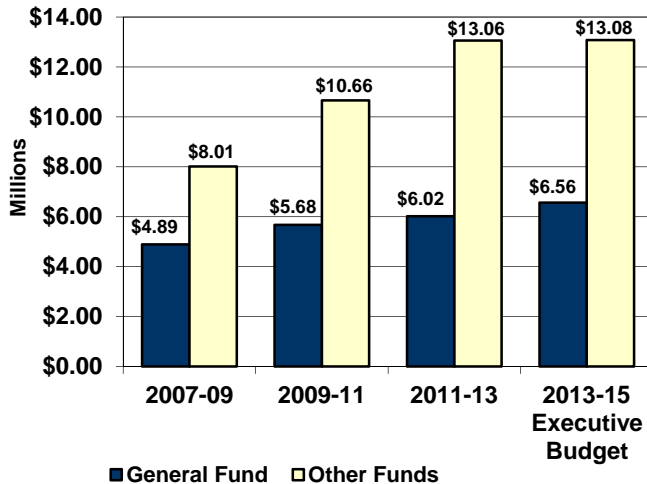


**Department 408 - Public Service Commission
 House Bill No. 1008**

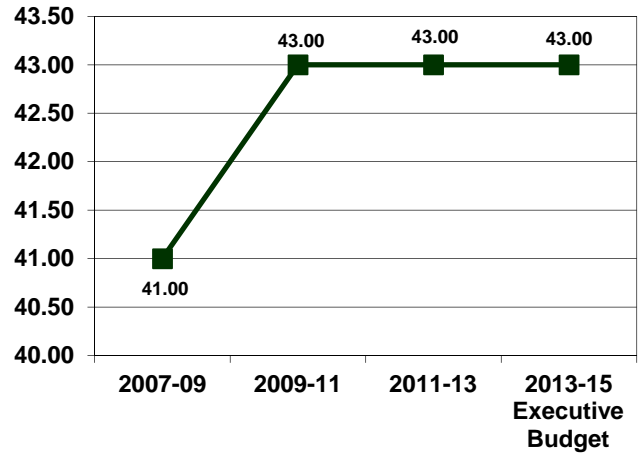
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	43.00	\$6,563,223	\$13,082,083	\$19,645,306
2011-13 Legislative Appropriations	43.00	6,020,215 ¹	13,061,648	19,081,863
Increase (Decrease)	0.00	\$543,008	\$20,435	\$563,443

¹The 2011-13 appropriation amounts do not include an allocation of \$3,600 from the general fund from the Office of Management and Budget for student internships.

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$6,553,143	\$10,080	\$6,563,223
2011-13 Legislative Appropriations	6,020,215	0	6,020,215
Increase (Decrease)	\$532,928	\$10,080	\$543,008

First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds one-time funding for hydraulic soil probe	\$10,080	\$17,920	\$28,000
2. Changes funding for FTE positions by			
Adding:			
1 FTE gas pipeline safety inspector	\$113,201	\$169,802	\$283,003
1 FTE public utility analyst III	\$199,345		\$199,345
Deleting:			
(1) FTE weights and measurement inspector I	(\$107,044)		(\$107,044)
(1) FTE weights and measurement inspector I	(\$101,113)		(\$101,113)
3. Adds funding for increased travel costs	\$54,956	\$11,199	\$66,155
4. Adds funding for additional legal fees to grain elevator insolvency cases and reclamation/abandoned mined lands lawsuits	\$86,000	\$64,000	\$150,000

5. Provides funding for state employee salary increases of which \$374,768 relates to performance increases and \$114,302 is for market equity adjustments. **The House added \$23,340 to correct the executive compensation package and reduced funding by \$197,894 relating to performance and market equity salary increases.** \$308,114 \$180,956 \$489,070

Other Sections in Bill

Section 3 - Public Service Commissioners' salaries - Provides the statutory changes necessary to increase the Public Service Commissioners' salaries as follows: **The House adjusted the Public Service Commissioners' salaries from a 4 percent increase to a 3 percent increase per year which would provide for salaries of \$98,479 on July 1, 2013, and \$101,433 on July 1, 2014.**

Annual salary authorized by the Legislative Assembly in 2011:

July 1, 2011	\$92,826
July 1, 2012	\$95,611

Proposed annual salary recommendation in the 2013-15 executive budget:

July 1, 2013	\$99,435
July 1, 2014	\$103,412

The executive recommendation provides funding for elected officials' salary increases equal to 4 percent of salaries effective July 1, 2013, and 4 percent effective July 1, 2014.

Section 4 - Added by the House, provides for a Legislative Management study of civil penalties

Section 5 - Added by the House, requires the Public Service Commission to transfer its information technology services to the Information Technology Department's secure data center

Section 6 - Provides a transfer of \$900,000 from the Bank of North Dakota beginning farmer revolving loan fund to the Public Service Commission to pay for costs associated with a rail rate complaint case. If any amount is spent, the Public Service Commission shall reimburse the beginning farmer revolving loan fund using amounts from damages or proceeds received, net of legal fees, from a successful outcome of a rail rate complaint case.

