

Department of Public Service  
Regulation  
Sept 15, 2021

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# IMPROVING INTERNAL PRACTICES

ORGANIZATIONAL  
EFFECTIVENESS

INTERNAL POLICIES &  
CONTROLS

FISCAL  
COMPETENANCIES

# IMPROVING INTERNAL PRACTICES

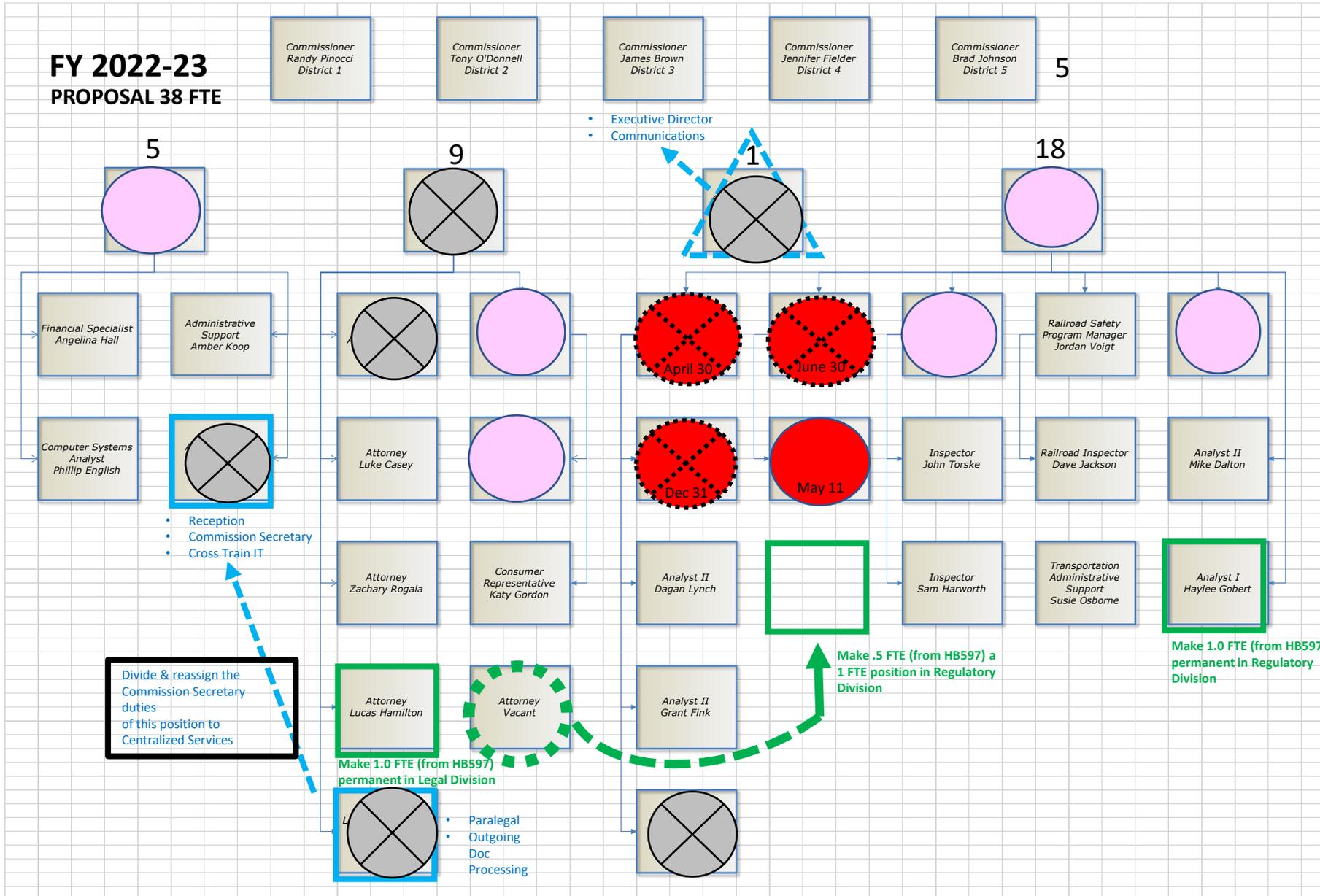
STRATEGIC PLANNING INITIATIVE

BLUE BOOK REVIEW/REVISION

ENHANCED RECRUITMENT, CROSS  
TRAINING & RETENTION

SOFTWARE MODERNIZATION

# Strategic Planning: January 2021



## VACANCY STATUS:

- ⊗ Vacant (6)
- ⚙️ Planned Retirements 2021 (3)
- Other Anticipated Vacancies (1)
- Others Eligible for Retirement (6)

## 38 FTE PLAN:

- ▣ Make 2 HB597 FTE's Permanent
- ⚙️ Change .5 HB597 FTE into 1 FTE Move to Reg Division
- ▣ Split Paralegal/Commission Sec
- ⚙️ Convert Coms Director to Exec Director w/Coms Strengths

