

Public Utilities Commission

Fiscal Year 2026 Budget Brief Detail

Information contained in this document is based on the Governor's FY2026 Budget and may not correspond with the final budget adopted by the Legislature.

Major Items Summary - Public Utilities Commission

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$750,783	\$415,936	\$4,151,343	\$5,318,062	31.2	\$750,783	\$415,936	\$4,151,343	\$5,318,062	31.2
1. Employee Benefit Inflation	\$0	\$0	\$0	\$0	0.0	\$0	\$0	\$0	\$0	0.0
2. Fund Swap for Consumer Affairs FTE	\$319,060	\$0	(\$319,060)	\$0	0.0	\$0	\$0	\$0	\$0	0.0
3. Fund Swap to fill FTE vacancy	\$197,050	\$0	(\$197,050)	\$0	0.0	\$0	\$0	\$0	\$0	0.0
FY 2026 Total Budget	\$1,266,893	\$415,936	\$3,635,233	\$5,318,062	31.2	\$750,783	\$415,936	\$4,151,343	\$5,318,062	31.2
Change from Base Budget	\$516,110	\$0	(\$516,110)	\$0	0.0	\$0	\$0	\$0	\$0	0.0
% Change from Base Budget	68.7%	0.0%	(12.4%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Public Utilities Commission Budget Request

By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$669,063	\$725,585	\$725,585	\$750,783	\$1,266,893	\$750,783	\$0
Federal	\$200,749	\$213,024	\$315,912	\$415,936	\$415,936	\$415,936	\$0
Other	\$3,183,263	\$3,513,601	\$4,286,580	\$4,151,343	\$3,635,233	\$4,151,343	\$0
Total	\$4,053,074	\$4,452,210	\$5,328,077	\$5,318,062	\$5,318,062	\$5,318,062	\$0
By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Public Utilities Commission (PUC)	\$4,053,074	\$4,452,210	\$5,328,077	\$5,318,062	\$5,318,062	\$5,318,062	\$0
Total	\$4,053,074	\$4,452,210	\$5,328,077	\$5,318,062	\$5,318,062	\$5,318,062	\$0
By Object Expenditure	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Personnel Costs	\$3,311,506	\$3,432,775	\$3,921,313	\$4,136,748	\$4,136,748	\$4,136,748	\$0
Salaries	\$2,674,041	\$2,761,458	\$3,140,616	\$3,293,529	\$3,293,529	\$3,293,529	\$0
Benefits	\$637,465	\$671,317	\$780,697	\$843,219	\$843,219	\$843,219	\$0
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$741,568	\$1,019,435	\$1,406,764	\$1,181,314	\$1,181,314	\$1,181,314	\$0
Travel	\$69,311	\$93,470	\$178,960	\$193,538	\$193,538	\$193,538	\$0

Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Contractual Services	\$610,919	\$855,067	\$1,144,512	\$901,354	\$901,354	\$901,354	\$0
Supplies	\$15,868	\$22,383	\$35,392	\$38,522	\$38,522	\$38,522	\$0
Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$44,372	\$43,305	\$44,400	\$44,400	\$44,400	\$44,400	\$0
Other Expenses and Budgeted Operating Transfers Out	\$1,097	\$5,211	\$3,500	\$3,500	\$3,500	\$3,500	\$0
Total	\$4,053,074	\$4,452,210	\$5,328,077	\$5,318,062	\$5,318,062	\$5,318,062	\$0
Full-Time Equivalent (FTE)	29.37	28.59	31.2	31.2	31.2	31.2	0.00

Reversions and Unutilized FTE (26)

	General	Federal	Other
Original Appropriation FY2024	\$667,883	\$295,999	\$3,507,853
Pool Distributions	\$54,325	\$18,780	\$251,725
Supplemental Changes	\$0	\$0	\$0
Agency Adjustments	\$3,377	\$1,133	\$527,002
Transfers	\$0	\$0	\$0
Reorganizations	\$0	\$0	\$0
Adjusted Appropriation FY2024	\$725,585	\$315,912	\$4,286,580
FY2024 Expenditures	\$725,585	\$213,024	\$3,513,601
Reversion of Authority	\$0	\$102,888	\$772,979
Unutilized FTE			2.6

