

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 **\$80.4 million** All Funds (\$76.9 million Special Revenue Funds; \$3.5 million Federal funds) for the Department of Public Service. This is a net **increase of \$250,000** All Funds (increase of \$500,000 Special Revenue Funds; decrease of \$250,000 Federal funds) (**0.3 percent**) from the 2010-11 budget. This net increase primarily reflects an increase in local assistance appropriations, partially offset by decreased Federal stimulus funding.

The Department's 2011-12 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 \$1.5 million from fees paid by entities proposing to site 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.

PROGRAM HIGHLIGHTS

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

- Ensure just and reasonable utility rates, along with safe and adequate electric, gas, steam, and telecommunications service.
- Enhance energy efficiency through the existing Energy Efficiency Portfolio Standard initiative and through an extension or reformulation of programs under the System Benefits Charge.

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- Promote clean and renewable electric generation, including through the Renewable Portfolio Standard Initiative, designed to increase the proportion of electricity in the State generated by renewable resources to 30 percent by 2015.
- Conduct complete electric transmission siting reviews, oversee the responsible development of a smart electric grid, and ensure the safety of the State's natural gas pipelines.
- Educate consumers and resolve consumer-utility disputes, to ensure fair and responsible utility service.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2010-11	Appropriations Recommended 2011-12	Change	Reappropriations Recommended 2011-12
State Operations	79,142,000	78,892,000	(250,000)	4,550,000
Aid To Localities	1,000,000	1,500,000	500,000	3,186,000
Capital Projects	0	0	0	0
Total	80,142,000	80,392,000	250,000	7,736,000

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

Full-Time Equivalent Positions (FTE)

Program	2010-11 Estimated FTEs 03/31/11	2011-12 Estimated FTEs 03/31/12	FTE Change
Administration			
Special Revenue Funds - Other	98	98	0
Regulation of Utilities			
Special Revenue Funds - Federal	12	15	3
Special Revenue Funds - Other	421	421	0
Total	531	534	3

The above table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
Special Revenue Funds - Federal	3,750,000	3,500,000	(250,000)
Special Revenue Funds - Other	75,392,000	75,392,000	0
Total	79,142,000	78,892,000	(250,000)

Adjustments:

Prior Year Deficiency

 Public Service Department

 Special Revenue Funds - Federal

Appropriated 2010-11

1,250,000
80,392,000

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

<u>Program</u>	<u>Available 2010-11</u>	<u>Recommended 2011-12</u>	<u>Change</u>
Administration			
Special Revenue Funds - Other	12,761,000	12,761,000	0
Regulation of Utilities			
Special Revenue Funds - Federal	3,750,000	3,500,000	(250,000)
Special Revenue Funds - Other	62,631,000	62,631,000	0
Total	<u>79,142,000</u>	<u>78,892,000</u>	<u>(250,000)</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	12,761,000	0	7,475,000	496,000
Regulation of Utilities	66,131,000	(250,000)	38,097,000	2,053,000
Total	<u>78,892,000</u>	<u>(250,000)</u>	<u>45,572,000</u>	<u>2,549,000</u>

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	5,286,000	(496,000)	0	0
Regulation of Utilities	28,034,000	(1,053,000)	0	(1,250,000)
Total	<u>33,320,000</u>	<u>(1,549,000)</u>	<u>0</u>	<u>(1,250,000)</u>

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

<u>Fund Type</u>	<u>Available 2010-11</u>	<u>Recommended 2011-12</u>	<u>Change</u>
Special Revenue Funds - Other	1,000,000	1,500,000	500,000
Total	<u>1,000,000</u>	<u>1,500,000</u>	<u>500,000</u>

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

<u>Program</u>	<u>Available 2010-11</u>	<u>Recommended 2011-12</u>	<u>Change</u>
Regulation of Utilities			
Special Revenue Funds - Other	1,000,000	1,500,000	500,000
Total	<u>1,000,000</u>	<u>1,500,000</u>	<u>500,000</u>