## LEGISLATIVE HELP NEEDED

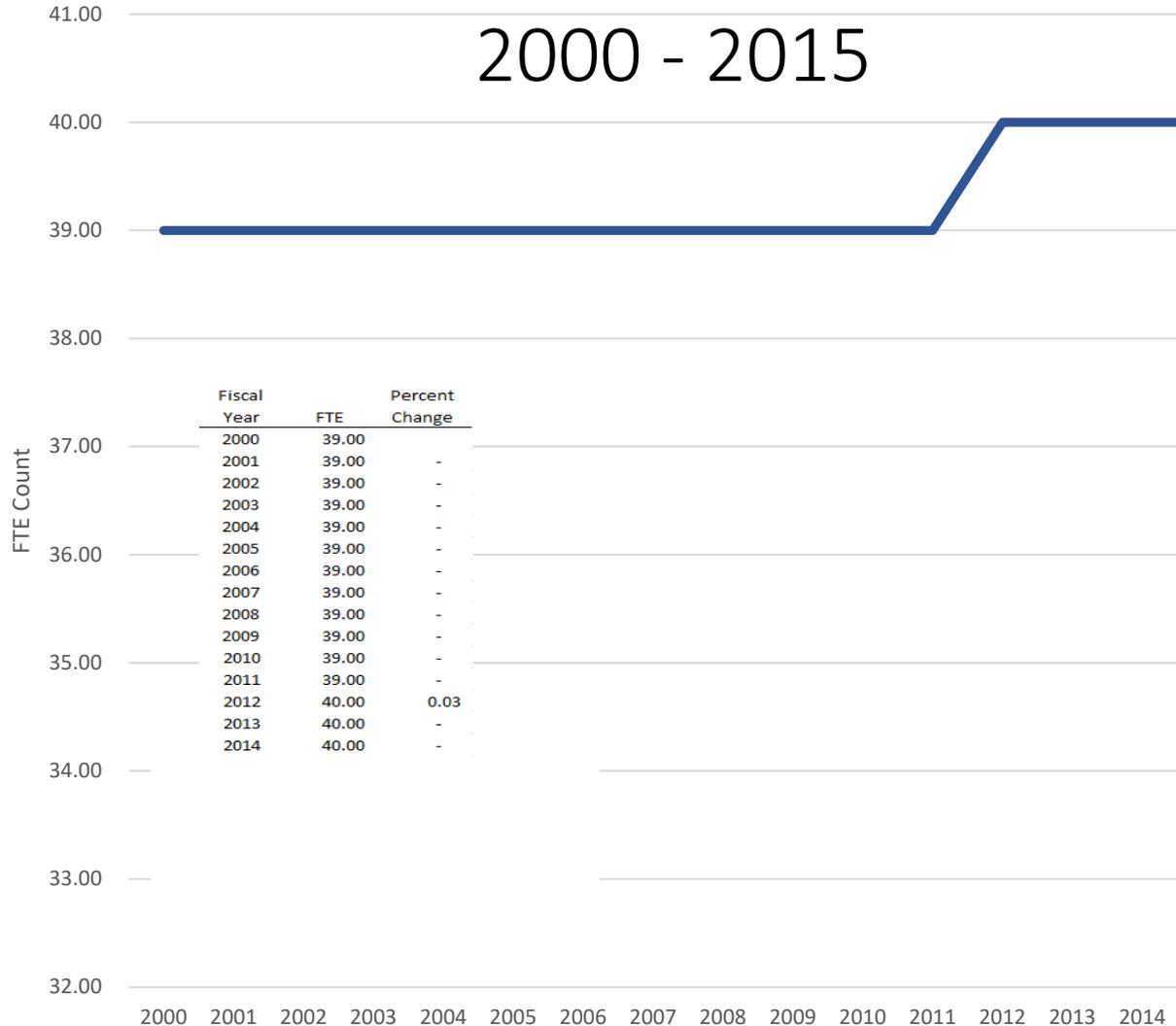
- ✗ Repeal HB 597's Hearings Examiner Mandate
- ✗ Make the 2.5 FTE from HB 597 permanent and round up to 3.0 FTE
- ? Complete Software Modernization

## AGENCY ACTION:

- ✓ Strategic Plan/Restructure
- ✓ Ramp Up Recruitment & Retention
- ✓ Cross-Train & Succession Plan
- ? Repair/Replace EDDI 4

