

DEPARTMENT OF PUBLIC SERVICE

MISSION

The Department of Public Service has a broad mandate to ensure that all New Yorkers have access to reliable and low-cost utility services. The Department is the staff arm of the Public Service Commission, which regulates the rates and services of the State's public utilities, including electric, gas, steam, telephone, and water. The Commission also oversees the siting of major electric and gas transmission lines and facilities, ensures the safety of natural gas and liquid petroleum pipelines, and is responsible for oversight and regulation of the cable television industry in New York State. As the transition is made from a regulated utility industry to a more competitive market, the Department will use its oversight responsibilities to foster competitive market forces which will produce lower rates for consumers, enable customers to choose from a variety of suppliers, and continue reliable service.

ORGANIZATION AND STAFFING

The Public Service Commission consists of five members who are nominated by the Governor and confirmed by the Senate. The Chairman serves as the chief executive officer of the Department which operates offices in Albany, New York City and Buffalo.

The Department's budget has two programs: the Administration Program, which supports Public Service Commission activities; and the Regulation Program, which undertakes activities to ensure fair and reasonable rates, foster proper competition, monitor service standards, address consumer complaints, promote efficient operation and ensure that industry construction programs meet safety and environmental requirements.

The Department will have a workforce of 601 for 2002-03. Approximately 98 percent of this staff is financed by utility and cable assessments and the remaining 2 percent by Federal grants and coin-operated telephone fees.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 budget recommendations for the Department of Public Service reflect the changing mission of the agency as the utility industry moves from a regulated environment to a competitive market. As the electric industry undergoes restructuring, the Department is overseeing this process to ensure that policies are implemented to encourage competition for retail and wholesale business, and to maintain a level playing field in this new competitive market.

The Department's 2002-03 operating budget includes funding of \$64.6 million from utility and cable assessments and coin-operated telephone fees. Public utility assessments are based on a utility's gross intrastate operating revenues above \$25,000. Cable television assessments are based on revenues from those companies with 1,000 or more subscribers.

In addition, the local assistance budget provides a total of \$400,000 from fees paid by entities proposing the siting of electric generation facilities, that may be accessed by local governments and community groups to fund intervention activities related to the siting.

PROGRAM HIGHLIGHTS

The Department's highest priority for the coming year remains its move toward competition in the electric, telecommunications, and gas industries. This transition must be effectively managed to ensure that competition benefits both the State's economic interests and utility ratepayers. During this transition to competitive markets, the Department will develop the infrastructure needed for competitive alternatives, maintain the high standards of

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reliability and service quality that New Yorkers expect, ensure fair competition, and, where necessary, provide ratepayers effective protection. Department staff will continue to play a significant role in siting new and expanded electric generation facilities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	68,119,000	65,844,000	(2,275,000)	2,900,000
Aid To Localities	400,000	400,000	0	5,819,000
Capital Projects	0	0	0	0
Total	68,519,000	66,244,000	(2,275,000)	8,719,000

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
Special Revenue Funds - Other	102	102	0
Regulation of Utilities			
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	487	487	0
Total	601	601	0

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	1,445,000	1,145,000	(300,000)
Special Revenue Funds - Other	66,674,000	64,699,000	(1,975,000)
Total	68,119,000	65,844,000	(2,275,000)

Adjustments:	
Recommended Deficiency	
Public Service Department	
Special Revenue Funds - Other	(2,800,000)
Appropriated 2001-02	65,319,000

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	9,986,000	10,127,000	141,000
Regulation of Utilities			
Special Revenue Funds - Federal	1,445,000	1,145,000	(300,000)
Special Revenue Funds - Other	56,688,000	54,572,000	(2,116,000)
Total	68,119,000	65,844,000	(2,275,000)

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**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	10,127,000	141,000	5,457,000	0
Regulation of Utilities	55,717,000	(2,416,000)	32,982,000	0
Total	65,844,000	(2,275,000)	38,439,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,670,000	141,000	0	0
Regulation of Utilities	22,210,000	(2,941,000)	525,000	525,000
Total	26,880,000	(2,800,000)	525,000	525,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	400,000	400,000	0
Total	400,000	400,000	0

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2001-02	Recommended 2002-03	Change
Regulation of Utilities			
Special Revenue Funds - Other	400,000	400,000	0
Total	400,000	400,000	0