

BEGINNING TRIAL BALANCE BY FUND
JULY 01, 2011

610000 PUBLIC SERVICE COMMISSION
50 2 573003 REGULATORY TRUST FUND PSC

G-L CAT	G-L ACCOUNT NAME	BEGINNING BALANCE
11100 000000	CASH ON HAND BALANCE BROUGHT FORWARD	200.00
12100 000000	UNRELEASED CASH IN STATE TREASURY BALANCE BROUGHT FORWARD	9,309,343.37
14100 000000	POOLED INVESTMENTS WITH STATE TREASURY BALANCE BROUGHT FORWARD	0.00
15300 000000 000500	INTEREST AND DIVIDENDS RECEIVABLE BALANCE BROUGHT FORWARD	0.00 0.00
	** GL 15300 TOTAL	0.00
27600 000000 000400 001800 040000 060000 060000 100021 103823 104474 105890 109910	FURNITURE AND EQUIPMENT BALANCE BROUGHT FORWARD EXPENSES OPERATING CAPITAL OUTLAY CF OPERATING CAPITAL OUTLAY ACQUISITION/MOTOR VEHICLES CATEGORY NAME NOT ON TITLE FILE CATEGORY NAME NOT ON TITLE FILE CATEGORY NAME NOT ON TITLE FILE STATE OPERATIONS-ARRA 2009	4,645,240.76 11,293.15- 327,359.37- 605,939.85- 775,864.40- 0.00 265,210.50 7,241.00 325,841.22- 1,580.00- 1,578.91
	** GL 27600 TOTAL	2,871,393.18
27700 000000 000400 001800 040000 060000 100021 103823 104474 105890 109910	ACC DEPR - FURNITURE & EQUIPMENT BALANCE BROUGHT FORWARD EXPENSES OPERATING CAPITAL OUTLAY ACQUISITION/MOTOR VEHICLES CATEGORY NAME NOT ON TITLE FILE CATEGORY NAME NOT ON TITLE FILE CATEGORY NAME NOT ON TITLE FILE STATE OPERATIONS-ARRA 2009	2,572,136.62- 11,293.15 243,343.60 1,943,283.52 95,274.42 325,471.49- 7,241.00- 321,044.69 1,415.44 109.65-
	** GL 27700 TOTAL	289,303.94-
31100 010000 010000 030000	ACCOUNTS PAYABLE SALARIES AND BENEFITS CF SALARIES AND BENEFITS OTHER PERSONAL SERVICES	0.00 18,343.10- 0.00

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G-L CAT	G-L ACCOUNT NAME	BEGINNING BALANCE
030000	CF OTHER PERSONAL SERVICES	4,630.00-
040000	EXPENSES	0.00
040000	CF EXPENSES	15,129.19-
100777	CONTRACTED SERVICES	0.00
100777	CF CONTRACTED SERVICES	3,114.97-
210014	OTHER DATA PROCESSING SVCS	0.00
210014	CF OTHER DATA PROCESSING SVCS	4,017.50-
	** GL 31100 TOTAL	45,234.76-
31120	ACCOUNTS PAYABLE OVERSTATED	
060000	OPERATING CAPITAL OUTLAY	0.00
35300	DUE TO OTHER DEPARTMENTS	
000000	BALANCE BROUGHT FORWARD	0.00
010000	SALARIES AND BENEFITS	0.00
040000	EXPENSES	0.00
040000	CF EXPENSES	15,380.33-
100777	CONTRACTED SERVICES	0.00
210014	OTHER DATA PROCESSING SVCS	0.00
	** GL 35300 TOTAL	15,380.33-
35600	DUE TO GENERAL REVENUE	
000000	BALANCE BROUGHT FORWARD	0.00
310322	SERVICE CHARGE TO GEN REV	34,830.70-
	** GL 35600 TOTAL	34,830.70-
38500	INSTALLMENT PURCHASE CONTRACTS	
000000	BALANCE BROUGHT FORWARD	0.00
38600	CURRENT COMPENSATED ABSENCES LIABILITY	
000000	BALANCE BROUGHT FORWARD	811,935.40-
48500	INSTALLMENT PURCHASE CONTRACTS	
000000	BALANCE BROUGHT FORWARD	0.00
48600	COMPENSATED ABSENCES LIABILITY	
000000	BALANCE BROUGHT FORWARD	2,064,616.02-
51100	GENERAL LEDGER NAME NOT ON FILE	
000000	BALANCE BROUGHT FORWARD	2,028,147.71
040000	EXPENSES	6,729.05-
060000	OPERATING CAPITAL OUTLAY	1,260,247.47-
100021	ACQUISITION/MOTOR VEHICLES	757,312.39-
103823	CATEGORY NAME NOT ON TITLE FILE	332.28-
104474	CATEGORY NAME NOT ON TITLE FILE	1,947.61-
109910	STATE OPERATIONS-ARRA 2009	1,578.91-
	** GL 51100 TOTAL	0.00