# FTE Stability

2000 - 2015

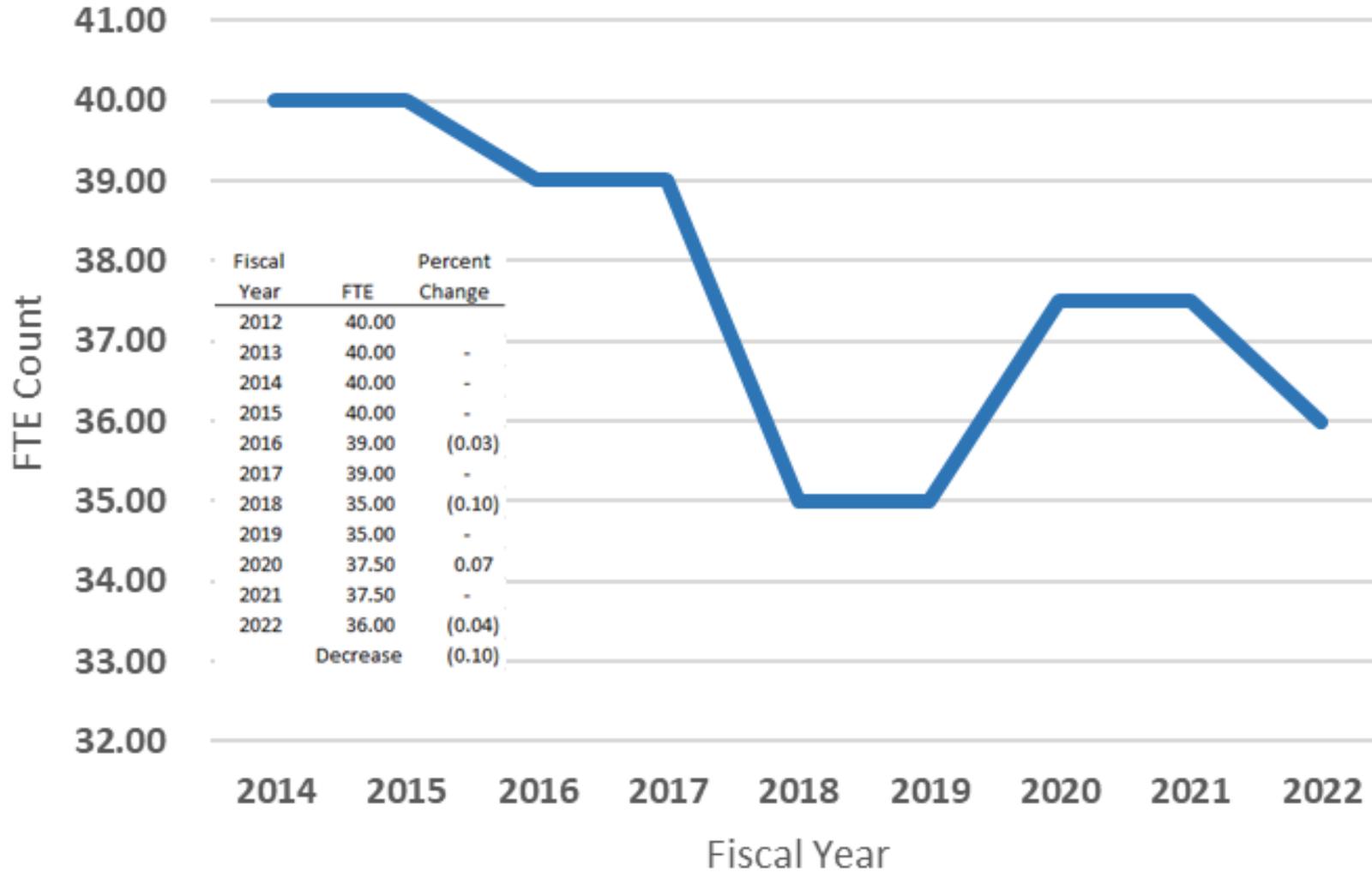


**For 15 years the PSC  
had 39 - 40 FTE**

In 2015-17, the legislature cut the agency down to 35 FTE, a net loss of 14.3% of our staff.

# FTE Instability

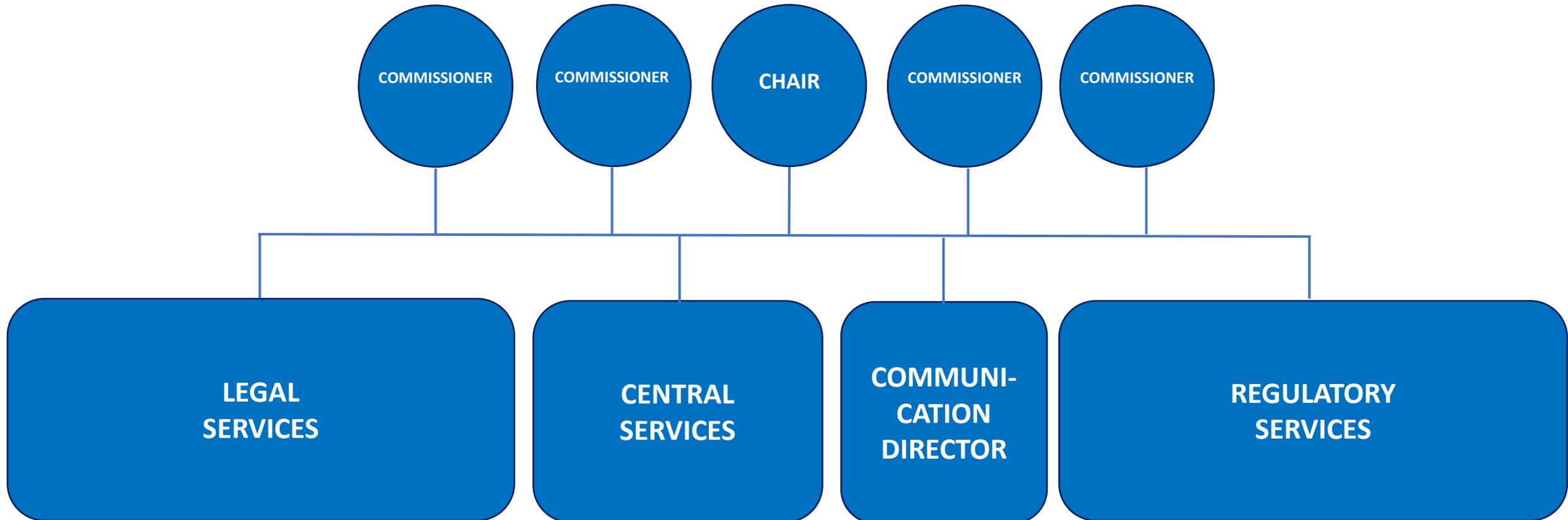
2015 – 2022



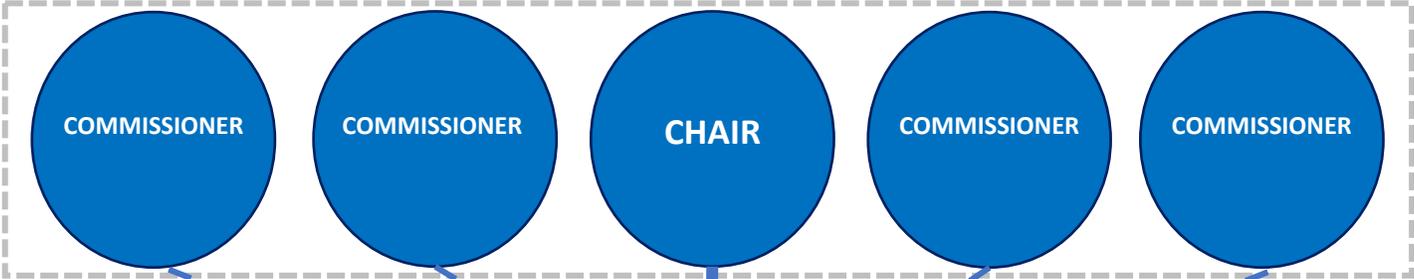
The PSC has been hit with wild fluctuations in FTE levels over the last 6 years.

