legislature
Nevada	
New Hampshire	N/A
New Jersey	N/A
New Mexico	N/A
New York	General assembly-annual appropriations proposed by governor and enacted by legislature
North Carolina	Commission makes recommendation to the general assembly for their approval.
North Dakota	N/A
Ohio	General assembly
Oklahoma	Legislature established
Oregon	Commission
Pennsylvania	N/A; they are not recovered for budget purposes.
Rhode Island	Commission
South Carolina	General assembly
South Dakota	General assembly
Tennessee	General assembly
Texas	Legislature appropriates commission's budget, and the commission establishes certain rates to recover authorized funds for portions of the budget.

<b>3. Who determines the amount of utility taxes that may be levied each year to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Utah	General assembly; state legislature sets the budgets for the regulatory agencies. The budgets are collected through the Public Utilities Regulation Fee.
Vermont	General assembly sets board and department appropriations
Virginia	Commission with statutory cap
Washington	State statute sets utility tax rates.
West Virginia	Legislature; but commission assesses for the budget.
Wisconsin	No tax related funding. Operating budget for the commission is established by the legislature and Governor during the state biennial budget process. The commission as indicated in responses to #1 is generally program revenue funded. These revenues are derived by assessments to utilities for case work, basic registration fees for resellers and remainder assessments.
Wyoming	Wyoming legislature establishes the PSC budget, the Wyoming Department of Revenue is responsible for determining the tax and collecting it.

<b>4. How are tax rates determined in those instances where utility taxes are used to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	N/A
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Statutorily determined
District of Columbia	Assessments on jurisdictional revenues
Florida	<p>Florida Statute 350.113 Florida Public Service Regulatory Trust Fund; moneys to be deposited therein. This statute requires regulated utilities to pay to the Commission a percentage of gross operating revenue for each six-month period commencing June 30, 1997. The law specifies that the percentage shall be no greater than percentages specified for different types of utilities. The Commission by rule may specify percentages lower than the statutory limits. That statute also states in part:</p> <p>The fees shall, to the extent practicable, be related to the cost of regulating such type of regulated company</p> <p>Florida Statutes are available online at: <a href="http://www.flsenate.gov/statutes/index.cfm">http://www.flsenate.gov/statutes/index.cfm</a></p>
Georgia	The amount of utility taxes paid was set by statute at \$1,050,000 in the early 1990's.
Hawaii	N/A
Idaho	Idaho code requires the IPUC to determine each Utilities assessment by April 15 <sup>th</sup> of each year. There is a formula that must be followed. Again it is an assessment not a tax.
Illinois	Gross revenue tax is set on. 1 percent of regulated intrastate gross revenues; deductions are allowed for sale to a utility or coop for resale, and for uncollectables. The electric excise tax is based upon a usage per kilowatt hour.
Indiana	N/A
Iowa	N/A
Kansas	Formula based on revenues for previous year and commission's estimated expenditures
Kentucky	Budget amount divided by total assessable revenues determines millage rate.
Louisiana	N/A



<b>4. How are tax rates determined in those instances where utility taxes are used to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Maine	Based on the amount of money that the Legislature establishes for the commission to operate, the assessment amounts are proportional to the amount of in-state revenues produced by each utility.
Maryland	Ratio of budget to jurisdictional revenues
Massachusetts	Pro rata share as a percentage of intrastate revenues
Michigan	
Minnesota	N/A
Mississippi	Tax rates are determined based on the current and projected revenue requirements of the commission and public staff.
Missouri	Assessment (or fee) on each individual utility is determined by a formula in which the factors are the utility's revenue as a percentage of the total revenue for that utility type within the state, and the cost of staff time logged for that type of utility (plus an allocation for general costs).
Montana	Pro rata share as a percentage of intrastate revenues
Nebraska	By opening a public proceeding
Nevada	
New Hampshire	N/A
New Jersey	N/A
New Mexico	
New York	N/A
North Carolina	Commission staff projects the amount of money needed to operate for the upcoming fiscal years and estimates the increase/decline of revenues for the utilities and proposes a fee it considers necessary to generate the funds needed to operate.
North Dakota	N/A
Ohio	On percentage of intrastate gross revenue. The percentage is arrived at by dividing the total intrastate gross earnings of all the companies into the total amount the legislature appropriates for the operation of the utility program at the commission. There is a minimum assessment of \$50. The intrastate gross earning of the companies are reported to the PUCO in an annual report that is due April 29. The invoice for the assessment is sent out early September.
Oklahoma	Legislated formula
Oregon	How tax rates determined: fee is based on projections of agency expenses over the next five years and the rate is set to ensure adequate funding for the PUC.
Pennsylvania	N/A; they are not recovered for budget purposes.

<b>4. How are tax rates determined in those instances where utility taxes are used to recover commission budget costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Rhode Island	Percentage of gross intrastate operating revenue
South Carolina	Pro rata share based on intrastate revenues
South Dakota	Legislature
Tennessee	Pro rata share as a percentage of intrastate revenues
Texas	Statute assessment rates for the public utility gross receipts tax has been unchanged for many years. The revenue generated from this source far exceeds related commission costs and is allocated by the legislature for other state purposes. The rate for the system benefit fund (sbf), which covers costs related to electric restructuring in Texas, has a statutory cap. The commission sets the rate up to the cap to recover all anticipated sbf expenses. Neither the Texas Universal Service Fund nor the local exchange carrier's assessment has a statutory cap; the commission sets the rate to recover all anticipated related expenses. Certain statutory fees and surcharges that support the Texas emissions reduction plan fund are specified for recovering the commission's related program costs.
Utah	The total of the regulatory agencies' budgets set by the legislature is divided by the total of the intrastate gross revenues of the utilities to arrive at a rate to be used to assess each utility's gross revenue for the Public Utilities Regulation Fee (PURF).
Vermont	Every few years legislature adjusts gross receipts taxes depending on industry specific regulatory activity.
Virginia	Virginia state code sets maximum.
Washington	Statute; on percentage of gross operating revenue
West Virginia	Not taxes
Wisconsin	N/A
Wyoming	PSC budget divided by Wyoming utilities gross intrastate revenue

<b>5. Are utility tax revenues going up, down, not changing? For instances where fees and charges primarily are used to recover general regulatory costs from utilities/phone companies, please indicate how the assessment level is determined:</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	Up; based on percentage of gross operating revenues
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Slightly down; 75 percent of total revenue from fee on gross operating revenue, 25 percent from recovery of case-specific costs
District of Columbia	Declining; based on actual case-specific costs
Florida	Revenues fluctuate, no clear trend
Georgia	The amount of utility taxes paid was set by statute at \$1,050,000 in the early 1990's.
Hawaii	N/A; percentage of gross operating revenues $\frac{1}{4}$ of 1 percent of gross income
Idaho	IPUC's assessment went down from last year's. IPUC appropriated funds went down and the gross intrastate revenues of the utilities went up. We are being required to do more with less. Assessed on basis of gross intrastate operating revenue.
Illinois	Revenues are going down; 2002 revenues slightly below 1999 levels. Some of this appear to be related to the economy and fluctuations in natural gas prices, but a large portion is caused by declining telecom revenue; some of which is due to people switching to cellular phones whom we cannot collect taxes from in Illinois. Illinois uses a fixed rate gross revenue tax, it is not based on regulatory costs. However if the fund balance exceeds \$5 million every other year, the commission has to issue a credit to tax payers (this has not been done in 20 years).
Indiana	Utility fees are rising; based on percentage of gross operating revenue
Iowa	Unknown; 25 percent from direct billings; 72 percent based on percentage of gross operating revenues
Kansas	Not changing
Kentucky	Up about 4 percent a year over last three years; based on percentage of gross operating revenue
Louisiana	Not changing

<b>5. Are utility tax revenues going up, down, not changing? For instances where fees and charges primarily are used to recover general regulatory costs from utilities/phone companies, please indicate how the assessment level is determined:</b>	
<b>STATE</b>	<b>RESPONSE</b>
Maine	Utility assessments are rising based on the total in-state utility revenues, and the move to a competitive market for electric generation services, which has the impact of decreasing the amount of allowable revenue against which an assessment could be made. The total amount of assessments against utilities from 1993 to 2001 was set by statute at \$4, 918,000 dollars. In 2001, the commission requested an increase to \$5, 300,000 for FY 2002 and to \$5.500,000 for FY03. This was in large part to accommodate increasing personnel services costs, even while our staffing levels dropped from 69 to 61 authorized positions (57 actually filled) and the commission was given several new tasks, e.g., pipeline safety, Dig Safe, increased consumer protection and enforcement responsibilities, while continuing the transition to competitively based utility services. During this session of the Legislature, we will be requesting funding levels at \$6,300,000 for FY04 and \$6,500,000 for FY05. This is necessary to offset increasing personnel services costs, and fully funding all items in the budget, rather than using money carried forward from previous fiscal years to offset budget shortfalls.
Maryland	Going up; based on percentage of gross operating revenues
Massachusetts	Essentially not changing; we have been level-funded for the past few years.
Michigan	
Minnesota	N/A; 60 percent on the basis of gross operating revenues, 40 percent on case specific cost
Mississippi	Trending upward; based on percentage of gross operating revenues
Missouri	The assessment has risen modestly as our actual costs have.
Montana	Taxes have been going up but future unknown with deregulation
Nebraska	Telecom revenues up slightly, manufactured housing revenues are decreasing and moisture testing revenues are steady; assessment on percentage of gross operating revenues
Nevada	