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610000 PUBLIC SERVICE COMMISSION
50 2 573003 REGULATORY TRUST FUND PSC

G-L CAT	G-L ACCOUNT NAME	BEGINNING BALANCE
53600 000000	INVESTED IN CAPITAL ASSETS NET OF RELA BALANCE BROUGHT FORWARD	2,582,089.24-
53900 000000	NET ASSETS UNRESTRICTED BALANCE BROUGHT FORWARD	6,337,546.16-
94100 040000	ENCUMBRANCES CF EXPENSES	548.86
98100 040000	BUDGETARY FND BAL RESERVED/ENCUMBRANCE CF EXPENSES	548.86-
	*** FUND TOTAL	0.00

BEGINNING TRIAL BALANCE BY FUND
JULY 01, 2011

610000 PUBLIC SERVICE COMMISSION
74 1 000331 PUBLIC SERVICE COMMISSION GENERAL REVENUE

G-L CAT	G-L ACCOUNT NAME	BEGINNING BALANCE
54900 000000	ASSIGNED FUND BALANCE BALANCE BROUGHT FORWARD	0.00
	*** FUND TOTAL	0.00

BEGINNING TRIAL BALANCE BY FUND
JULY 01, 2011

610000 PUBLIC SERVICE COMMISSION
74 8 001001 FPSC TRAVEL REIMBURSEMENT REVL FUND

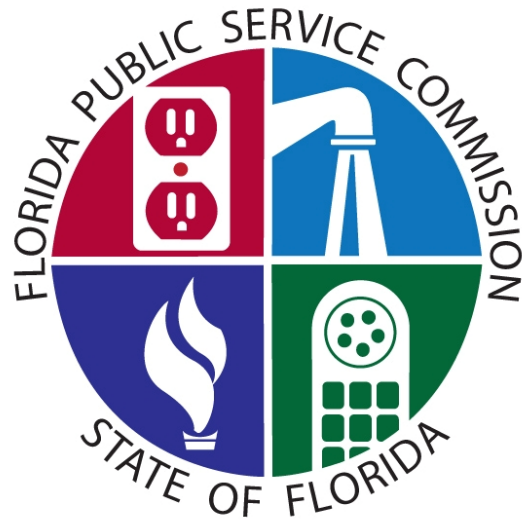
G-L CAT	G-L ACCOUNT NAME	BEGINNING BALANCE
16800 000000	DUE FROM STATE FUNDS - REVOLVING FUND BALANCE BROUGHT FORWARD	0.00
	*** FUND TOTAL	0.00

BEGINNING TRIAL BALANCE BY FUND
JULY 01, 2011

610000 PUBLIC SERVICE COMMISSION
74 8 001002 FPSC PETTY CASH FUND

G-L CAT	G-L ACCOUNT NAME	BEGINNING BALANCE
16800 000000	DUE FROM STATE FUNDS - REVOLVING FUND BALANCE BROUGHT FORWARD	0.00
45100 000000	ADVANCES FROM OTHER FUNDS BETWEEN DEPA BALANCE BROUGHT FORWARD	0.00
	*** FUND TOTAL	0.00 E

Florida Public Service Commission



Schedule I Series

SCHEDULE I – REQUIRED NARRATIVES

Budget Period: 2012-13

Agency: Florida Public Service Commission (PSC)

Trust Fund: Regulatory Trust Fund

Fund No.: 2573

5% Trust Fund Reserve:

The PSC's Regulatory Trust Fund receives no revenues, other than the Federal ARRA funds, that are excluded in the General Policy Guidelines section of the Legislative Budget Instructions. There is no negative impact of establishing the reserve in this LBR. Revenues are collected primarily only twice per year, but the majority of expenditures are paid out monthly (salaries/benefits make up the largest single amount, plus other routine costs of doing business) or quarterly (rent to DMS). Therefore, the trust fund balance must be sufficient to allow for this uneven cash flow.