# Old Administrative Structure

2015-2020



# New Administrative Structure



**Convert Communications Director Position to an Executive Director to Oversee:**

- Personnel Management
- Budget Planning & Management
- Internal Policies & Procedures
- Audit Compliance
- Division Productivity
- Commission Initiatives



# New Administrative Chain of Command & Core Duties

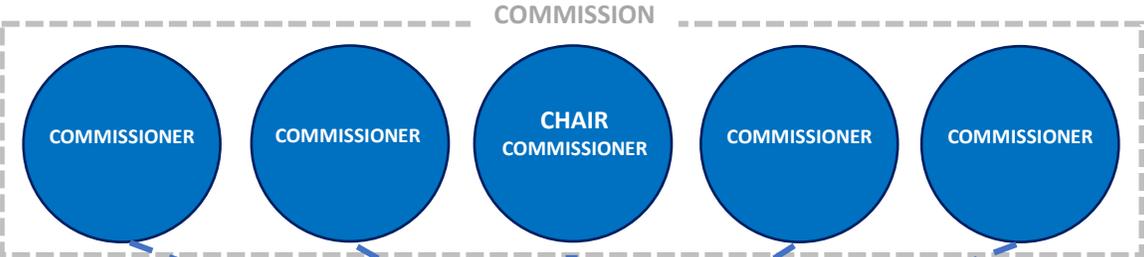
**ADOPTED  
6/29/21**

**COMMISSION EXECUTES:**

- Regulatory Decisions
- Legal Decisions
- Public Policy Decisions
- Agency Budget, Plans & Policies
- Appointments of Exempt Staff

**CHAIR:**

- Sets the Agenda and Presides Over Commission Proceedings
- Directs Chief of Staff on Day-to-Day Matters
- Appoints Special Committees and Work Groups
- Designates Commissioners for Special Assignments

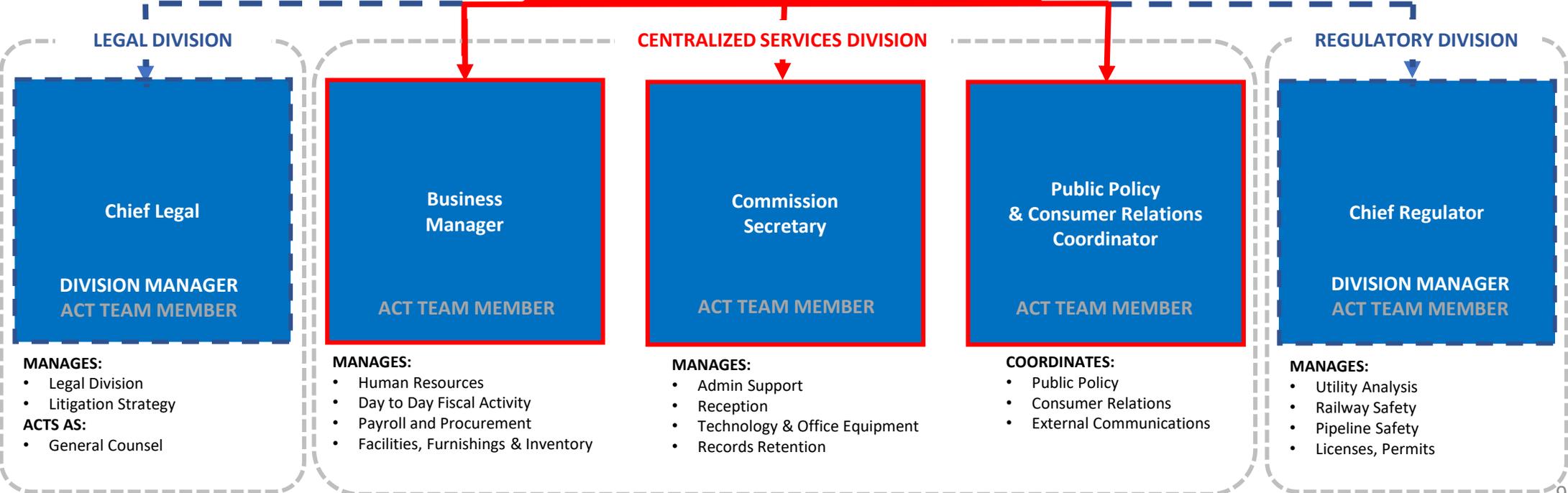


**EXECUTIVE DIRECTOR OVERSEES:**

- All Exempt Staff
- Agency-Wide Workload Balance/Buffering/Productivity/Performance
- Audit Compliance
- Internal Policies & Procedures

**EXECUTIVE DIRECTOR MANAGES:**

- Centralized Services Division
- Budget Planning & Management
- Media Relations
- Commission Initiatives



**MANAGES:**

- Legal Division
- Litigation Strategy

**ACTS AS:**

- General Counsel

**MANAGES:**

- Human Resources
- Day to Day Fiscal Activity
- Payroll and Procurement
- Facilities, Furnishings & Inventory