<b>5. Are utility tax revenues going up, down, not changing? For instances where fees and charges primarily are used to recover general regulatory costs from utilities/phone companies, please indicate how the assessment level is determined:</b>	
<b>STATE</b>	<b>RESPONSE</b>
New Hampshire	Increasing; actual case specific assessments are up significantly; assessment on both percentage of gross operating revenues and actual case-specific costs
New Jersey	Going up; based on percentage of gross operating revenue
New Mexico	
New York	Revenue is increasing as costs rise.
North Carolina	Revenues for past two years have gone down. Commission has determined an amount of filing fees based on the class of utility. Copying costs are set at .20/pg to recover copying, mailing and paper costs. Regulatory fee assessed each utility is based on gross operating revenues or a minimum of \$25/fiscal year; and at this time a \$200,000 set fee is being charged to regulate the subsidiaries of the electric membership corporation. The gas pipeline safety program of the commission also receives federal funds at approximately 50 percent of the cost of operating the program. If the commission hire outside court reporters, auditor, or legal counsel this costs is passed on to the utility that is involved in the hearing or case.
North Dakota	N/A
Ohio	The assessment rate has increased; general regulatory cost recovery on percentage of gross operating revenue
Oklahoma	Level-fixed amount; based on combination of gross revenues and number of customers
Oregon	Increasing; actual case specific costs for audit reimbursement and Public Purpose Fund reimbursement. All other fees are based upon projected expenditures.
Pennsylvania	Utility gross receipts taxes were increased for electric, have been eliminated for natural gas and have remained the same for all others. Public utility realty taxes have resulted in reduced tax revenues due to structural changes in the industries. Capital stock tax revenues have been reduced by the legislature. Corporate net income revenues have been reduced by utility reorganizations which use organizational structures, such as limited partnerships, which are not subject to corporate net income taxes or are taxed at reduced rates. Assessment for general regulatory based on percentage of gross operating revenues and filing fees (e.g., certification applications).
Rhode Island	Up; 77 percent on percentage of gross operating revenues, 23 percent actual case-specific costs

<b>5. Are utility tax revenues going up, down, not changing? For instances where fees and charges primarily are used to recover general regulatory costs from utilities/phone companies, please indicate how the assessment level is determined:</b>	
<b>STATE</b>	<b>RESPONSE</b>
South Carolina	Decreasing; as budget has remained constant while intrastate revenues have increased
South Dakota	Up slightly; based on percentage of gross operating revenues and actual case-specific costs
Tennessee	Essentially not changing because we have been level funded for the past few years.
Texas	Collections from gross receipts and universal service fund are leveling off; sbf revenues are increasing due to new program to provide electric bill discounts to low income households. The gross receipts assessment is based on a percentage of utility gross operating revenues. Sbf assessment is based on cents per megawatt hour to cover total anticipated costs to the fund. Universal service fund rate is based on total anticipated program costs; participating telecom utilities and state agencies are reimbursed for program expenses, and these costs are passed through to the ultimate customer. The local exchange carrier assessment is based on activity specific costs allocated to affected local exchange carriers.
Utah	The total amount collected through the PURF has been increasing; based on percentage of gross operating revenue and filing fees, federal pipeline monies
Vermont	Generally going up; based on actual case specific costs
Virginia	Not changing
Washington	See state Department of Revenue
West Virginia	Assessments are increasing at a very small percentage rate each year to cover budget increases. The commission assesses utilities in two different assessment procedures. One assessment is based on utility property at a rate not to exceed \$.10 per \$100 of property value. The second assessment is based on intrastate revenues at a rate not to exceed \$.40 per \$100 of revenue. The commission limits its total assessment to recover its budget. It does not assess the maximum, and the actual rate used varies each year, depending on the commission's budget, assessed utility property values and reported intrastate revenue.
Wisconsin	No data to respond. State Department of Revenue would have to prepare a comparative analysis.
Wyoming	Remaining fairly constant at \$2.22 million dollars of revenue

<b>6. Are company assessment levels based solely on actual, after-the-fact costs or do they involve projected costs with reconciliation after-the-fact? If the latter, how is reconciliation accomplished?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	Actual after-the-fact gross operating revenue
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Based solely on after-the-fact costs
District of Columbia	Company assessment levels, and how reconciled: reconciliation is performed on all expenses and any excess is returned to the company.
Florida	N/A; based on actual, reported revenues
Georgia	N/A
Hawaii	Assessments are based on companies' gross income from the public utility's business during the preceding year.
Idaho	Assessments based on actual revenues from the previous calendar year
Illinois	N/A; but comm. can recover the costs for telecom company versus company disagreements.
Indiana	Actual, after-the-fact costs
Iowa	Direct billings are done after the fact; remainder assessments are done on projections. Reconciliations are done when actual figures are known and may involve issuing a credit to a utility that paid more than necessary.
Kansas	Projected needs basis; any excess money is reduced in next quarterly estimate.
Kentucky	
Louisiana	N/A
Maine	Assessments are set at a specific dollar amount based on the legislatively approved commission budget. Reconciliation of unused money is accomplished by decreasing the next year's assessment against the utilities by the specific amount of money not used, after the commission has ensured that it has a 5% contingency fund. This is true, unless the commission has received legislative authority to carry the entire amount of unused money forward into its contingency fund, which then is not limited to 5% of the budget.
Maryland	Assessed on projected costs with reconciliation after the fact; reconciliation accomplished by credit, refund, or supplemental assessment.

<b>6. Are company assessment levels based solely on actual, after-the-fact costs or do they involve projected costs with reconciliation after-the-fact? If the latter, how is reconciliation accomplished?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Massachusetts	Assessment based on actual, after-the-fact costs. Not applicable on reconciliation
Michigan	
Minnesota	Both actual and projected expenditures. Direct charges are company specific after-the-fact and are based on docket-related activity. Indirect charges are estimated quarterly and reconciled at fiscal year end to appropriately assess each regulated industry in proportion to each industry's activity level during the fiscal year.
Mississippi	After-the-fact costs
Missouri	Assessments are based on projected commission costs, which are based on actual costs, and on reported utility revenue (or estimated revenue when not reported).
Montana	N/A
Nebraska	Costs are estimated or projected.
Nevada	
New Hampshire	Projected costs with reconciliation. After the close of each fiscal year, the assessment for the first quarterly payment of the new fiscal year for each public utility is adjusted for any under or over payment.
New Jersey	After-the-fact assessment
New Mexico	
New York	Percentage of gross operating revenues
North Carolina	Answered above; no reconciliation at this time, however, there is a provision in the rules that allows the commission to charge additional fees if necessary in order to fund its operation.
North Dakota	N/A
Ohio	Company assessment levels are based on appropriations, which are based on the estimated costs of accomplishing the agency's statutory mandate. At the end of a fiscal year, any unexpected funds are credited against companies' assessments for the following fiscal year. The amount of the credit is prorated based on the companies' assessment amounts.
Oklahoma	Annual assessment based on stated formula above
Oregon	Based on projected costs with no reconciliation after the fact
Pennsylvania	Assessment based solely on actual after-the-fact costs.



<b>6. Are company assessment levels based solely on actual, after-the-fact costs or do they involve projected costs with reconciliation after-the-fact? If the latter, how is reconciliation accomplished?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Rhode Island	Assessments are prospective based on budget caps approved by the legislature. Resulting cash balances are carried forward to the next fiscal year. Utilities with gross operating revenues equal to or less than \$100,000 are not subject to the assessment.
South Carolina	Fees are based on companies' actual intrastate revenue.
South Dakota	Actual after-the-fact costs
Tennessee	Assessment levels are based on actual, after-the-fact costs.
Texas	For funding sources controlled by the commission, actual and projected costs are used. Reconciliation is based on annual reviews of overall costs and revenues, and any adjustments are applied to next year's rate.
Utah	The utility regulatory agencies' budgets for the coming fiscal year are covered through assessments on the actual intrastate gross revenue for each utility for the preceding calendar year.
Vermont	After-the-fact assessments
Virginia	Projected costs with reconciliation after the fact. Through simple arithmetic; beginning cash balance - current year's expenses - projected expenses for next year = revenue required
Washington	Currently assessment levels are based on projected commission expenditures and after-the-fact company revenues. For example, the fee due in May 2002 is based on CY01 company revenues but projected costs for the period May 1, 2002 to April 30, 2003. The maximum fee rates are set in statute. For some time, for electricity, gas, telecomm, and water, the commission has been charging the maximum fee rate, which generates revenues at or below expenditure levels. As such, the commission reconciles revenues and expenditures, but may not actually adjust fees to recover shortfalls. The exception to this practice is the solid waste industry, for which the fees rise and fall every year.
West Virginia	Assessments based on current commission approved budget requirements and actual revenue and property values as reported for the last year.