FY 11-12 total revenue	\$26,969,039
Less 8% Service Charge to GR	(2,129,523)
Less ARRA Federal Funds	(350,000)
Less Operating Transfer to DMS STW Contract	<u>(99,711)</u>
Total Revenue Subject to 5% Reserve Calculation	<u>\$24,389,805</u>
Multiplied by 5%	<u>.05</u>
Total 5% Reserve for Regulatory Trust Fund	<u>\$ 1,219,490</u>

Section III Adjustments:

Adjustments are included for FY 2010-11 as listed on the "Reconciliation of Schedule IC to Agency Trial Balance" form.

Revenue Estimating Methodology:

The trust fund's primary revenues are from the regulatory assessment fees (RAFs) charged to the utilities regulated by the PSC. Maximum allowable rates are established in Florida Statutes, and actual assessable rates, up to the statutory cap, are established by PSC rule in the Florida Administrative Code. RAFs are computed on the utility companies' gross operating revenues derived from intrastate business, which must be estimated for the current year (Column A02) and the request year (Column A03). The PSC's revenue forecast is based on company projections, where available, and past year growth rates where not available. The projections also take into account relevant developments in the various industries that will affect RAFs.

The 2011-2012 investor-owned electric RAF revenues were based on company revenue projections. Historically, the PSC's RAF revenue projections for municipal electrics were based on the revenue trend of the investor-owned utilities. However, since municipal electrics have

shown continual growth in revenue since 2005, this trend was not applied to the municipal electric utilities. For 2011, RAF revenues from municipal electrics were assumed to remain at the 2010 RAF revenue level rather than reflect the downward trend projected by the electric investor-owned utilities. To calculate the projected 2012-2013 investor-owned electric RAF revenues, company projections were used for the first half of the year. The RAF revenue for the second half of the year was based on projected growth rates. Municipal electric 2012-2013 RAF revenues were based on the projected growth rate of the investor-owned utilities.

With respect to the investor-owned gas utilities, 2011-2012 RAF revenues estimates were based on company projections for all but one utility. The PSC projected the RAF revenues for this small utility based on a five year average. To calculate the projected 2012-2013 investor-owned electric RAF revenues, company projections were used for the first half of the year. The RAF revenue projections for the second half of the year were based on historical growth rates.

As for the municipal gas and gas districts, the 2011-2012 RAF revenue projections were derived by applying the combined growth rate of the investor-owned gas utilities to the 2010 actual revenues for the gas municipals and districts. To calculate the 2012-2013 municipal and gas district RAF revenue projections, the combined growth rate for the investor-owned gas utilities was applied to the projected 2011-2012 RAF revenues. The Commission now has a gas pipeline under its jurisdiction. The 2011-2012 and 2012-2013 RAF revenues projections are based on company projections.

Telecommunications companies' revenues have been decreasing mainly due to a loss of secondary access lines and losses of access lines to competitors and wireless companies that do not pay RAFs. The 2011-2012 RAFs are expected to decline based on the actual historical decline in RAF revenues and a review of the actual revenues for 2010. This same negative growth is expected to continue in 2012-2013. In addition, RAFs are declining due to the loss of jurisdiction over interchange carriers.

Despite the inclusion of moderate projected growth, the water and wastewater industry revenue forecast for 2011-2012 shows a reduction because of the sale of several utilities to governmental entities. The projections for 2011-2012 have been reduced for all known sales to government entities. The projections also reflect the impact of interim and final rate increases approved by the Commission during the last half of 2010 and the first half of 2011. The remaining systems are predicted to grow at a slower rate for 2011 than in prior years. The 2011-2012 projection uses a slightly higher growth rate than for 2011.

The revenue estimates are the latest we have available, but we will be monitoring and looking at the revenues again after our January 2012 collections.

Computing Distribution of Cost for General Management and Administrative Services:

Indirect costs for purposes of the Schedule IA are derived from the People First time accounting component based on work hour "charge objects."