**MANAGES:**

- Admin Support
- Reception
- Technology & Office Equipment
- Records Retention

**COORDINATES:**

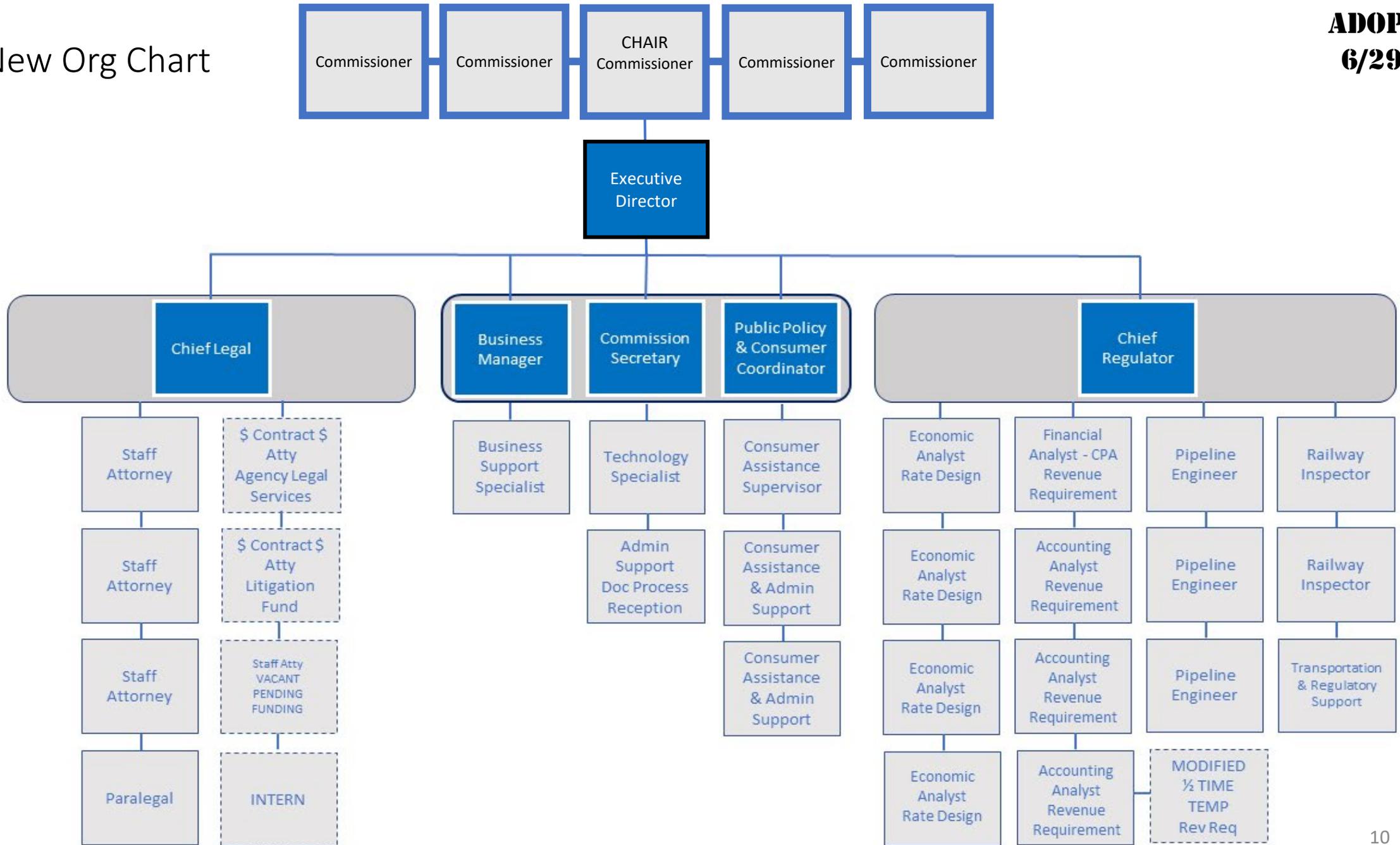
- Public Policy
- Consumer Relations
- External Communications

**MANAGES:**

- Utility Analysis
- Railway Safety
- Pipeline Safety
- Licenses, Permits

# New Org Chart

**ADOPTED  
6/29/21**



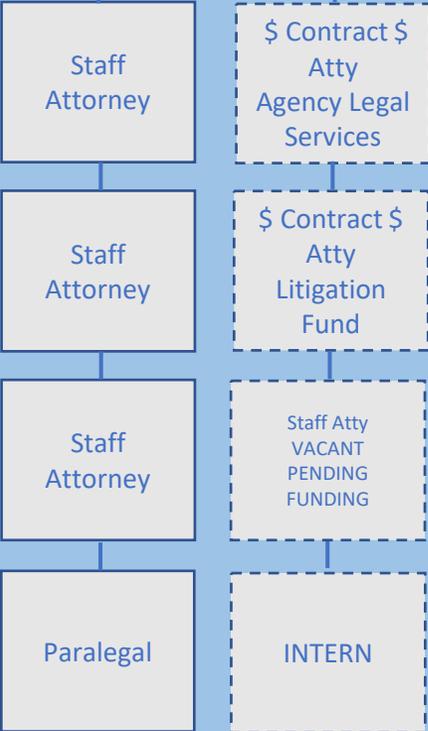
# New Internal Fiscal Controls

**ADOPTED  
6/29/21**

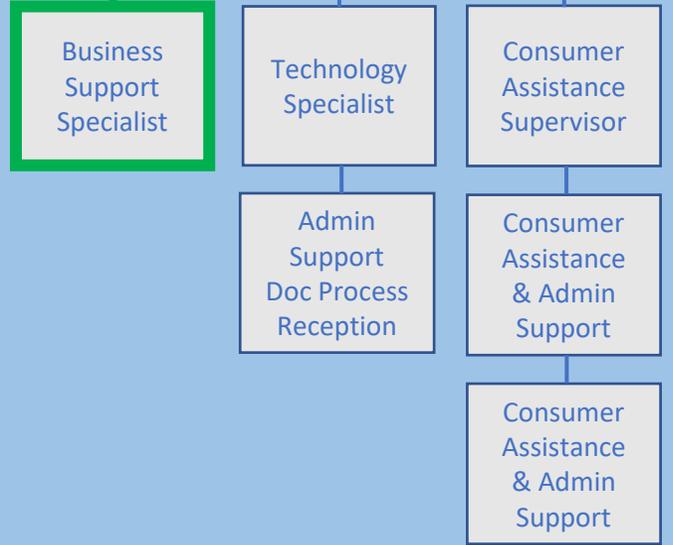
— Daily Fiscal Operations  
- - - Compliance Monitoring & Guidance