Public Utilities Commission (PUC) (2610)

Major Items Summary: Public Utilities Commission (PUC) (2610)

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2026 Base Budget	\$750,783	\$415,936	\$4,151,343	\$5,318,062	31.2	\$750,783	\$415,936	\$4,151,343	\$5,318,062	31.2
1. Employee Benefit Inflation	\$0	\$0	\$0	\$0	0.0	\$0	\$0	\$0	\$0	0.0
2. Fund Swap for Consumer Affairs FTE	\$319,060	\$0	(\$319,060)	\$0	0.0	\$0	\$0	\$0	\$0	0.0
3. Fund Swap to fill FTE vacancy	\$197,050	\$0	(\$197,050)	\$0	0.0	\$0	\$0	\$0	\$0	0.0
FY 2026 Total Budget	\$1,266,893	\$415,936	\$3,635,233	\$5,318,062	31.2	\$750,783	\$415,936	\$4,151,343	\$5,318,062	31.2
Change from Base Budget	\$516,110	\$0	(\$516,110)	\$0	0.0	\$0	\$0	\$0	\$0	0.0
% Change from Base Budget	68.7%	0.0%	(12.4%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

1. Employee Benefit Inflation

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$0** in **federal funds** and an increase of **\$0** in **other fund** expenditure authority for shifting employee benefits to align authority with projected expenditures within the Pipeline Safety - Informational budget.

Then agency will shift a total of \$3,614 in federal funds from health insurance and OASI to retirement and unemployment expenses.

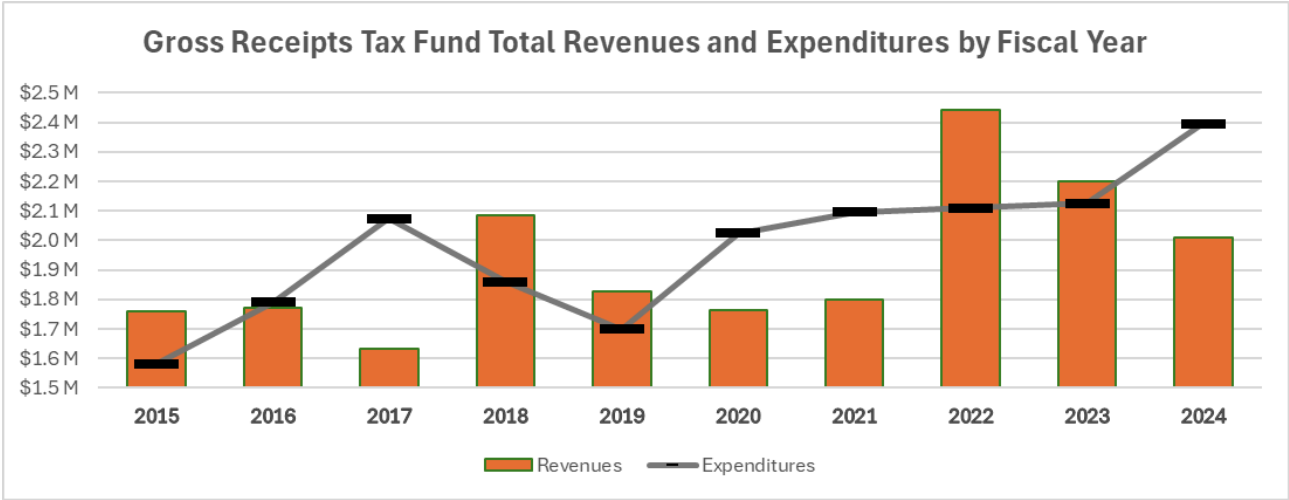
The agency will shift a total of \$44 in other funds from health insurance to retirement and OASI expenses.