SCHEDULE 1A: DETAIL OF FEES AND RELATED PROGRAM COSTS

Department: 61 Public Service Commission **Budget Period: 2012-13**
Program: Commissioners & Admin. Services and Utility Regulation & Consumer Assistance
Fund: 2573 Regulatory Trust Fund
Specific Authority: Sections 350.113, 364.336, 366.14, 367.145, 368.109, 403 and 427 F.S.
Purpose of Fees Collected: To fund the cost of regulating Telecommunications Companies, Electric and Gas Utilities, and Water & Wastewater Companies as required by Chapters 350, 364, 366, 367, 368, 403, 427 Florida Statutes.

Type of Fee or Program: (Check **ONE** Box and answer questions as indicated.)

<input checked="" type="checkbox"/>	Regulatory services or oversight to businesses or professions (Complete Sections I, II, and III and attach Examination of Regulatory Fees Form - Part I and II.)
<input type="checkbox"/>	Non-regulatory fees authorized to cover full cost of conducting a specific program or service. (Complete Sections I, II, and III only.)

SECTION I - FEE COLLECTION

	<u>ACTUAL FY 2010 - 11</u>	<u>ESTIMATED FY 2011 - 12</u>	<u>REQUEST FY 2012 - 13</u>
Receipts:			
Regulatory Assessment Fees	\$30,316,598	\$26,449,039	\$26,363,403
Filing / Recording Fees	84,088	150,000	150,000
Total Fee Collection to Line (A) - Section III	\$30,400,686	\$26,599,039	\$26,513,403

SECTION II - FULL COSTS

Direct Costs:			
Salaries and Benefits	\$17,259,245	\$15,414,551	\$15,176,679
Other Personal Services	94,043	157,943	157,943
Expenses	2,812,163	3,002,923	2,965,731
Operating Capital Outlay	205,808	209,606	202,837
Motor Vehicles	-	56,736	56,736
Administrative Hearings	-	-	-
Contracted Services	273,726	395,908	377,510
Risk Management	78,414	65,025	65,025
Transfer to DMS for HR Outsourcing	91,357	78,583	77,461
Data Processing Services	50,116	55,555	83,459
Refunds to utilities for overpayments	5,416	15,748	15,748
General Revenue Service Charge (8%)	2,427,642	2,129,523	2,122,672
Indirect Costs Charged to Trust Fund	5,634,937	5,247,993	5,174,162
Total Full Costs to Line (B) - Section III	28,932,868	26,830,094	26,475,963

Basis Used: People First Time Accounting System

SECTION III - SUMMARY

TOTAL SECTION I	(A)	\$30,400,686	\$26,599,039	\$26,513,403
TOTAL SECTION II	(B)	\$28,932,868	\$26,830,094	\$26,475,963
TOTAL - Surplus/Deficit	(C)	\$1,467,818	(\$231,055)	\$37,440

EXPLANATION of LINE C:

The PSC has a sufficient cash balance to cover the current FY 2011-12 deficit between projected revenues and projected expenditures. Additionally, our LBR includes a reduction of 3 FTE for FY 2012-13. These positions will be held vacant in order to offset the shortfall. Any further sweeping of the PSC Trust Fund jeopardizes our continued ability to meet our fiscal obligations.

Schedule IA - Part I: Examination of Regulatory Fees

Department: Florida Public Service Commission (PSC)

Regulatory Service to or Oversight of Businesses or Professions Program: Utility Regulation and Consumer Assistance

- 1. What recent operational efficiencies have been achieved to either decrease costs or improve services? If costs have been reduced, how much money has been saved during the fiscal year?**

Effective July 1, 2011, the PSC gave up another 27 FTE and \$2,034,052 budget, which has resulted in remaining staff having to absorb the duties and responsibilities formerly belonging to those positions.

- 2. What additional operational efficiencies are planned? What are the estimated savings associated with these efficiencies during the next fiscal year?**

The PSC continues to scrutinize its operations to identify any additional possible innovations and improvements that can be made to achieve further efficiencies, and will take appropriate action to implement any identified measures.

- 3. Is the regulatory activity an appropriate function that the agency should continue at its current level?**

Yes.

- 4. Are the fees charged for the regulatory service or oversight to businesses or professions based on revenue projections that are prepared using generally accepted governmental accounting procedures or official estimates by the Revenue Estimating Conference, if applicable?**

Yes, the PSC's revenue projections are based on sound econometric forecasting techniques, using historical growth rates with adjustments for known developments in the utility industries. The PSC's primary revenues are from regulatory assessment fees (RAFs) charged to the utilities regulated by the PSC. Maximum allowable rates are established in Florida Statutes, and actual assessable rates, up to the statutory cap, are established by the PSC by rule. RAFs are based on the utility companies' gross operating revenues derived from intrastate business, which must be estimated for the current year and the budget request year. The Commission adjusts/updates the projections during the year as factors affecting utility revenues change.