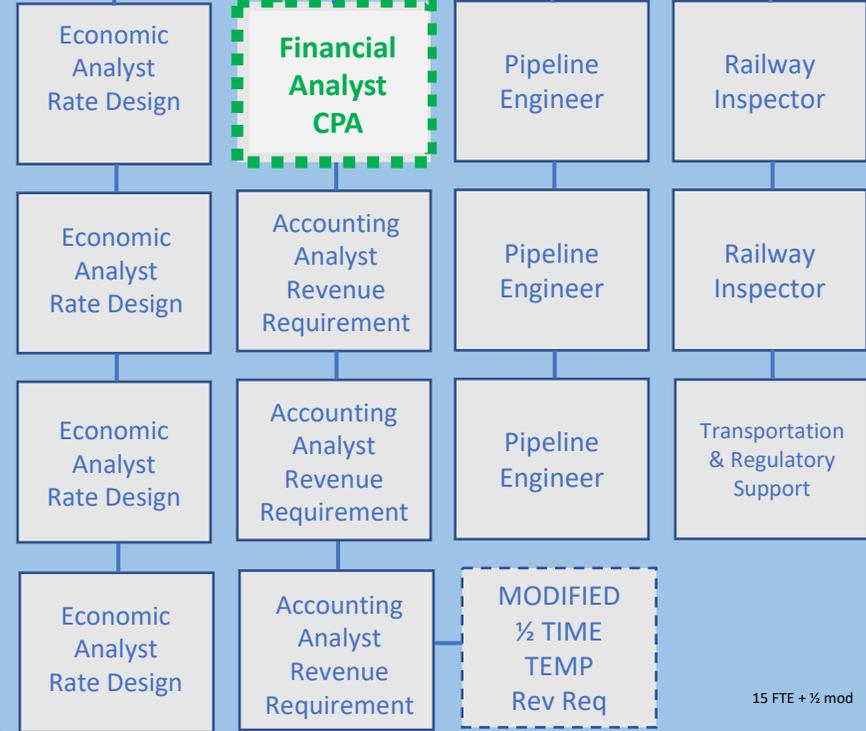
1 FTE



6 FTE + ¼ mod + ALS contract



9 FTE



15 FTE + ½ mod

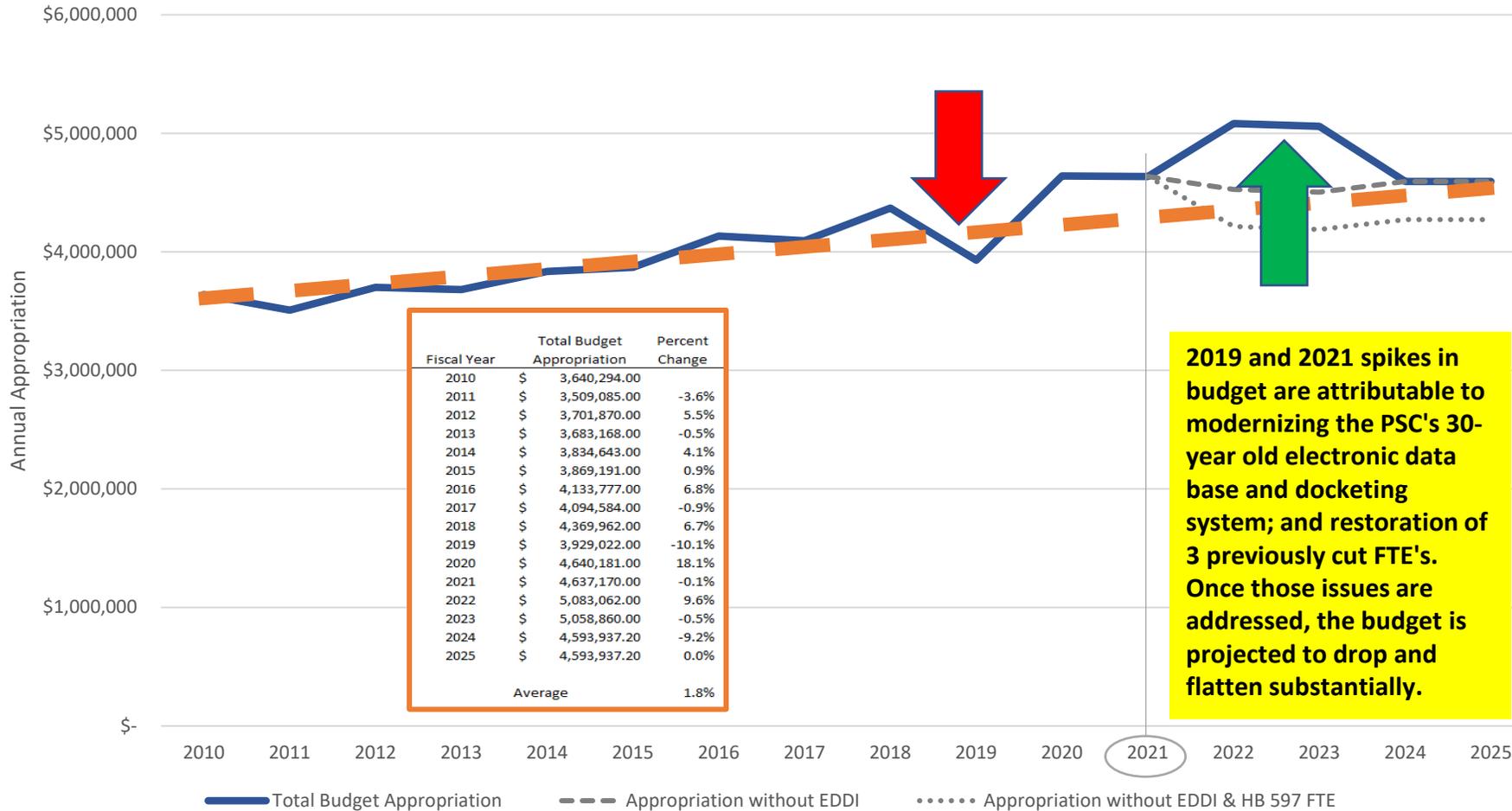
# CASH BALANCES FLUCTUATE ON TWO/THREE YEAR CYCLE