<b>6. Are company assessment levels based solely on actual, after-the-fact costs or do they involve projected costs with reconciliation after-the-fact? If the latter, how is reconciliation accomplished?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Wisconsin	Direct assessments are determined for a single company on all employee hourly rates, fringe benefits and overheads. Direct assessments for a case involving multiple companies are split according to the gross operating revenues of each participating company. The annual advance/remainder assessment process is based on a true-up of both the advance assessments paid by utilities, the amount collected from direct assessments already applied to commission expenses and the amount needed to collect in the remainder assessment to equal the total expenses of the commission for any given fiscal year. The annual assessment also uses gross operating revenues as a basis for the amount billed to any utility. The remainder assessment process is based on actual after the books have closed costs. In Wisconsin utilities are advance assessed up to 10 percent over the previous annual assessment. This allows the state to have operating revenue in the general fund. The process involves reconciliation between the amount advanced, the amount already collected and the amount needed to equalize the revenue and expenses of the commission.
Wyoming	Based on approved PSC budget

<b>7. In those instances where fees and charges primarily are used to recover commission costs, who calculates, administers and otherwise determines what those fees and charges will be?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	Statutory formula: annual appropriation x 1.2 less estimated ending fund balance; up to maximum described below. Commission does the administration of this charge.
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Commission staff
District of Columbia	The commission
Florida	<p>Florida Statute 350.113 Florida Public Service Regulatory Trust Fund; moneys to be deposited therein. This statute requires regulated utilities to pay to the Commission a percentage of gross operating revenue for each six-month period commencing June 30, 1997. The law specifies that the percentage shall be no greater than percentages specified for different types of utilities. The Commission by rule may specify percentages lower than the statutory limits. That statute also states in part:</p> <p>The fees shall, to the extent practicable, be related to the cost of regulating such type of regulated company</p> <p>Florida Statutes are available online at: <a href="http://www.flsenate.gov/statutes/index.cfm">http://www.flsenate.gov/statutes/index.cfm</a></p>
Georgia	N/A
Hawaii	State statute or administrative rule
Idaho	The commission
Illinois	Public Act 90-185 lets us recover costs related to investigations and proceedings for telecom company disputes with other telecom companies. All comm. costs related to this are recoverable. All assessments are required to be paid within 60 days; the administrative law judge determines what portion of costs for each case is attributable to each party. Typically not large amounts, in 2001 we received \$27,000 from this. Commission can also collect money for issuance of new stocks, bonds notes or other evidences of indebtedness. Within certain guidelines of the Public Utility Act, the commission shall collect \$.10 for each \$100 par value of stocks issued, and \$.20 for every \$100 of principal amount of bonds or other debt forms.

<b>7. In those instances where fees and charges primarily are used to recover commission costs, who calculates, administers and otherwise determines what those fees and charges will be?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Indiana	The commission
Iowa	The commission
Kansas	Our agency accounting office.
Kentucky	Governor's office of Policy and Management calculates it, Revenue cabinet bills and collects assessments.
Louisiana	N/A
Maine	State law allows the commission to set fees at a reasonable level that sufficiently covers the actual costs incurred.
Maryland	PSC administration
Massachusetts	N/A
Michigan	
Minnesota	PUC and Department of Commerce jointly administer assessments.
Mississippi	N/A
Missouri	N/A
Montana	N/A
Nebraska	The commission
Nevada	
New Hampshire	The commission determines the annual assessment but all expenditures must comply with the legislative appropriation. The assessment is calculated proportionally among jurisdictional utilities based on gross utility revenue. There is also a statutory provision to assess the costs of experts against the utility or parties to a particular proceeding.
New Jersey	NJ Board of Public Utilities, however, maximum percent is set by state law.
New Mexico	
New York	Assessments are based on projections with after-the-fact reconciliation for actual expenses.
North Carolina	Commission budget staff makes a recommendation to the commissioners and prepares a recommendation to the general assembly.
North Dakota	N/A
Ohio	The Fiscal Division collects the data and calculates the amount to be assessed.
Oklahoma	N/A
Oregon	
Pennsylvania	Methodology is established by legislators and the calculations are completed by the Bureau of Administrative Services.
Rhode Island	The commission

<b>7. In those instances where fees and charges primarily are used to recover commission costs, who calculates, administers and otherwise determines what those fees and charges will be?</b>	
<b>STATE</b>	<b>RESPONSE</b>
South Carolina	Billed annually in July for the commission budget for the fiscal year beginning July 1 of each year.
South Dakota	All fees/taxes are in statute and collected and administered by the commission.
Tennessee	N/A
Texas	Program and fiscal staff collaborate in developing assessment rate recommendations for commissioner consideration.
Utah	Three agencies; PSC, Division of Public Utilities and the Committee of Consumer Services. The division and committee are both agencies in the Department of Commerce. The exec. Director of Commerce and the Chairman of the PSC are responsible for setting the regulation fee rate. The exec. Dir. of Commerce is responsible for billing and collecting the fees. The responsibilities of calculating, billing and collecting the regulation fee has been delegated to the division of public utilities. The regulation fee also covers costs associated with the attorney general's office.
Vermont	N/A
Virginia	N/A
Washington	WUTC Financial and Budget Services manages the commission's expenditures and receives annual reports from companies reporting gross operating revenues. WA State statute caps the amount of fees that may be charged to each industry.
West Virginia	Calculation done by commission based on approved commission budget and reported intrastate revenues and utility property values
Wisconsin	Fiscal unit employees complete all billing activities for the commission. These four people maintain the time and leave system, send bills and collect and credit payments, create internal and external budgets, account for the resources, and purchase the goods and services for the commission. On an annualized basis the billing and collection process requires an estimated 2.0 FTEs. The time and reporting system in Wisconsin is an automated system that collects all time spent by staff on any activity whether billable or not. The system also links key information to the state leave accounting system.
Wyoming	Filing fees are set in Wyoming statute.

<b>8. How many FTE are needed to administer this process?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	2 FTEs part time
Arkansas	
California	
Colorado	
Connecticut	
Delaware	1 FTE
District of Columbia	.5 FTE
Florida	One and a half FTEs, with others supporting part time in enforcement
Georgia	N/A
Hawaii	3 FTEs
Idaho	.33 FTE
Illinois	1 FTE, others support however
Indiana	3 FTEs
Iowa	1 FTE
Kansas	1 FTE
Kentucky	N/A
Louisiana	N/A
Maine	Less than .25 FTE are necessary to administer both the assessment function and the fee setting function.
Maryland	3.5 FTEs
Massachusetts	N/A
Michigan	
Minnesota	3.5 FTEs
Mississippi	N/A
Missouri	N/A
Montana	N/A
Nebraska	1-2 FTEs
Nevada	
New Hampshire	.5 FTE
New Jersey	3 FTEs
New Mexico	
New York	N/A
North Carolina	1 FTE on collection, deposit and record management of the regulatory fee
North Dakota	N/A
Ohio	2 FTEs
Oklahoma	3 FTEs estimate
Oregon	Minimal
Pennsylvania	2.5 FTEs

<b>8. How many FTE are needed to administer this process?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Rhode Island	.5 FTE
South Carolina	
South Dakota	Less than 1 FTE
Tennessee	N/A
Texas	Not much
Utah	.5 FTE
Vermont	N/A
Virginia	N/A
Washington	Estimated .25 FTE
West Virginia	1 FTE, but requires less than full time
Wisconsin	2 FTEs
Wyoming	

<b>9. Does your state track employee time spent on specific cases for purposes of determining fees and charges?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	No
Alaska	
Arizona	No
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Yes
District of Columbia	No
Florida	No
Georgia	N/A
Hawaii	No
Idaho	IPUC does track time spent on cases, but not for purposes of determining fees or charges.
Illinois	Sometime case specific e.g., Telecom rivals
Indiana	No
Iowa	Yes
Kansas	Yes
Kentucky	N/A
Louisiana	No
Maine	Yes; on a case-by-case basis, the commission staff may seek reimbursement from a utility for a specific case. We also track staff time as it pertains to those projects where federal or other funds are used to reimburse staff time.
Maryland	No
Massachusetts	N/A
Michigan	
Minnesota	Yes; for case specific direct charges.
Mississippi	N/A
Missouri	N/A
Montana	No
Nebraska	Informally
Nevada	
New Hampshire	Only for specific cases, if required.
New Jersey	No
New Mexico	
New York	N/A
North Carolina	N/A
North Dakota	N/A
Ohio	Power Siting cases are tracked for the purpose of determining fees.
Oklahoma	No