Section 7 - Added by the House, provides legislative intent that the Public Service Commission proceed to hire a gas pipeline safety inspector prior to June 30, 2013

Continuing Appropriations

Siting process expense recovery fund - North Dakota Century Code Section 49-22-22 - Siting process application fees received are deposited in the siting process expense recovery fund to pay expenses incurred in the siting process.

Credit-sale contract indemnity fund - Sections 60-10-02 and 60-02-19.1 - An assessment is placed on the value of all grain sold in this state under a credit-sale contract, which is submitted by the licensee purchasing the grain to the Public Service Commission for reimbursement to any person who sold grain under a credit-sale contract and who was not fully compensated in accordance with the contract and associated administration costs.

Performance assurance fund - Section 49-21-31 - The performance assurance plan is a component of Qwest's performance assurance plan to provide long-distance service. Money received by the Public Service Commission under the performance assurance plan is to be deposited in the performance assurance fund until the balance equals \$100,000. The money in the fund may be used by the Public Service Commission to monitor the operation and effect of the performance assurance plan.

Utility valuation expense recovery - Section 49-05-04 - Any public utility requesting an increase in its rates above the maximum approved or prescribed by the commission shall furnish the commission the required documents and an application fee in the amount of \$125,000. Upon request of the commission and with the approval of the emergency commission, the applicant shall pay such additional fees as are reasonably necessary for completion of the application process by the commission. The commission shall pay the expenses of investigating a rate increase application under this section from the application fee paid by the public utility in accordance with Section 49-02-02. The commission may waive or reduce the fee.

Significant Audit Findings

There have been no significant audit findings for this agency.

Major Related Legislation

Senate Bill No. 2112 - Increases public utility application fees

Senate Bill No. 2239 - Amends Section 49-22-04 requiring utility companies to submit a 10-year plan to the Public Service Commission and update the plan every second year after its initial submission

ATTACH:1

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Funding Summary

	Executive Budget	House Changes	House Version
Public Service Commission			
Salaries and wages	\$8,659,244	(\$402,619)	\$8,256,625
Operating expenses	1,977,397		1,977,397
Capital assets	88,665	(37,500)	51,165
Grants	20,000		20,000
Abandoned mined lands contractual	8,000,000		8,000,000
Rail rate complaint case	900,000		900,000
Accrued leave payments	<u> </u>	<u>168,278</u>	<u>168,278</u>
Total all funds	\$19,645,306	(\$271,841)	\$19,373,465
Less estimated income	<u>13,082,083</u>	<u>(86,824)</u>	<u>12,995,259</u>
General fund	\$6,563,223	(\$185,017)	\$6,378,206
FTE	43.00	0.00	43.00
Bill Total			
Total all funds	\$19,645,306	(\$271,841)	\$19,373,465
Less estimated income	<u>13,082,083</u>	<u>(86,824)</u>	<u>12,995,259</u>
General fund	\$6,563,223	(\$185,017)	\$6,378,206
FTE	43.00	0.00	43.00

House Bill No. 1008 - Public Service Commission - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$8,659,244	(\$402,619)	\$8,256,625
Operating expenses	1,977,397		1,977,397
Capital assets	88,665	(37,500)	51,165
Grants	20,000		20,000
Abandoned mined lands contractual	8,000,000		8,000,000
Rail rate complaint case	900,000		900,000
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Less estimated income	<u>13,082,083</u>	<u>(86,824)</u>	<u>12,995,259</u>
General fund	\$6,563,223	(\$185,017)	\$6,378,206
FTE	43.00	0.00	43.00

Department 408 - Public Service Commission - Detail of House Changes

	Corrects Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Provides Separate Line Item for Accrued Leave Payments³	Removes Funding for Capital Assets⁴	Total House Changes
Salaries and wages	23,340	(257,681)	(168,278)		(402,619)
Operating expenses					
Capital assets				(37,500)	(37,500)
Grants					
Abandoned mined lands contractual					
Rail rate complaint case					
Accrued leave payments			168,278		168,278
Total all funds	\$23,340	(\$257,681)	\$0	(\$37,500)	(\$271,841)
Less estimated income	8,636	(95,460)	0	0	(86,824)
General fund	\$14,704	(\$162,221)	\$0	(\$37,500)	(\$185,017)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is added due to a calculation error in the executive compensation package.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³ A portion of salaries and wages funding from the general fund (\$105,071) and from other funds (\$63,207) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴ This amendment removes the funding for disk upgrades and the GIS server.

This amendment also:

- Adds a section of legislative intent and an emergency clause to allow the Public Service Commission to fill the pipeline safety inspector position that was repurposed from a weights and measures position in the executive budget prior to the 2013-15 biennium.
- Provides for a Legislative Management study of civil penalties.
- Requires the Public Service Commission to transfer its appropriate information technology hardware to the Information Technology Department secure data center.
- Changes Section 3 to reduce the Public Service Commissioners' annual salary increases from 4 to 3 percent.