

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 619 for 2000-01. Approximately 98 percent of this staff is financed by utility and cable assessments and the remaining two percent by Federal grants and coin-operated telephone fees.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2000-01 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 a level playing field in this new competitive market. It should be noted that, while power generation will eventually function in a competitive market, the monopolistic transmission and distribution of electricity will remain regulated for the foreseeable future. As the industry changes and evolves, the Department of Public Service will continue to act as a consumer advocate through education and outreach to ensure that it fulfills its core mission.

The Department's 2000-01 operating budget includes funding of \$59.7 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 \$4.4 million, 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.

PUBLIC SERVICE

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 reliability and service quality that New Yorkers expect, ensure fair competition, and, where necessary, provide ratepayers effective protection.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$60,766,700	\$60,816,300	+\$49,600	....
Aid To Localities	800,000	4,400,000	+3,600,000	\$1,200,000
Capital Projects .....	....	....	....	....
Total	<u>\$61,566,700</u>	<u>\$65,216,300</u>	<u>+\$3,649,600</u>	<u>\$1,200,000</u>

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1999-00	2000-01 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
Special Revenue Funds - Other	107	107	....	107	....
Regulation of Utilities					
Special Revenue Funds - Federal	12	12	....	12	....
Special Revenue Funds - Other	501	500	....	500	-1
Total	<u>620</u>	<u>619</u>	<u>....</u>	<u>619</u>	<u>-1</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
Special Revenue Funds - Federal	\$1,138,100	\$1,149,000	+\$10,900
Special Revenue Funds - Other	59,628,600	59,667,300	+38,700
Total	<u>\$60,766,700</u>	<u>\$60,816,300</u>	<u>+\$49,600</u>

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Administration			
Special Revenue Funds - Other	\$9,421,400	\$9,467,400	+\$46,000
Regulation of Utilities			
Special Revenue Funds - Federal	1,138,100	1,149,000	+10,900
Special Revenue Funds - Other	50,207,200	50,199,900	-7,300
Total	\$60,766,700	\$60,816,300	+\$49,600

**STATE OPERATIONS — OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	\$9,467,400	+\$46,000	\$5,129,400	+\$25,000
Regulation of Utilities	51,348,900	+3,600	30,661,400	-73,200
Total	\$60,816,300	+\$49,600	\$35,790,800	-\$48,200

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	\$4,338,000	+\$21,000	.....	.....
Regulation of Utilities	20,354,800	+76,800	\$332,700	.....
Total	\$24,692,800	+\$97,800	\$332,700	.....

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

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Special Revenue Funds - Other	\$800,000	\$4,400,000	+\$3,600,000
Total	\$800,000	\$4,400,000	+\$3,600,000

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Regulation of Utilities			
Special Revenue Funds - Other	\$800,000	\$4,400,000	+\$3,600,000
Total	\$800,000	\$4,400,000	+\$3,600,000