<b>9. Does your state track employee time spent on specific cases for purposes of determining fees and charges?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Oregon	For audits only
Pennsylvania	PA tracks time related to specific utility groups for the purpose of determining direct cost to each group.
Rhode Island	No
South Carolina	
South Dakota	Yes
Tennessee	No
Texas	Only for specific cases
Utah	No
Vermont	Yes; but only for the few large cases where costs are directly billed.
Virginia	No
Washington	Yes; on a case-by-case basis, commission staff may seek reimbursement from a company for a specific case, if the costs of the case exceed that company's general regulatory fee.
West Virginia	No
Wisconsin	
Wyoming	

<b>10. How frequently are utilities required to provide reimbursement for commission costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	Annually
Alaska	
Arizona	Annually
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Monthly
District of Columbia	Quarterly by statute
Florida	No direct reimbursement of costs
Georgia	N/A
Hawaii	N/A
Idaho	Semi-annually
Illinois	Annually, quarterly, monthly. Utilities owing over \$10,000 per year in gross revenue taxes pay quarterly; utilities owing less pay annually. Electric excise taxes are collected monthly.
Indiana	Quarterly
Iowa	Quarterly, working toward a monthly billing cycle
Kansas	Quarterly
Kentucky	Annually
Louisiana	Quarterly
Maine	Depending on the nature of the case a fee is charge “up-front” and the amount of unused fund is then reimbursed to the utility after the case is closed.
Maryland	Quarterly
Massachusetts	Annually
Michigan	
Minnesota	Indirect charges are sent out quarterly; direct charges semi-annually.
Mississippi	Annually
Missouri	Each utility may pay quarterly or annually.
Montana	Quarterly
Nebraska	Monthly
Nevada	
New Hampshire	Quarterly (for annual assessment); Monthly (for case specific assessment)
New Jersey	Annually
New Mexico	
New York	Quarterly
North Carolina	Quarterly
North Dakota	N/A

<b>10. How frequently are utilities required to provide reimbursement for commission costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Ohio	Annually
Oklahoma	Annually
Oregon	Annually, but they do not reimburse. It is calculated on projected expenses.
Pennsylvania	Annually
Rhode Island	Annually
South Carolina	Annually
South Dakota	Annually; and specific cases are filed.
Tennessee	Annually
Texas	Annually for gross receipts and local exchange carriers. Monthly remittances occur with sbf and universal service funds.
Utah	Annually
Vermont	Other; as billed
Virginia	Annually for telephone and water; monthly for electric and natural gas
Washington	Annually
West Virginia	Semi-annually; approximately 2/3 of commission's fiscal year budget is assessed on July 1, and remainder on January 1.
Wisconsin	Any utility that has a case before the commission for which staff have spent any time are billed monthly. All utilities that are statutorily billable for the advance/remainder assessment process are billed annually. In both instances utilities have 30 days to pay the invoices.
Wyoming	Other; in general rate case filings

<b>11. Is there a cap on revenues that can be recovered from any given company and how calculated?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	No
Alaska	
Arizona	Yes; .2 percent of gross intrastate revenues.
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Yes; statutorily determined, based on percentage of gross intrastate revenue.
District of Columbia	No
Florida	Yes; statutory caps by type of company
Georgia	N/A
Hawaii	N/A
Idaho	Yes; .3 percent of gross intrastate revenue
Illinois	Yes; for the tax there is no maximum dollar amount, however there is a maximum rate for the gross revenue tax of .1 percent.
Indiana	Technically no individual cap, but only authorized to collect .0015 of gross revenues by law.
Iowa	No
Kansas	Yes; state legislature limits our ability.
Kentucky	No
Louisiana	Revenue limits set by statutes
Maine	We do not have a cap on the assessment charged against any utility. We do, however, exempt all utilities from paying an assessment if their in-state revenues are less than \$50,000/year. The "cap" is really on the funding level that the Legislature authorizes the commission.
Maryland	No
Massachusetts	No
Michigan	
Minnesota	Yes; for direct charges (energy and telecom) the cap is 2/15 <sup>th</sup> of 1 percent of gross operating revenues for the proceeding year. For indirect charges of telephone companies, the cap is 1/8 <sup>th</sup> of 1 percent of gross operating revenues for the preceding year. For indirect charges of energy companies, the cap is 1/6 <sup>th</sup> of 1 percent of gross operating revenues for the preceding year. Indirect charges are allocated among companies within a given industry on the basis of gross operating revenues.
Mississippi	No

<b>11. Is there a cap on revenues that can be recovered from any given company and how calculated?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Missouri	Yes; PSC assessment for upcoming year is allocated to specific companies based upon their reported/estimated gross intrastate operating revenues for the previous calendar year as a percentage of the specific utility group total gross intrastate operating revenue.
Montana	No
Nebraska	N/A
Nevada	
New Hampshire	No
New Jersey	No; we can collect up to 1/4 of 1 percent of utility revenues.
New Mexico	
New York	Yes; the cap is 1/3 of 1 percent of gross annual intrastate operating revenues.
North Carolina	No
North Dakota	N/A
Ohio	No
Oklahoma	N/A
Oregon	Yes; statutory cap
Pennsylvania	No; however the percentage of revenue that the commission can apply to all industries is capped in our statute.
Rhode Island	For rate case expense \$250,000 in any calendar year for a utility
South Carolina	No
South Dakota	No
Tennessee	No
Texas	No
Utah	Yes; PURF assigned to each utility on its gross intrastate operating revenue shall not exceed the greater of .3 percent for a non-electrical cooperative; .15 percent for an electrical cooperative; or \$50 as established by state statute.
Vermont	No
Virginia	It is for a given class of company and set by Virginia code
Washington	Caps are set in statute on industry basis: electric, gas, telecom and water-.2 percent of gross operating revenue; rail 1.5 percent of gross operating revenue; motor carriers-.25 percent of gross operating revenue... other specific industries not under NRRI purview
West Virginia	No

<b>11. Is there a cap on revenues that can be recovered from any given company and how calculated?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Wisconsin	The total amount in any one calendar year for which any public utility can be billed by reason of costs incurred by the commission is limited to four-fifths of 1 percent of its gross operating revenues derived from intrastate operations in the last preceding calendar year. This limit is calculated by programs in the billing system.
Wyoming	No cap on revenues, however, there is a cap on the mill levy which cannot exceed 3 mills.

<b>12. What percent of the levy goes uncollected and what is the biggest cause of uncollected?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	Less than 1 percent due to telecom company bankruptcies do not pay the "inspection and service fees."
Alaska	
Arizona	0 percent
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Negligible, bankruptcy
District of Columbia	Less than .25 percent, company changes due to bankruptcy, buyouts mergers etc.
Florida	Less than one percent, bankruptcy
Georgia	No info
Hawaii	Unknown; operating authority is revoked or suspended.
Idaho	Less than .1 percent due to bankruptcy, mergers without commission notification
Illinois	N/A; bankruptcy
Indiana	Less than 1 percent due to mergers and consolidations.
Iowa	Small percent due to bankruptcy
Kansas	2-5 percent
Kentucky	3-5 percent, utilities cease operations
Louisiana	N/A
Maine	Far less than 0.5% of our annual assessment goes uncollected. Generally, uncollected assessments result from a company going out of business.
Maryland	1.5 percent due to bankruptcy
Massachusetts	Less than 1 percent, bankruptcy of telephone companies.
Michigan	
Minnesota	1 percent; this is usually because the cap is exceeded.
Mississippi	None
Missouri	Fiscal 2002, .93 percent (\$139,747 out of \$15,139,022). We expect it to decrease as companies through follow up. Bankruptcy, incomplete mailing address and company evasion are main reasons.
Montana	Don't know, handled by revenue department
Nebraska	De minimus
Nevada	
New Hampshire	Less than 1% due to bankruptcy
New Jersey	Less than 1 percent
New Mexico	
New York	Less than 1 percent due to telecom bankruptcies
North Carolina	Less than 1 percent

<b>12. What percent of the levy goes uncollected and what is the biggest cause of uncollected?</b>	
<b>STATE</b>	<b>RESPONSE</b>
North Dakota	N/A
Ohio	Less than .02 percent due to bankruptcy
Oklahoma	.5-1 percent due to jurisdictional authority issues.
Oregon	Less than 1 percent, bankruptcy
Pennsylvania	1.4 percent or \$600,000, bankruptcy non-notification to commission.
Rhode Island	Less than 1 percent due to bankruptcy
South Carolina	Not a problem, use Revenue Department to collect
South Dakota	Less than 1 percent due to bankruptcy
Tennessee	Less than 1 percent due to bankrupt telephone cos.
Texas	N/A for gross receipts, zero for commission-administered assessments.
Utah	.04 percent due to bankruptcy
Vermont	Very little; marginal telecoms who cease operations
Virginia	Less than .5 percent due to bankruptcy
Washington	About .6 percent due to failure to file/under-reporting of gross operating revenue
West Virginia	Less than .05 percent due to closing operations mainly telecom and transport companies
Wisconsin	In reality none of the levy goes uncollected. Any levy resulting from direct monthly assessments is then collected via the remainder assessment process. The amounts owed by companies, usually the small water and sewer utilities, who have exceeded the four-fifths limit, are collected in the remainder assessment for all other utilities that haven't exceeded the limit.
Wyoming	0



