

Creating Regulatory Budget



NARUC/ERRA Workshop on Public Utility Regulation in Market Economies

by

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Budget Development

- ❖ PSB Budget is Relatively Simple
- ❖ Board's Regulatory Role is Quasi-Judicial
- ❖ Also includes policy role in national/regional issue
- ❖ Does not include Planning – these functions reside in Department of Public Service



Budget Development (cont'd)

- ❖ Board budget is the product of many years of regulation
- ❖ No need to build from start
 - Tasks are defined from experience as are needs
- ❖ PSB budget built around its primary roles
 - Ruling on cases
 - Regional and national advocacy and litigation



Overview of Budget

- ❖ Bulk of PSB costs are Personnel and Benefits
- ❖ If building rental is excluded, equipment, travel, and other operating costs are less than 10% of total budget



PSB FY 2008 Budget

(including mid-year actuals)

Personal Services	Budgeted	Spent	Balance	Budgeted Monthly	Actual Average	Variance
Salaries	\$1,761,963	\$806,365	\$955,598	\$146,830	\$134,394	\$12,436
Benefits	\$543,969	\$215,545	\$328,424	\$45,331	\$35,924	\$9,407
Temporary	\$0		\$0			
Consultants	\$146,910	\$95,468	\$51,442	\$12,243	\$15,911	-\$3,668
TOTAL	\$2,452,842	\$1,117,378	\$1,335,464	\$204,404	\$186,229	\$18,175
OPERATING EXPENSES						
Purchases	\$28,000	\$10,049	\$17,951	\$2,333	\$1,675	\$658
Rental	\$98,000	\$1,679	\$96,321	\$8,167	\$280	\$7,887
Travel & Other	\$55,000	\$30,073	\$24,927	\$4,583	\$5,012	-\$429
Other	\$119,000	\$79,163	\$39,837	\$9,917	\$13,194	-\$3,277
TOTAL	\$300,000	\$120,964	\$179,036	\$25,000	\$20,161	\$4,839
TOTAL	\$2,752,842	\$1,238,342	\$1,514,500	\$229,404	\$206,390	\$23,014



Personal Services

- ❖ Board has 25 positions
 - 3 Board Members
 - 8 support staff, including computer support
 - 14 Hearing Officers (6-7 attorneys, 3 economists)
- ❖ Department of Public Service is more heavily weighted to skills that will help with planning functions



Consulting

- ❖ At times, PSB needs to hire outside experts or other assistance
 - Generally in large cases
 - But also used when Board does not have expertise in a particular area (e.g., nuclear)
- ❖ Significant component of these costs associated with court reporters



Operating Expenses

- ❖ Few discretionary choices
 - Building rental fixed
 - No real alternatives for technology, advertising, and telecommunications
 - Travel is largest discretionary category, but small portion of budget
- ❖ Even though budget is detailed, PSB has significant flexibility to shift funds between categories to meet needs