# 25 Year Budget Trajectory

## 2010-2025

Projected as of January 2021



**2019 and 2021 spikes in budget are attributable to modernizing the PSC's 30-year old electronic data base and docketing system; and restoration of 3 previously cut FTE's. Once those issues are addressed, the budget is projected to drop and flatten substantially.**

Projected  
**1.8%**  
 Total Average Growth Over  
**15 Years**

*\*The above average does not include cost for repair or replacement of the failing, antiquated software system*

# Regulated Industries



Energy



Telecom



Transportation



Water & Sewer



Pipeline Safety



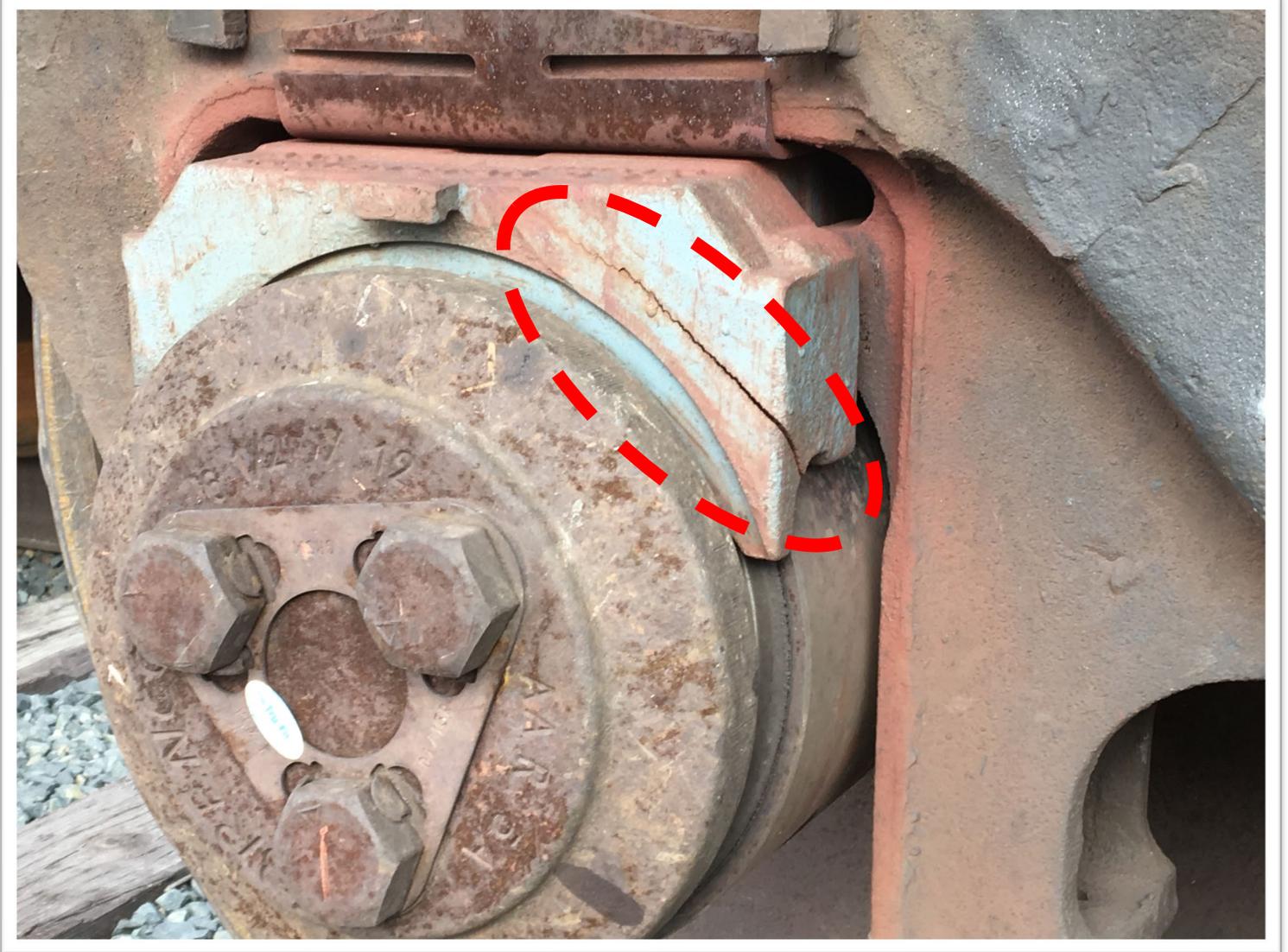
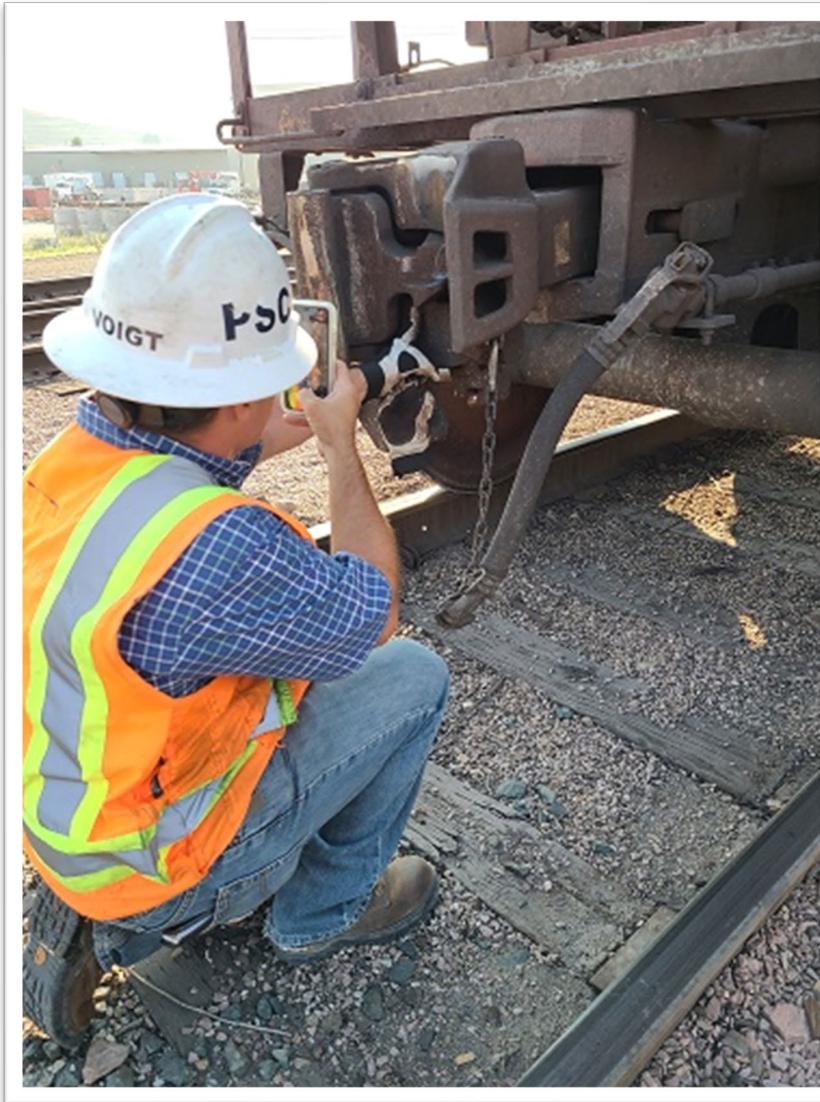
Railway Safety