<b>13. Does the new industry structure make billing (regardless of specific recovery mechanism) more complicated?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	No
Alaska	
Arizona	No
Arkansas	
California	
Colorado	
Connecticut	
Delaware	No
District of Columbia	No; more time consuming
Florida	No
Georgia	No
Hawaii	No
Idaho	Yes
Illinois	Larger volume of telecom carriers has increased tax unit workload and merger etc make tracking companies and their taxes harder. But billing process has basically remained same.
Indiana	Yes
Iowa	To date no
Kansas	No
Kentucky	No
Louisiana	N/A
Maine	No
Maryland	No
Massachusetts	No
Michigan	
Minnesota	Not much yet, but the increasing number of bankruptcies in telecom has some effect.
Mississippi	No
Missouri	No
Montana	No
Nebraska	No
Nevada	
New Hampshire	No
New Jersey	No
New Mexico	
New York	No
North Carolina	Constant changes in industry require staff keep abreast of changes so they can field numerous questions and calls from the persons completing the regulatory fee report form.
North Dakota	N/A

<b>13. Does the new industry structure make billing (regardless of specific recovery mechanism) more complicated?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Ohio	Yes; the companies are changing their names and merging so quickly that it is sometimes difficult to track the companies.
Oklahoma	Yes; increased number of utility companies
Oregon	No
Pennsylvania	It doesn't make the billing more complicated but it is equitable.
Rhode Island	No
South Carolina	No; only increased number of companies certified and to collect from.
South Dakota	No
Tennessee	No
Texas	Maybe
Utah	Yes; harder to keep track of new phone companies for billing and collection
Vermont	Yes
Virginia	Yes
Washington	With the increasing number of telecomm companies the vast majority of them are only required to pay the minimum \$1 fee. It costs the commission more than \$1 to collect this fee.
West Virginia	No; companies required to obtain a certificate from commission, but easing reporting requirements does lead to some difficulty in obtaining revenue data for assessment purposes.
Wisconsin	The new industry structure has had some limited effects. Most of the effects are in the state USF program where collections from all telecommunications entities, including resellers with revenues in excess of \$200,000, are sometimes difficult.
Wyoming	No

<b>14. Have marketplace changes caused certain industries to underfund operating needs (e.g., telecom companies that might be paying less in taxes by requiring more time than the past)?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	Not really; gross operating revenues and the annual assessment are sufficient to cover operating needs; however, due to budget costs and cost shifting we will be more pressed.
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Yes
District of Columbia	Yes; there are occasional imbalances between industry assessments and the amount of work required.
Florida	No
Georgia	Yes; certain industry segments underfund. In particular, competitive natural gas marketers do not pay a share of the regulatory assessment fee even though they use a lot of commission resources.
Hawaii	N/A
Idaho	Payphone operators absorb more time than they pay fees.
Illinois	We are revising our estimates now, comparing with 1999 intakes. In 1999 Water and Sewer companies composed about \$210,000 of revenue with an estimate \$1.3 million in expenditures. Gas spending and revenue were close at estimated \$3.3 million in revenues and \$3.2 million in costs. Telephone expenditures were significantly above revenues. 5.7 million in telecom costs and only 3.9 million in revenues from telecom carriers. Electric revenues were 9.65 million with estimated expend of 7.9 million.
Indiana	Yes
Iowa	Unknown
Kansas	No
Kentucky	No more so than previously
Louisiana	N/A
Maine	No
Maryland	Yes
Massachusetts	No
Michigan	

<b>14. Have marketplace changes caused certain industries to underfund operating needs (e.g., telecom companies that might be paying less in taxes by requiring more time than the past)?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Minnesota	Nothing major; costs of telecom infighting does force commission to determine who shall pay. In the old world of regulated monopoly the monopoly picked up the bill. The incumbent telcos are less willing to do this in the changing environment.
Mississippi	No
Missouri	No; because the assessment on each type of utility is based on actual staff workload for that utility type.
Montana	No
Nebraska	N/A
Nevada	
New Hampshire	No
New Jersey	No
New Mexico	
New York	N/A
North Carolina	Yes; from the inception of the regulatory fee, there has always been an imbalance of fee paid versus the industry regulated. The constant changes in telephone industry for example require many manhours as well as the proposed electric deregulation. Since the fee is based on gross operating revenues the larger companies pay the bulk of the fee.
North Dakota	N/A
Ohio	The electric industry pays more than 50 percent of the assessment for the maintenance of the PUCO.
Oklahoma	Unknown
Oregon	Yes
Pennsylvania	Underfunding may occur in a particular year as workload does not exactly conform to the workload used to determine the assessment. Over time this is self-corrected as industry workload will be used to create the new annual assessment.
Rhode Island	Not usually
South Carolina	No
South Dakota	No
Tennessee	No
Texas	No
Utah	Assessments of water and sewer utilities have never paid for the full costs to regulate them. The change in the telephone industry has certainly caused regulators to spend more time in that area.

<b>14. Have marketplace changes caused certain industries to under fund operating needs (e.g., telecom companies that might be paying less in taxes by requiring more time than the past)?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Vermont	Not really; because of periodic adjustment of gross receipts tax rates
Virginia	No
Washington	Telecommunications revenues have fallen short of expenditures in the last few years. However, WA statute groups the major utility industries (telecom, elec, gas and water) together, subjects these to a common fee maximum and pools the revenue for purposes of funding regulatory activities. As a result, revenues collected from electricity and gas companies have been used to cover expenditures in telecom and water during those years when revenues from those industries have fallen short.
West Virginia	No
Wisconsin	
Wyoming	No

<b>15. Can the PUC/PSC levy fines, for what, and what is done with the penalty money recovered?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	Yes; for failure to file inspection and supervisions fees and annual reports by due date. Monies are deposited to PSCs fund and indirectly transferred to the general fund.
Alaska	
Arizona	Yes; for violations like quality of service tariffs, monies to general fund.
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Yes; for violations of state law or commission order; monies go to state general fund.
District of Columbia	No
Florida	Yes; violation of orders rules, and statute. General Revenue Fund.
Georgia	Yes; for violations of commission rules and orders; monies go to state treasury.
Hawaii	Yes; noncompliance with commission rules or statutes, monies go to Public Utilities Commission Special Fund.
Idaho	Yes, for failure to follow commission order, goes into general fund of state.
Illinois	Illinois Commerce Commission can levy fines for service problems, tariff violations, merger agreement violations etc. All but late payment penalties are deposited into state's general fund. Late payment penalties are deposited in the public utility fund.
Indiana	No
Iowa	Yes; civil penalties for failure to adhere to Board rule of directive or statute; monies go to either low income home energy assistance or Iowa Energy Center.
Kansas	Yes, for non-compliance with commission order. Money is deposited into program fund.
Kentucky	Yes; for violations of regulations and statutes, monies go to general fund.
Louisiana	Yes; for violations of motor carrier and utility regulations, 20 percent of motor carrier fines go to PSC, 100 percent of any utility fines.

<b>15. Can the PUC/PSC levy fines, for what, and what is done with the penalty money recovered?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Maine	Yes, for failure to comply with statutory requirements or the law. Generally, the money is returned to the ratepayers, if it is due to over collections, etc, or, it goes to the General Fund. For Dig Safe violations, the money goes is collected by the commission and passed on to the Legislature. For slamming and cramming violations, the commission collects penalty. The commission is allowed to use it to reimburse our Regulatory Fund for the costs incurred, and the remaining money goes to the General Fund.
Maryland	Yes, for violations of its regulations, monies deposited in General Fund Revenue to the state.
Massachusetts	Yes, for failure to file annual returns, dig-safe penalties. It is deposited into general fund of state.
Michigan	
Minnesota	Yes; for anticompetitive activity on telecoms and any company for commission order violation; monies go to general fund of state.
Mississippi	Yes; for violations of statute, rule regulation or order; funds go to Commission Regulatory Fund.
Missouri	Yes; funds go to state Public School Fund.
Montana	Yes; cramming and slamming; monies deposited in general fund, not retained by PUC.
Nebraska	Yes; for failure to follow commission or to file annual report information. Monies go to Permanent School Fund.
Nevada	
New Hampshire	Yes, for failing to comply with any order of the commission, failure to file required reports, violations of gas pipeline safety and DigSafe rules. Fines are remitted to the state treasurer.
New Jersey	Yes; for violations of commission orders, funds go to general revenues.
New Mexico	Yes; for violations of laws, commission rules. Monies go to state general fund.
New York	Yes; for dig safety penalties, slamming and failure to comply with PSC orders. State law dictates where monies go.
North Carolina	Yes; for violations of statutes or rules; overcharges to consumers go back to consumer when located, otherwise go to escheats fund. Monies paid to commission for example operating without certification are forwarded to state treasurer's office and this money is distributed to the schools without the county determined to be affected by the violation. No monies are retained by the commission.

