

**Public Service Commission
Budget No. 408
Senate Bill No. 2008**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriation	43.00	\$6,714,928	\$12,608,476	\$19,323,404
2017-19 legislative appropriation	<u>45.00</u>	<u>6,630,762</u>	<u>12,421,016</u>	<u>19,051,778</u>
2019-21 appropriation increase (decrease) to 2017-19 appropriation	(2.00)	\$84,166	\$187,460	\$271,626

Item Description

FTE positions - The 2019 Legislative Assembly authorized 43 FTE positions, a decrease of 2 FTE positions from the 2017-19 biennium authorized level of 45 FTE positions. The Public Service Commission (PSC) transferred 2 FTE positions along with the grain licensing inspection program to the Agriculture Commissioner.

Grain licensing - The 2019 Legislative Assembly removed 2 FTE grain licensing inspector positions and related funding (\$388,725) from the PSC and appropriated \$100,000 of special funds to be received from the Agriculture Commissioner for continuing to provide legal services related to grain insolvency litigation initiated prior to July 1, 2019. In Senate Bill No. 2009 (2019), the Legislative Assembly authorized 3 FTE grain licensing inspector positions (\$683,006) and 1 FTE accounting budget specialist position (\$170,493), and amended various sections of Century Code, to transfer regulatory responsibilities for grain, grain buyers, warehousing, deposits, and warehousemen from the PSC to the Agriculture Commissioner.

Railroad safety pilot program and railroad inspection study - The 2019 Legislative Assembly amended Section 57-43.2-19 to continue the deposit of special fuels taxes into the rail safety fund through June 30, 2021, and changes the amount deposited from \$285,000 per year to \$294,509 per year. The Legislative Assembly also required the PSC to study technology available to create efficiencies to reduce costs for railroad equipment and track inspections and requires the commission to report its findings and any related budget recommendations to the Appropriations Committees of the 67th Legislative Assembly.

Rail rate complaint case - The 2019 Legislative Assembly provided for a transfer of \$900,000 from the Bank of North Dakota's beginning farmer revolving loan fund to the PSC to pay for costs associated with a rail rate complaint case. If any amount is spent, the commission is to reimburse the beginning farmer revolving loan fund using the amount from damages or proceeds, net of legal fees, received from a successful outcome of a rail rate complaint case.

Status/Result

The 2 FTE positions related to the grain licensing inspection program were transferred to the Agriculture Commissioner on July 1, 2019.

The grain licensing program was transferred to the Agriculture Commissioner on July 1, 2019. Actual expenses for the grain insolvency litigation as of March 31, 2020, are \$65,453 and a court hearing is scheduled for June 16-18, 2020. Depending on the outcome and timing, payments are anticipated to be made in the 4th quarter of fiscal year 2020.

The rail safety fund balance on June 30, 2019, was \$133,337 and as of March 31, 2020, the fund balance was \$223,594. Any unexpended funds at the end of a biennium are retained in the fund.

The PSC's study of technology available to create efficiencies to reduce costs for railroad equipment and track inspections has found several entities developing enhanced track inspection technologies, the use of unmanned aircraft systems (UAS), and nondestructive inspection processes for inspection of railroad subgrades. The commission anticipates reporting the study findings to the 67th Legislative Assembly.

A rail rate complaint case has not been filed. The PSC believes readily accessible funding to pursue regulatory relief against the railroad industry has limited abusive rail industry practices.

Specialized legal services - The 2019 Legislative Assembly appropriated \$430,000 for specialized legal services, of which \$336,000 is one-time funding from federal funds, \$64,000 is ongoing funding from federal funds, and \$30,000 is from the general fund.

As of March 31, 2020, the PSC has spent \$7,188 for specialized legal services.