

DEPARTMENT OF PUBLIC SERVICE

MISSION

The Department of Public Service 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. In addition, it 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.

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, Buffalo and Syracuse.

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

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$80.1 million All Funds** (\$76.4 million Special Revenue Funds; \$3.7 million Federal funds) for the Department of Public Service. This is a net decrease of **\$4.1 million All Funds** (decrease of \$4.7 million Special Revenue Funds; increase of \$600,000 Federal funds) from the 2009-10 budget. This change primarily reflects reductions in State operations, offset by additional Federal funding for pipeline safety activities. The Department will have an estimated **workforce of 555** for 2010-11, an increase of 2 from 2009-10. This additional staff will be required to support review of additional natural gas pipeline applications associated with potential Marcellus Shale gas drilling activity.

The Department's 2010-11 operating budget includes funding of \$75.4 million from utility and cable assessments. Public utility assessments are based on a utility's gross intrastate operating revenues above \$500,000. 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 \$1 million from fees paid by entities proposing the siting of electric generation and transmission facilities. These funds can be accessed by local governments and community groups to fund intervention activities related to the siting review process.

The Department also receives Federal grants to perform pipeline safety activities, and, in 2010-11, will receive funding from the Federal American Recovery and Reinvestment Act (ARRA) for Department regulatory activities associated with ARRA funded projects undertaken by utilities.

PUBLIC SERVICE

PROGRAM HIGHLIGHTS

The Department will continue the following priorities for the coming year:

- Develop energy efficiency programs to ensure the goal of reducing electricity consumption, consistent with the Governor's "45 by 15" initiative.
- Work actively to implement the goal of the Renewable Portfolio Standard, which is designed to increase the amount of electricity in New York State generated by renewable resources to 30 percent by 2015.
- Ensure just and reasonable utility rates, along with safe and adequate electric, gas, steam, and telecommunications service.
- Assist in the implementation of the State Energy Plan, to help develop a clean energy economy for New York.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	83,658,000	79,142,000	(4,516,000)	1,847,000
Aid To Localities	550,000	1,000,000	450,000	3,589,000
Capital Projects	0	0	0	0
Total	84,208,000	80,142,000	(4,066,000)	5,436,000

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

Full-Time Equivalent Positions (FTE)

Program	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
Special Revenue Funds - Other	98	98	0
Regulation of Utilities			
General Fund	0	2	2
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	443	443	0
Total	553	555	2

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
Special Revenue Funds - Federal	3,097,000	3,750,000	653,000
Special Revenue Funds - Other	80,561,000	75,392,000	(5,169,000)
Total	83,658,000	79,142,000	(4,516,000)

Adjustments:

Recommended Deficiency

 Public Service Department

 Special Revenue Funds - Federal

Appropriated 2009-10

(1,250,000)

82,408,000

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
Special Revenue Funds - Other	13,439,000	12,761,000	(678,000)
Regulation of Utilities			
Special Revenue Funds - Federal	3,097,000	3,750,000	653,000
Special Revenue Funds - Other	67,122,000	62,631,000	(4,491,000)
Total	<u>83,658,000</u>	<u>79,142,000</u>	<u>(4,516,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2010-11 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	12,761,000	(678,000)	6,979,000	(517,000)
Regulation of Utilities	66,381,000	(3,838,000)	36,044,000	(2,209,000)
Total	<u>79,142,000</u>	<u>(4,516,000)</u>	<u>43,023,000</u>	<u>(2,726,000)</u>

Program	Nonpersonal Service	
	Amount	Change
Administration	5,782,000	(161,000)
Regulation of Utilities	30,337,000	(1,629,000)
Total	<u>36,119,000</u>	<u>(1,790,000)</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
Special Revenue Funds - Other	550,000	1,000,000	450,000
Total	<u>550,000</u>	<u>1,000,000</u>	<u>450,000</u>

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

Program	Available 2009-10	Recommended 2010-11	Change
Regulation of Utilities			
Special Revenue Funds - Other	550,000	1,000,000	450,000
Total	<u>550,000</u>	<u>1,000,000</u>	<u>450,000</u>