<b>15. Can the PUC/PSC levy fines, for what, and what is done with the penalty money recovered?</b>	
<b>STATE</b>	<b>RESPONSE</b>
North Dakota	Yes; monies to general fund.
Ohio	Yes, for violations of state law or commission order. Also fine for transport violations and gas pipeline violations. Money is deposited into the General Revenue Fund
Oklahoma	Yes; violation of rule or law; monies go to agency general use revolving funds.
Oregon	Depends on program, some require court action, others permit commission to levy fines; for the Oregon Utility Notification Center; monies go to state general fund.
Pennsylvania	Yes; for violations of public utility code (up to \$1,000 per day per incident). Money is deposited into the general fund and not to the benefit of the commission.
Rhode Island	Yes; for violations of any enabling act provision. Monies go to state's general fund.
South Carolina	No
South Dakota	Yes; for slamming, funds go to state general fund.
Tennessee	Yes; for failure to file annual returns, failure to pay required fees, violations of rules and regulations, violation of gas pipeline safety guidelines, violations of Do Not Call program. Monies are deposited in the Public Utility fund and earmarked for the Tennessee Regulatory Authority of which 25 percent is legislatively mandated to be spent on consumer education.
Texas	Yes; for administrative penalties collections go to state treasury and available for state general purposes. Commission is not authorized to use penalties for own purposes.
Utah	Yes; for violation of state law or commission order; monies go to state general fund.
Vermont	Yes; for violations of orders; some monies go to industry specific consumer relief some to general fund, depending on violation
Virginia	Yes, for violations of law or commission order. Money is deposited into the literary fund except for underground utility damage prevention fines.
Washington	Yes, for violations of state law or commission order. Money is deposited into the commission's dedicated account, the Public Service Revolving Fund.
West Virginia	No
Wisconsin	The PSC is currently involved in litigation on issues related to this topic and therefore, does not wish to make comments on this question.
Wyoming	Department of Revenue does for late payments; and is dedicated to the PSC.



<b>16. Can the PUC/PSC charge utilities or others for specific commission activities?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	Yes; fees charged to companies for no-show hearings, decals, application fees, etc. for transportation companies.
Alaska	
Arizona	Only one type transmission line siting cases.
Arkansas	
California	
Colorado	
Connecticut	
Delaware	Yes; primarily commission staff time, legal and consulting costs.
District of Columbia	Yes, reproduction costs.
Florida	Yes; reproduction costs
Georgia	No, except for photocopying
Hawaii	N/A
Idaho	Yes; evaluating utility's security issuances and clerical costs involved with photocopying.
Illinois	Utilities can be made to pay for out of state travel for ICC staff and for certain audits and investigations. Telecom company disputes costs are also chargeable by commission.
Indiana	Document copies 10/page.
Iowa	Yes; board and staff time on a docket, travel and court reporting costs related to docket. Filing fees and copying fees \$2 for first five pages and \$.25 after. Subscription fees for Weekly Summary of Filings and Orders.
Kansas	Yes, for any type of docket or related costs
Kentucky	No
Louisiana	Yes; charge utilities and carriers for cost of outside consultants when needed on utility rate applications. Reasonable expenses of investigation by attorneys and consultants employed to assist the commission can be recovered by the commission.
Maine	If the commission determines that a management audit is necessary for a specific utility, the commission can order the utility to pay for the audit.
Maryland	No
Massachusetts	Yes; commission may charge for hearings, tariff filings, stock issuances/transfers, licenses, inspections decals, permits.
Michigan	

<b>16. Can the PUC/PSC charge utilities or others for specific commission activities?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Minnesota	Yes; limited basis. Only example is application fee for a certificate of need for a large energy facility.
Mississippi	No
Missouri	Yes; documents etc.
Montana	No
Nebraska	No
Nevada	
New Hampshire	Yes; the commission may charge utilities or others for the cost of consultants.
New Jersey	No
New Mexico	No
New York	Yes; audits if we have to send staff to review records out of state.
North Carolina	Yes; commission can require reimbursement of cost for outside court reporters, auditors and legal counsel including travel expenses.
North Dakota	Yes; commission costs in rate increase cases, up to \$125,000 per biennium.
Ohio	Yes, PUCO has authority to charge utilities for cost of special investigations.
Oklahoma	Not normal practice
Oregon	In some cases, audits and public purpose fund.
Pennsylvania	Yes; commission may charge for copying, certifying to documents, applications for certificates of public convenience and testing. The commission can also charge utilities for management audits by outside consultants.
Rhode Island	Yes; document copies.
South Carolina	No; only assessment process
South Dakota	Yes; generally rate proceedings and siting permits
Tennessee	Yes; docket and tariff filings, stock issuances/transfer, copies, Do Not Call Program, and Assistive Telephone Devices program.
Texas	Yes; local exchange carriers for certain statute specified activities
Utah	Commission has periodically ordered utilities to perform and pay for company specific studies.
Vermont	Yes; extra costs of major cases
Virginia	As a rule, yes

<b>16. Can the PUC/PSC charge utilities or others for specific commission activities?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Washington	The commission's pipeline safety program is funded through a separate fee, authorized in statute, paid by intrastate and interstate, natural gas and hazardous liquid pipeline companies. The fee levels are limited by the amounts appropriated by the legislature.
West Virginia	Yes; very limited though motor carrier permits, coin telephone provider permits
Wisconsin	
Wyoming	Yes; cost of investigating mergers

<b>17. Are you being required to cope with budget reductions or other cost containment tools levied by the legislature?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	Yes; due to increase in transfers to general fund and revenue collection remaining approximately the same, PSC had to cut out of state travel and equipment.
Alaska	No response
Arizona	Yes; Arizona general fund is being cut significantly. The way the ACC is being hit is by cutting our general fund appropriation, thereby causing us to look to other funds such as the Utility Revolving Fund to absorb the cut without first forcing major program cuts or layoffs. As we have shifted funds to the universal revolving fund, we have indirectly caused the utilities division to scale back on some expansion of FTEs that they would have been able to do.
Arkansas	No response
California	No response
Colorado	No response
Connecticut	No response
Delaware	Yes; statewide hiring freeze has been imposed, resulting in an inability to fill vacant positions.
District of Columbia	No
Florida	Yes
Georgia	Yes; normally agency budget requests limited to 104 percent of last year. Now, governor wants 2.5 percent reduction in fiscal 2002 and a 4 percent reduction in fiscal 2003.
Hawaii	Yes; commission's budget is subject to authorization by the legislative and executive branches.
Idaho	Yes; the legislature can reduce our budget request (as happened this legislative session).
Illinois	Slightly more monitoring of contracts, but no cuts or reductions have been mandated other than the general revenue cuts (market changes led to underfunding).
Indiana	Sometimes, depending on the situation
Iowa	Yes: Fiscal 2002 had a 4.3 percent cut in our budget and it has been carried through for fiscal 2003 (July 1, 2002-June 30, 2003). We have had to prove additional year-end savings to avoid furloughing staff. Thus far, we have been exempted from other across-the-board cuts this fiscal year, but it's not over yet.
Kansas	Yes, most Kansas state agencies are being asked to cut agency budgets, including the KCC.

<b>17. Are you being required to cope with budget reductions or other cost containment tools levied by the legislature?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Kentucky	Yes; revenue shortfalls, all agencies required to reduce their budgets.
Louisiana	Not at this time.
Maine	The commission is an independent agency, however, our commissioners respond to requests by the Governor or the Legislature to reduce expenditures, even though our fund is not part of the General Fund. This includes curtailments in travel/training funds, hiring, etc. These savings accrue in our carry-forward balances. During the FY03 order to shutdown state government for 3 day, the commission was included and the money saved was taken to assist the General Fund shortfall. Currently, the Legislature is considering taking approximately \$1 million in balance forward money that was funded by ratepayer assessments in two accounts, not part of the commission's Regulatory Fund to cope with FY03 General Fund shortfalls. The money comes from the Electric Conservation Program Administration Fund and the Electric Restructuring Consumer Education Fund.
Maryland	Yes; current year appropriation reduced for cost containment measures relating to projected state revenue shortfalls.
Massachusetts	Yes; our agency has been level-funded for the past few years despite the fact that we are an assessed agency (not funded out of general state tax revenues). It would be impolitic to expand our funding while other state agencies cut back.
Michigan	No response
Minnesota	Yes; hiring freeze in effect and curbs on travel. Department of Commerce has had a small budget cut as well.
Mississippi	Yes; restrictions on travel and capital expenditures.
Missouri	Yes; across the board decisions by the legislature, such as NO general COLA pay raise and NO new cars apply to all agencies including PSC.
Montana	Not at this time
Nebraska	Yes; state agencies using general funds, including this agency, have had mid-year general fund budget reductions during the current fiscal year. We anticipate a further budget cut when the legislature convenes in July this year.
Nevada	No response