# We Saved Utility Customers \$73 Million in 4 Years

## Examples of Customer Benefits from the Regulatory Process PSC Oversees

<b>Year</b>	<b>Docket No.</b>	<b>Utility</b>	<b>Customer Savings vs Utility Request</b>
2016	2016.12.103	MTSUN (after MSC decision)	\$31 Million (25 yr NPV)
2017	2017.09.079	Montana-Dakota - Gas	\$1 Million
2017	2017.09.080	Energy West - Gas	\$1 Million
2018	2018.02.012	NorthWestern - Electric	\$28 Million
2018	2018.09.060	Montana-Dakota - Gas	\$3 Million
2019	2019.09.058	NorthWestern - Electric	\$9 Million
Total			\$73 Million

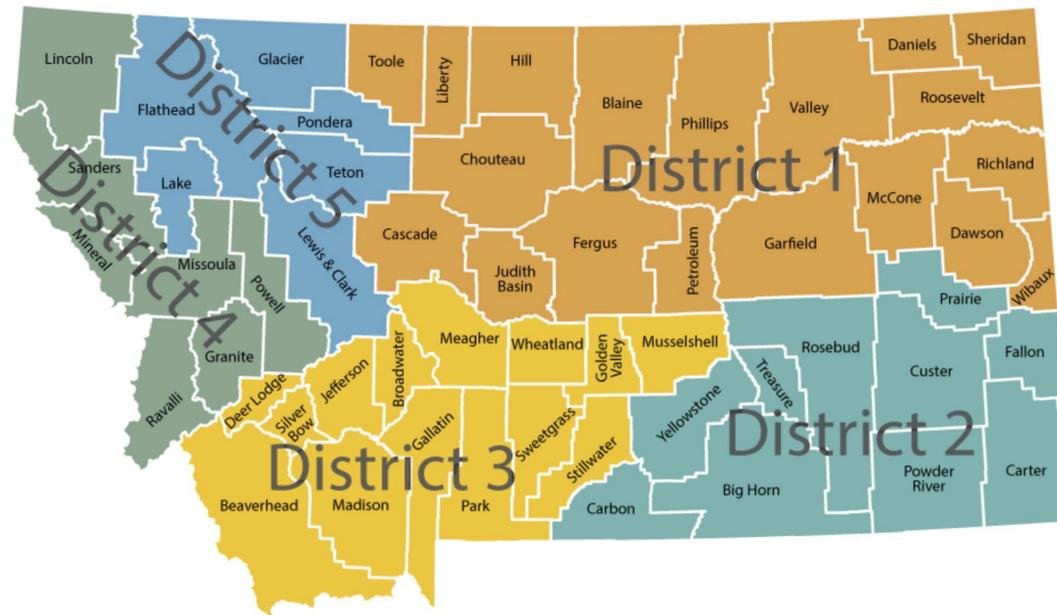
# We Prevent Train Derailments Nationwide





# EAGER TO IMPROVE

Elected Regional Representation



# HOW THE LEGISLATURE CAN HELP IMPROVE DPSR OPERATIONS & PERFORMANCE

Correct	Repeal	Stabilize	Learn	Coordinate	Streamline
<p>CORRECT BUDGET For Software Modernization</p>	<p>REPEAL Hearings Examiner Mandate</p> <p>RESTORE LITIGATION FUND \$\$\$</p>	<p>STABILIZE FTE To functional level</p> <ul style="list-style-type: none"><li>• Railway Inspector</li><li>• Accountant</li><li>• Technology</li><li>• Attorney</li></ul> <p>COMPETITIVE SALARIES</p>	<p>LEARN About Agency Process for Regulating Monopolies</p> <p>Field Visit 1701 Prospect Ave</p>	<p>COORDINATE with PSC on Proposed Legislation</p> <p>Draw Upon Agency Expertise &amp; Institutional Knowledge When Considering Legislation</p>	<p>STREAMLINE Statutes To Improve Efficiencies</p>

# How We Are Funded

Budget Approval Process, Revenue Sources, Primary Expenses