2. Fund Swap for Consumer Affairs FTE

	General	Federal	Other	Total	FTE
Agency Request	\$319,060	\$0	(\$319,060)	\$0	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of **\$319,060** in **general funds** and a decrease of **(\$319,060)** in **other fund** expenditure authority for shifting 1.0 Consumer Affairs Manager FTE and 2.0 Consumer Affairs Representative FTE and related operational expenses from Gross Receipts Tax funds to general funds.

This request is due to the increasing number of issues the Consumer Affairs program receives beyond the commission's historical Gross Receipts Tax categories in addition to the decreasing Gross Receipts Tax (GRT) revenue the PUC receives. The Consumer Affairs program assists all South Dakota utility customers, not just investor-owned utility and telecommunications customers that are served by Gross Receipts Tax-paying companies. For example, the Consumer Affairs staff receive requests for assistance from customers, rural electric cooperative and municipal electric utility customers, energy efficiency matters, internet service customers, telephone solicitors, operating wind energy and pipeline facility matters, and One Call issues. The staff assists with these and customers of various other service providers that are exempt from paying the GRT. Therefore, the PUC is requesting a new funding source that more closely aligns with the issues handled by the current three Consumer Affairs FTEs. The declining GRT cash balance is a concern for the PUC’s Budget.



The 2022 spike in Gross Receipts Tax revenues was due to natural gas prices being unusually high due to extreme weather conditions, along with supply and demand and hedging practices of utilities. The PUC projects that telecom revenues will continue to decrease while gas and electric revenues are expected to be stable, yet expenditures are increasing.

Telecommunications companies and public utilities (as defined in 49-34A-1) are subject to pay the GRT based on their intrastate revenues. Telecom revenue has decreased due to the decrease in the number of landlines, which are taxable, and the fact that interstate wireless and broadband services are not taxable by the state according to federal law. The last time the maximum levy amount was increased was in 1982. The maximum levy amount is not more than 0.15% or \$250, whichever is greater upon the annual intrastate gross receipts derived by the public utility or telecommunications company from its customers within the State of South Dakota during the preceding calendar year.

The governor does not recommend this request.

3. Fund Swap to fill FTE vacancy

	General	Federal	Other	Total	FTE
Agency Request	\$197,050	\$0	(\$197,050)	\$0	0.00
Governor's Recommendation	\$0	\$0	\$0	\$0	0.00

The agency requests an increase of \$197,050 in general funds and a decrease of (\$197,050) in other fund expenditure authority for filling a vacant FTE position and switching the fund source from Gross Receipts Tax funds to general funds.

This FTE's duties will support Regional Transmission Operator (RTO) issues on behalf of the commission and state as an RTO Analyst.

RTOs are independent of all generation and power marketing interests and have exclusive responsibility for grids' operations, short-term reliability, and transmission service within a grid's region. The RTO work benefits all electric and natural gas utilities in South Dakota, including rural electric cooperatives and municipal utilities. South Dakota has utilities in three RTOs: Southwest Power Pool, Midcontinent Independent System Operator, and the Western Reliability Coordinator/Western Energy Imbalance Service.

This staff member will represent the interests of the state and its ratepayers, who the RTOs serve, and not just customers for companies that pay the Gross Receipts Tax. Although cooperatives and municipal electric systems are exempt from paying the Gross Receipts Tax, the position will advocate on behalf of these South Dakota customers while advocating on behalf of investor-owned customers, which the Public Utilities Commission regulates.

An analyst vacated this position in FY21. Due to the current analyst staff's significant experience and technical expertise and the PUC's declining cash balance in Gross Receipts Tax revenue, the PUC decided to delay filling this position due to the COVID-19 pandemic and an expected increase in work on RTO issues. The PUC currently has three staff sharing these RTO duties in addition to their current workload. According to the PUC, this model is no longer sustainable. Time spent on the RTO activities continues to increase due to the increasing actions and demands of the RTOs, key RTO decision-making, and advocacy on behalf of South Dakotans. There are three RTOs currently operation in the state with two more expected to begin operating in 2026. The RTOs are making critical decisions that affect South Dakotans, and thus, the PUC needs to interact with the RTOs in their mission to advocate for these customers while the other important PUC work continues.