<b>17. Are you being required to cope with budget reductions or other cost containment tools levied by the legislature?</b>	
<b>STATE</b>	<b>RESPONSE</b>
New Hampshire	Yes; the commission's budget is subject to approval by the executive and legislative branches.
New Jersey	No
New Mexico	Yes; budget appropriation does not cover full staffing or all expenses.
New York	Yes; we were level funded for the current fiscal year which means we had to absorb all cost increases.
North Carolina	Each and every state agency has to reduce travel expenses, purchasing restrictions, as well as a hiring freeze. Positions can be filled and travel is allowed if determined to be mission critical.
North Dakota	Yes; governor has required all agencies to submit a general budget that does not exceed 95 percent of last biennium's general fund budget. Supplemental budget requests may follow at governor's discretion.
Ohio	PUCO did not receive budget reductions. The governor has asked the agency to restrict spending in support of reductions to other agencies.
Oklahoma	Describe shortfall of general revenue collection for FY 2002 and FY 2003.
Oregon	We are required to calculate cuts, but to date we have not been asked to take direct cuts.
Pennsylvania	Budget is submitted annually, and discussed each year with legislature.
Rhode Island	Yes; because the commission is funded by restricted receipt rather than general revenue, budget restrictions are not as severe as for some other agencies.
South Carolina	Yes; general assembly for first time is contemplating requiring PSC to remit funds to the general fund to balance the budget.
South Dakota	We have escaped so far.
Tennessee	Yes; although the TRA is self-funded and does not receive any general fund monies, an annual budget is presented to the legislature for approval. More recently, we have been requested to submit a plan on how we would accomplish an 12.5 percent across the board decrease in expenditures, the total of which would be diverted to the General Fund.
Texas	Not yet; next fiscal year anticipate budget shortfall
Utah	Comply with state ordered budget cuts and other cost containment tools such as travel restrictions
Vermont	Yes; hiring freeze

Virginia	Across the board cuts in operating expenses and freezes on salary increases. Savings are transferred to general fund.
Washington	The legislature applied across the board reductions to all state agencies, regardless of fund source. This budget reduction was accompanied by a transfer of funds, in the same amount as the budget cut, from the commission's dedicated account into the general fund.
West Virginia	No; occasional budget cuts directed by governor and these include PSC.
Wisconsin	The PSC has been required to reduce its budget to aid in recovery of a state budget shortfall. This year the commission budget was reduced by \$1,047,700.
Wyoming	No

<b>18. If the PUC/PSC is financed by utility taxes, is the commission held harmless from general revenue budget cuts?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	Directly yes; indirectly no
Arkansas	
California	
Colorado	
Connecticut	
Delaware	No
District of Columbia	N/A
Florida	No
Georgia	No
Hawaii	Commission not financed through taxes.
Idaho	The IPUC may not be subject to the same budget cuts that apply to the general revenue fund agencies. But, that is a political decision the commissioner must address when it is time to seek our annual appropriation.
Illinois	Operations are not funded with general fund revenues. However, we have three lump sums paid out of general funds that have been cut due to budget cuts, with the total cut being about 17.5 percent of general revenue funds. As these are not operational cuts, this has had a minimal impact on the commission. In general, the commission has been told to follow state guidelines when state funds are low (e.g., Salary freezes at comm. if general fund salaries are frozen).
Indiana	Not always, but sometimes cuts are administered across the board regardless of funding.
Iowa	N/A
Kansas	No
Kentucky	No
Louisiana	Funded through dedicated funds.
Maine	No
Maryland	No
Massachusetts	Yes, for the most part
Michigan	
Minnesota	N/A
Mississippi	No



<b>18. If the PUC/PSC is financed by utility taxes, is the commission held harmless from general revenue budget cuts?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Missouri	There is no formal hold-harmless policy, but with our assessment funding structure we do not have a revenue shortfall.
Montana	Yes; for the most part.
Nebraska	No
Nevada	
New Hampshire	Usually, but we may be asked to comply with across the board reductions.
New Jersey	N/A
New Mexico	
New York	State takes the all funds approach to budgeting which means we are generally treated like all other agencies.
North Carolina	At this point the utilities commission has been allowed to retain all of its funds.
North Dakota	N/A
Ohio	PUCO did not receive budget reductions. The governor has asked the agency to restrict spending in support of reductions to other agencies.
Oklahoma	No
Oregon	No
Pennsylvania	We are not supported by utility taxes but we are obliged to abide by general revenue budget caps.
Rhode Island	Not entirely, but it helps
South Carolina	Prior to this year, yes
South Dakota	Generally
Tennessee	Historically, yes but that may be changing.
Texas	Collections from gross receipts assessment are classified as general revenue and are to some extent available for general purposes. Commission is not immune to general revenue budget cuts.
Utah	Regulatory agencies funded by PURF and are not held harmless from general budget costs.
Vermont	Usually, but sometimes we are affected in an effort to share the pain.
Virginia	As a rule, yes
Washington	No; although the WUTC is financed by a dedicated account, supported by fees paid by regulated companies, the WUTC was not held harmless from budget cuts.
West Virginia	No

<b>18. If the PUC/PSC is financed by utility taxes, is the commission held harmless from general revenue budget cuts?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Wisconsin	The PSC has been held harmless from many of the GPR reductions, however, the Governor and legislature also made several significant reductions to agency budgets funded from program revenue sources. In the PSCs case the agency reduced expenditures by \$1,047,700 and transferred revenue collected from the utilities to the state general fund.
Wyoming	No

<b>19. Is the state allowed to transfer unspent proceeds of the utility tax to other programs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	N/A
Alaska	
Arizona	No
Arkansas	
California	
Colorado	
Connecticut	
Delaware	No
District of Columbia	No; fiscal year expenditures of less than 95 percent are required to be returned to the companies.
Florida	Yes
Georgia	N/A
Hawaii	N/A
Idaho	No
Illinois	Allowed to but not since 1991.
Indiana	No
Iowa	N/A; but the state has scooped the authority to spend our reversion (amount in budget we did not spend). While no real dollars are behind a reversion, the authority to spend general fund dollars has been scooped. For example, in fiscal 2000, \$350,000 or our \$386,000 reversion was scooped to fund Medicare.
Kansas	Yes, not yet done though.
Kentucky	No
Louisiana	No
Maine	Yes
Maryland	No
Massachusetts	No
Michigan	
Minnesota	N/A
Mississippi	Yes
Missouri	State law mandates our assessment on utilities be used solely for the purpose of paying the costs of the PSC for regulating utilities. But, general assembly has enacted a cost-allocation formula whereby non-general revenue agencies like the PSC will pay a charge to the offices of State Treasurer, State Auditor, and Department of Revenue to cover the cost of them handling our funds.
Montana	No
Nebraska	No
Nevada	

<b>19. Is the state allowed to transfer unspent proceeds of the utility tax to other programs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
New Hampshire	No
New Jersey	N/A
New Mexico	
New York	No
North Carolina	No
North Dakota	N/A
Ohio	No; any unspent money is returned to the utility companies via credit on next year's assessment.
Oklahoma	Legislature has transferred cash from assessment fund.
Oregon	No
Pennsylvania	Only one of the utility taxes is restricted. A portion of the public utility realty tax is devoted to mass transit programs. All other taxes support the general revenue needs of the commonwealth and are not restricted.
Rhode Island	No
South Carolina	PSC has been given the flexibility to utilize carry-forward funds to meet the requirement that PSC remit \$1,400,000 to the general fund.
South Dakota	Only once
Tennessee	Historically, yes but that may be changing.
Texas	A portion of the gross receipts assessment collections is appropriated for uses unrelated to the commission. The commission's other funding sources are dedicated and may not be used for non-program costs.
Utah	Some portions of the regulatory budgets are non-lapsing but the remainder of any unspent funds is closed to the state general fund and can be used for other purposes.
Vermont	Yes
Virginia	Law prohibits governor from making such transfers, however, general assembly can as with budget restrictions.
Washington	2002 budget legislation, legislation has amended the statute authorizing the WUTC's dedicated account allowing (on a temporary basis) a transfer of funds from WUTC fee revenues to the state's general fund, which is spent on all state activities. It is not clear that the industry that pays these fees will tolerate such transfers in the future.
West Virginia	No; generally funds remain within PSC fund, however, under limited emergency situations, governor and legislature can make emergency transfers; there have been limited transfers in the past, at the end of the budget year.