- 5. Are the fees charged for the regulatory service or oversight to businesses or professions adequate to cover both direct and indirect costs of providing the regulatory service or oversight?**

Yes.

- 6. Are the fees charged for the regulatory service or oversight to businesses or professions reasonable and do they take into account differences between the types of professions or businesses that are regulated? For example, do fees reflect the amount of time required to conduct inspections by using a sliding scale for annual fees based on the size of the regulated business; or do fees provide a financial incentive for regulated entities to maintain compliance with state standards by assessing a re-inspection fee if violations are found at initial inspection?**

Yes, the fees are reasonable and take into account the different utility industries that are regulated (see *Regulatory Fees Form – Part II* for details of the various regulated industries' statutory fee caps and current assessable fees).

- 7. If the fees charged for the regulatory services or oversight to businesses or professions are not adequate to cover direct and indirect program costs provide either:**

- a) information regarding alternatives for realigning revenues or costs to make the regulatory service or program totally self-sufficient, including any statutory changes that are necessary to implement the alternative; or
- b) demonstrate that the service or program provides substantial benefits to the public which justify a partial subsidy from other state funds, specifically describing the benefits to the general public (statements such as 'providing consumer benefits' or 'promoting health, safety and welfare' are not sufficient justification). For example, the program produces a range of benefits to the general public, including pollution reduction, wildlife preservation, and improved drinking water supply. Alternatively, the agency can demonstrate that requiring self-sufficiency would put the regulated entity at an unfair advantage. For example, raising fees sufficiently to cover program costs would require so high an assessment as to damage its competitive position with similar entities in other states.

N/A. The fees do cover both the direct and indirect costs of regulation and oversight by the PSC.

- 8. If the regulatory program is not self-sufficient and provides a public benefit using state subsidization, please provide a plan for reducing the state subsidy.**

N/A. The PSC's Utility Regulation/Consumer Assistance regulatory program is self-sufficient and receives no state subsidization.

Schedule IA - Part II: Examination of Regulatory Fees

Department: **Florida Public Service Commission (PSC)**

Regulatory Service to or Oversight of Business or Profession Program: **Utility Regulation/Consumer Assistance**

Does Florida Statutes require the regulatory program to be financially self-sufficient? (Yes or No and F.S.): **Yes; s.350.113, F.S.**

What percent of the regulatory cost is currently subsidized? (0 to 100%) **0%**

If the program is subsidized from other state funds, what is the source(s)? **N/A**

What is the current annual amount of the subsidy? **\$0.00**

Service / Product Regulated	Specific Fee Title	Statutory Authority for Fee	Maximum Fee Authorized (cap)	Year of Last Statutory Revision to Fee	Is Fee Set by Rule? (Yes or No)	Current Fee Assessed	Fund Fee Deposited in (indicate General Revenue or Specific Trust Fund)
Investor-owned Electric Utility Companies	Regulatory Assessment Fee	366.14(1), F.S.	0.125% of Gross Operating Revenues Derived from Intrastate Business	New 1989; No change	Yes	0.072% of Gross Operating Revenue Derived from Intrastate Business	PSC Regulatory Trust Fund
Municipal Electric Utilities and Rural Electric Cooperatives	Regulatory Assessment Fee	366.14(4), F.S.	0.015625% of Gross Operating Revenues Derived from Intrastate Business	New 1989; No change	Yes	0.015625% of Gross Operating Revenue Derived from Intrastate Business	PSC Regulatory Trust Fund
Investor-owned Gas Utility Companies	Regulatory Assessment Fee	366.14(2), F.S.	0.5% of Gross Operating Revenues Derived from Intrastate Business	New 1989; No change	Yes	0.5% of Gross Operating Revenue Derived from Intrastate Business	PSC Regulatory Trust Fund
Municipal Gas Utilities and Gas Districts	Regulatory Assessment Fee	366.14(3), F.S.	0.25% of Gross Operating Revenues Derived from Intrastate Business	New 1989; No change	Yes	0.1919% of Gross Operating Revenue Derived from Intrastate Business	PSC Regulatory Trust Fund
Telecommunications Companies	Regulatory Assessment Fee	364.336, F.S.	0.25% of Gross Operating Revenues Derived from Intrastate Business	New 1990; No change	Yes	0.2% of Gross Operating Revenues Derived from Intrastate Business	PSC Regulatory Trust Fund
Water and Wastewater Systems	Regulatory Assessment Fee	367.145(1), F.S.	4.5% of Gross Operating Revenues Derived from Intrastate Business	New 1989; No change	Yes	4.5% of Gross Operating Revenues Derived from Intrastate Business	PSC Regulatory Trust Fund