This FTE will advocate and negotiate for efficiencies and lower costs for all South Dakota electric utilities and, by extension, South Dakota ratepayers. Not all utilities in the state pay Gross Receipts Tax. Due to the PUC's declining cash balance in Gross Receipts Tax and the fact that not all beneficiaries pay the Gross Receipts Tax, the PUC is requesting General Funds for this position.

The governor does not recommend this request.

Reversions and Unutilized FTE (2610)

	General	Federal	Other
Original Appropriation FY2024	\$667,883	\$295,999	\$3,507,853
Pool Distributions	\$54,325	\$18,780	\$251,725
Supplemental Changes	\$0	\$0	\$0
Agency Adjustments	\$3,377	\$1,133	\$527,002
Transfers	\$0	\$0	\$0
Reorganizations	\$0	\$0	\$0
Adjusted Appropriation FY2024	\$725,585	\$315,912	\$4,286,580
FY2024 Expenditures	\$725,585	\$213,024	\$3,513,601
Reversion of Authority	\$0	\$102,888	\$772,979
Unutilized FTE			2.6

Budget Request: Public Utilities Commission (PUC) (2610)

By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$669,063	\$725,585	\$725,585	\$750,783	\$1,266,893	\$750,783	\$0
Federal	\$200,749	\$213,024	\$315,912	\$415,936	\$415,936	\$415,936	\$0
Other	\$3,183,263	\$3,513,601	\$4,286,580	\$4,151,343	\$3,635,233	\$4,151,343	\$0
Total	\$4,053,074	\$4,452,210	\$5,328,077	\$5,318,062	\$5,318,062	\$5,318,062	\$0
By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Public Utilities Commission (PUC)	\$4,053,074	\$4,452,210	\$5,328,077	\$5,318,062	\$5,318,062	\$5,318,062	\$0
Total	\$4,053,074	\$4,452,210	\$5,328,077	\$5,318,062	\$5,318,062	\$5,318,062	\$0
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$3,311,506	\$3,432,775	\$3,921,313	\$4,136,748	\$4,136,748	\$4,136,748	\$0
Salaries	\$2,674,041	\$2,761,458	\$3,140,616	\$3,293,529	\$3,293,529	\$3,293,529	\$0
Benefits	\$637,465	\$671,317	\$780,697	\$843,219	\$843,219	\$843,219	\$0
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	\$741,568	\$1,019,435	\$1,406,764	\$1,181,314	\$1,181,314	\$1,181,314	\$0
Travel	\$69,311	\$93,470	\$178,960	\$193,538	\$193,538	\$193,538	\$0
Contractual Services	\$610,919	\$855,067	\$1,144,512	\$901,354	\$901,354	\$901,354	\$0
Supplies	\$15,868	\$22,383	\$35,392	\$38,522	\$38,522	\$38,522	\$0
Capital Outlay	\$44,372	\$43,305	\$44,400	\$44,400	\$44,400	\$44,400	\$0

Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Other Expenses and Budgeted Operating Transfers Out	\$1,097	\$5,211	\$3,500	\$3,500	\$3,500	\$3,500	\$0
Total	\$4,053,074	\$4,452,210	\$5,328,077	\$5,318,062	\$5,318,062	\$5,318,062	\$0
Full-Time Equivalent (FTE)	29.37	28.59	31.2	31.2	31.2	31.2	0.00

Funding Sources (Governor's Recommended)