<b>19. Is the state allowed to transfer unspent proceeds of the utility tax to other programs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Wisconsin	As noted above the state has used revenue from utilities to support the budget deficit. The PSC is required to bill the utilities to collect those revenues, but has also reduced expenditures by the amount billed in order to insure that the utilities are billed no more than base expenses plus the amounts given to the general fund instead of spending as if fully funding and also billing the deficit to the utilities.
Wyoming	No

<b>20. What innovative methods have you applied to reduce budget cuts or reduce costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Alabama	Staff members are to explain to the legislature the effect of the mandatory quarterly transfers to the general funds on the PSC budget.
Alaska	
Arizona	
Arkansas	
California	
Colorado	
Connecticut	
Delaware	N/A
District of Columbia	N/A; the commission focuses on program efficiencies and effectiveness.
Florida	N/A
Georgia	Not innovative but PSC is proactive in lobbying. We have identified work areas that are increasing and unfunded mandates. We have also identified work we no longer perform, or perform less comprehensively due to insufficient funding. By taking this information to the governor, legislation, media, etc., our budget cuts have not been as deep as they might have been, and additional funding accompanies new legislation. In fiscal 2002 we got seven new positions to implement two new laws and in fiscal 2002 we received additional funding to fill nine vacancies to implement new gas legislation. I think we have finally overcome the erroneous assumptions that deregulation means less work for the commission and that the commission has excess resources to take on new work.
Hawaii	N/A
Idaho	We are aggressive in our reduction of overhead cost. We use state purchasing contracts where we can, adapt promising technology to our purposes, (e.g., document handling), reduce travel where necessary (we have ability to teleconference multiple parties into our hearings) and look for federal support for some of our programs.
Illinois	Cutting operational expenses through things such as turnover savings, reducing expenditures on non-essential items. We are currently looking at options to raise more revenues. Other long-term solutions include the development of technology to make staff more efficient: such as e-docket, e-tariff, e-file and an electronic library.

<b>20. What innovative methods have you applied to reduce budget cuts or reduce costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Indiana	Implementation of technological improvements throughout the agency has increased efficiency.
Iowa	Standard line is bill only what we spend. Any cuts to the IUB budget equal cuts to revenue. There is no impact on the general fund. To reduce costs we have left vacancies unfilled, shifted job duties, cut travel, eliminated some trade journal and subscription services, cut many phone services, eliminated temporary workers, negotiated lower prices for office supplies, and recycled office supplies.
Kansas	Leave positions open; reduce travel-more teleconferencing, reduce paper costs and mailing costs by use of Internet.
Kentucky	Reducing travel, purchases and hiring.
Louisiana	N/A
Maine	<p>While we have used such cost reduction measures as leaving positions vacant, reducing travel and training expenses, etc., we have also undertaken a number of other initiatives in the past 3 to 4 years to reduce our operational costs. Among these are:</p> <p>(1) An expansion of our “Homepage” at <a href="http://www.maine.gov/mpuc">http://www.maine.gov/mpuc</a>, including the use of electronic filing, our “virtual case file”, our “virtual tariff books”, all of which reduce the time (and staffing) necessary to respond to request for information from interested parties, the public, or internal staff. This effort has also resulted in a significant reduction in the amount copying that is done to support the staff and public.</p> <p>(2) We have made the decision to “lag” behind other state agencies in the purchase of new IT hardware and software. From experience we have found that we do not need the latest and fastest technology to meet our desktop computing needs.</p> <p>(3) We also require staff to keep the personal calendars up-to-date on our MS Office software and have made them all accessible to other staff. All of our meeting rooms are provided with electronic calendars as well. This allows us to quickly schedule meetings, even if staff are out of the office, thus reducing lost time and productivity that results from trying to “schedule” the “old fashioned way”.</p>

<b>20. What innovative methods have you applied to reduce budget cuts or reduce costs?</b>	
<b>STATE</b>	<b>RESPONSE</b>
Maine - <i>continued</i>	<p>(4) On the “people soft” side we have increased the attention that we pay to our staff by: a) developing and supporting a quality “health and safety” program, at virtually no cost to the commission, other than providing a small room and a computer; b) supporting our Arts Committee, which arranged regular monthly art exhibitions by local artists at the commission; c) using technology and supporting a “telecommuting” program allow staff to telecommute at least 2 days per week.</p> <p>These activities have significantly increased staff morale, reduced levels of stress, and we believe they have increased productivity, while at the same providing excellent service to our customers. During the past 4 years, the commission has reduced staffing by 8 positions (from 69 to 61), with a constant and significant increase in our workload.</p>
Maryland	New legislation effective June 1, 2002 will exempt the commission from revenue shortfall cuts.
Massachusetts	Budget is quite lean, mostly salary, benefits rent and office maintenance expenses. Discretionary spending (travel, subscriptions, training, conferences etc) have been pared back. Rather than further reduce spending, we plan to propose an increase in several of our fees (which have not been raised in over ten years) and will ask to retain 50 percent of the new revenues generated.
Michigan	
Minnesota	Mainly holding vacancies; salary savings is where we get the biggest effect.
Mississippi	Existing personnel vacancies and restrictions on travel and capital expenditures have been sufficient so far.
Missouri	Among our current projects is a desktop seminar approach that will reduce training costs while maintaining the benefits of continuous training.
Montana	Our budget is quite lean in that it is mostly salary, benefits, rent and office maintenance expenses. Our few discretionary spending accounts (travel, subscriptions, training, conferences) have been reduced in past fiscal years.
Nebraska	We have begun to allocate general overhead costs to all programs, both general fund and cash fund.
Nevada	
New Hampshire	Pared back on discretionary budget items such as purchasing and travel.



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<b>STATE</b>	<b>RESPONSE</b>
New Jersey	None
New Mexico	
New York	We have reorganized and consolidated offices as well as reviewed laws to eliminate activities that are not part of our core mission. Further, we have reassigned staff to critical functions from less important functions and are basically doing more with less.
North Carolina	Reduction of travel and purchases. Many conferences are handled over the phone versus travel.
North Dakota	Increased productivity and redesigning agency functions has resulted in downsizing from 50 employees in 1994 to 41 today.
Ohio	PUCO is cutting back on out-of-state travel, equipment purchases and is only hiring essential employees.
Oklahoma	Generally, will withdraw funding from vacant positions.
Oregon	<p>Today, utility companies, parties, consumers, the public and other agencies have access to search, retrieve and view information about all but a few types of utility filings and other OPUC cases. This access is through the Internet using eDockets, an application on the OPUC web site that retrieves information from the OPUC's Business Applications System (BizApps).</p> <p>In 2002, the OPUC added interactive e-government capabilities such as filing of consumer complaints on the web, and electronic filing of Negotiated Carrier-to-Carrier Agreements with web access to filings. The OPUC plans to have electronic filing options for most documents and filings by the end of the 2001-2003 biennium.</p> <p>The OPUC plans the continued expansion of its web site to enhance the management of information, increase the amount of data available, improve ease of access, establish electronic filings from utilities, and develop other strategies to provide better customer service.</p>
Pennsylvania	Costs have been cut through automation of processes.
Rhode Island	We now lease office space for our operations from the state of Rhode Island rather than from a private landlord.
South Carolina	Held up on filling a number of positions while figure out how to remit \$1.4 million to the general fund
South Dakota	

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<b>STATE</b>	<b>RESPONSE</b>
Tennessee	Only 32 percent of our budget is discretionary since 68 percent is dedicated to personnel expenditures. Therefore, when deciding on budget cuts, we look to the possibility of abolishing vacant positions, travel, and computer replacements.
Texas	Efficiency through staffing optimization and limited contracts are employed to perform jobs that would otherwise require agency staffing.
Utah	Travel is restricted; out of state travel costs for activities with a specific utility are collected from that utility.
Vermont	None
Virginia	Replace older, less interactive computers with state of art interactive ones; provide Internet access to regulated industry, general public and SCC employees; greater intranet use by employees; interactive phone systems; outsource services where possible.
Washington	The commission has generally approached budget cut exercises in a fairly traditional manner (relying heavily on replacing highly paid retiring employees with entry level staff or not replacing retiring employees, encouraging staff to down-shift to part-time status, focusing on administrative functions). However, the comm. is always pursuing process improvements which have contributed to the agency's ability to accommodate these budget savings. Projects have included updating our records management system to improve electronic access to comm. information; development of a GIS to digitize solid waste company service territories, substantially reducing time spent on research to assist customers; development of a new consumer complaint telephone system which has reduced time for our customers to reach a consumer complaint specialist; and streamlining of the telecommunications registration process.
West Virginia	Nothing innovative, PSC has discretionary budget items like travel and equipment that can accommodate limited cuts if directed. When budgets are constrained, PSC budgets zero increases in all line items except for specific legislative mandated cost of living pay increases. PSC has also offset cost of living pay increases with attrition in number of employees.

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<b>STATE</b>	<b>RESPONSE</b>
Wisconsin	It is not easy to be innovative when 85 percent of your budget is spent on staff salary and fringe costs. Therefore, the PSC has taken the more traditional route to absorb these reductions including leaving 13 positions unfilled, curtailing training and out of state travel and delaying for the foreseeable future purchases of IT related equipment.
Wyoming	Not fill vacant positions, travel restrictions, do not hire consultants