SCHEDULE IC: RECONCILIATION OF UNRESERVED FUND BALANCE

Department Title:	Budget Period: 2012 - 2013
Trust Fund Title:	Public Service Commissi
Budget Entity:	Regulatory Trust Fund
LAS/PBS Fund Number:	61 - Public Service Commission
	2573

	Balance as of 6/30/2011		SWFS* Adjustments	Adjusted Balance
Chief Financial Officer's (CFO) Cash Balance	\$9,309,343	(A)		\$9,309,343
ADD: Other Cash (See Instructions)	200	(B)		200
ADD: Investments		(C)		
ADD: Outstanding Accounts Receivable		(D)		
ADD: _____		(E)		
Total Cash plus Accounts Receivable	\$9,309,543	(F)		\$9,309,543
LESS Allowances for Uncollectibles		(G)		
LESS Approved "A" Certified Forwards	(60,615)	(H)		(60,615)
Approved "B" Certified Forwards	(549)	(H)		(549)
Approved "FCO" Certified Forwards		(H)		
LESS: Other Accounts Payable (Nonoperating)	(34,831)	(I)		(34,831)
LESS: _____		(J)		
Unreserved Fund Balance, 07/01/11	\$9,213,548	(K)		\$9,213,548 **

Notes:

*SWFS = Statewide Financial Statement

** This amount should agree with Line I, Section IV of the Schedule I for the most recent completed fiscal year and Line A for the following year.

RECONCILIATION: BEGINNING TRIAL BALANCE TO SCHEDULE I and IC

Department Title:	Budget Period: 2012 - 2013 Public Service Commission
Trust Fund Title:	Regulatory Trust Fund
LAS/PBS Fund Number:	2573

BEGINNING TRIAL BALANCE:

Total Fund Balance Per FLAIR Trial Balance, 07/01/11	
Total all GLC's 5XXXX for governmental funds; GLC 539XX for proprietary and fiduciary funds	6,337,546 (A)
Subtract Nonspendable Fund Balance (GLC 56XXX)	
Add/Subtract Statewide Financial Statement (SWFS) Adjustments :	
SWFS Adjustment # and Description	2,875,453 (C)
SWFS Adjustment # and Description	
Add/Subtract Other Adjustment(s):	
Approved "B" Carry Forward (Encumbrances) per LAS/PBS	549 (D)
Approved "C" Carry Forward Total (FCO) per LAS/PBS	
A/P not C/F-Operating Categories	
ADJUSTED BEGINNING TRIAL BALANCE:	9,213,548 (E)
UNRESERVED FUND BALANCE, SCHEDULE IC (Line I)	9,213,548 (F)
DIFFERENCE:	0 (G)*

***SHOULD EQUAL ZERO.**

**PSC Regulatory TF
Reconciliation of Sch I-C to Agency Trial Balance**

Description	Amt per TB	Amt per I-C	Reconciling Amt
GL 11100	200	200	0
GL 12100	9,309,343	9,309,343	0
GL 27600	2,871,393	0	(2,871,393)
GL 27700	(289,304)	0	289,304
GL 31100	(45,235)	(45,235)	0
GL 35300	(15,380)	(15,380)	0
GL 35600	(34,831)	(34,831)	0
GL 38600	(811,935)	0	811,935
GL 48600	(2,064,616)	0	2,064,616
GL 53600	(2,582,089)	0	2,582,089
Encumbrances	0	(549)	(549)
TOTAL	6,337,546	9,213,548	2,876,002
Unreserved Fund Balance per TB (GL 53900)			6,337,546
Reconciled Amount			<u>9,213,548</u>

Schedule 1 Adjustment

Compensated Absences Balance	811,935
Depreciation adjustment	<u>(271,999)</u>
Schedule 1 Adjustment total	<u>539,936</u>