	General	Federal	Other	General%	Federal%	Other%
STATE GENERAL FUND	\$750,783	\$0	\$0	100.0%	0.0%	0.0%
PIPELINE SAFETY ACCOUNT	\$0	\$415,936	\$0	0.0%	100.0%	0.0%
PUC OTHER FUNDS-BUDGETED	\$0	\$0	\$40,000	0.0%	0.0%	1.0%
PIPELINE SAFETY ACCOUNT	\$0	\$0	\$192,051	0.0%	0.0%	4.6%
GRAIN AND WAREHOUSE FUND	\$0	\$0	\$177,949	0.0%	0.0%	4.3%
GROSS RECEIPTS TAX FUND	\$0	\$0	\$2,913,290	0.0%	0.0%	70.2%
PUC REGULATORY ASSESSMENT FEE FUND	\$0	\$0	\$828,053	0.0%	0.0%	19.9%

Revenues and Statistics: Public Utilities Commission (PUC) (2610)

Revenues	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Estimated FY 2026
Warehouse\Grain Buyers Licenses, Fees & Penalties	\$150,853	\$105,947	\$106,000	\$106,000
Check-Off Inspections *	\$12,450	\$16,900	\$15,000	\$15,000
Warehouse Interest	\$2,433	\$6,438	\$13,318	\$8,000
Gross Receipts Tax	\$2,171,995	\$1,951,692	\$1,941,250	\$1,937,055
Telecommunications Application Fees	\$250	\$750	\$500	\$250
Gross Receipts Tax Interest Earned	\$24,649	\$57,958	\$97,782	\$45,000
Filing Fees**	\$593,253	\$963,860	\$600,000	\$775,000
Pipeline Safety--Federal Reimbursements	\$200,268	\$169,796	\$253,874	\$263,549
Pipeline Safety--Direct & General Reimbursements	\$98,080	\$168,754	\$108,803	\$112,950
Do Not Call Revenue	\$40,150	\$39,700	\$40,000	\$40,000
Do Not Call Interest Earned	\$519	\$959	\$1,566	\$1,200
Performance Indicators	Actual FY 2023	Actual FY 2024	Estimated FY 2025	Estimated FY 2026
Dockets Opened	122	124	146	146
Dockets Closed	134	116	142	142
Dollars Recovered for SD Consumers	11,160	26,425	28,000	30,000
Consumer Contacts Received	1,695	1,303	1,500	1,500
Grain Warehouse:				
Class A/Class B Grain Buyer Licenses *	191	369	369	369
State Warehouse Licenses	66	59	59	59
Federal Grain Storage Buyer Licenses	142	148	148	148
Pipeline:				
Pipeline Safety Inspection Days	126	165	165	165
Miles of Distribution Pipeline	5,268	5,367	5,400	5,500
Miles of Transmission Pipeline	304	304	305	305

Budget History

FY 2025 Budget		General	Federal	Other	Total	FTE
Removal of Excess Authority		\$0	\$0	(\$111)	(\$111)	0.00
Contract Inflation		\$0	\$0	\$62,080	\$62,080	0.00
Totals		\$0	\$0	\$61,969	\$61,969	0.00
Session 2024 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
		No Changes				
Totals		\$0	\$0	\$0	\$0	0.00
FY 2024 Budget		General	Federal	Other	Total	FTE
One-Call Board Transfer		\$0	\$0	(\$3,162)	(\$3,162)	0.00
One-Call Board Transfer		\$0	\$0	(\$1,296,354)	(\$1,296,354)	0.00
Totals		\$0	\$0	(\$1,299,516)	(\$1,299,516)	0.00
Session 2023 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
		No Changes				
Totals		\$0	\$0	\$0	\$0	0.00
FY 2023 Budget		General	Federal	Other	Total	FTE
Reduction of authority for Do Not Call Registry		\$0	\$0	(\$8,880)	(\$8,880)	0.00
Outreach expansion request		\$0	\$0	\$2,700	\$2,700	0.00
One Call individual requests		\$0	\$0	\$17,558	\$17,558	0.00
Leadership and Contractor inflation		\$0	\$0	\$114,918	\$114,918	0.00
Facility Cost increase		\$0	\$0	\$7,000	\$7,000	0.00
Totals		\$0	\$0	\$133,296	\$133,296	0.00
Session 2022 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
		No Changes				
Totals		\$0	\$0	\$0	\$0	0.00