

**Public Service Commission
Budget No. 408
Senate Bill No. 2008, House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2007-09 executive budget (bills as introduced)	42.00	\$4,903,183	\$8,005,382	\$12,908,565
2007-09 legislative appropriations	41.00	4,873,459¹	8,003,309	12,876,768
Legislative increase (decrease) to executive budget	(1.00)	(\$29,724)	(\$2,073)	(\$31,797)
Legislative increase (decrease) to 2005-07 appropriations	0.00	\$510,622	\$1,066,158	\$1,576,780

¹This amount includes \$89,484 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$4,783,975.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Public Service Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2189.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Reduced funding recommended in the executive budget relating to retiree health credit contributions		(\$3,981)	(\$2,073)	(\$6,054)
Added funding for a prover to be used to test high-flow retail dispensers		30,484		30,484
Removed 1 FTE weights and measures inspector position and related funding for salaries and wages (\$83,882) and operations (\$36,945)	(1.00)	(120,827)		(120,827)
Added \$64,600 of funding for costs to continue the state metrology program and provided that \$30,000 of funding, included in the executive budget to have weights and measures calibrated by Minnesota for National Institute of Standards and Technology-recognized services, instead be applied to costs necessary to maintain the state program		64,600		64,600
Authorized \$900,000, of which \$800,000 is from the beginning farmer revolving loan fund and \$100,000 from other funds for a rail rate complaint case (see Rail rate complaint case section below)				0
Total	(1.00)	(\$29,724)	(\$2,073)	(\$31,797)

FTE Changes

The 2007-09 biennium appropriation included funding for 41 FTE positions, the same as the 2005-07 biennium authorized level and a reduction of 1 FTE position from the executive recommendation. The Legislative Assembly removed 1 FTE weights and measures inspector position. The Legislative Assembly did not change the executive recommendation to add 1 FTE for the Geographic Information System (GIS) Initiative.

One-Time Funding

In Section 12 of Senate Bill No. 2008, the Legislative Assembly identified \$89,484 from the general fund for weights and measures equipment (\$39,000), videoconferencing equipment (\$20,000), and a prover (\$30,484) as one-time funding items. This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget and the Public Service Commission is to report to the Appropriations Committees during the 2009 legislative session on the use of this funding.

Other Sections in Senate Bill No. 2008

Rail rate complaint case - Section 4 authorizes \$800,000 from the beginning farmer revolving loan fund for a rail rate complaint case and provides that the funding may be carried forward from the 2005-07 biennium. The total funding for the rail rate complaint case is \$900,000, of which \$800,000 is from the beginning farmer revolving loan fund and \$100,000 from other funds. The executive recommendation proposed that the funding from the beginning farmer revolving loan fund be transferred to an agriculture rail rate and service fund; however, the Legislative Assembly provided the funding only for the rail rate complaint case. The 2005-07 biennium appropriation for a rail rate complaint case was \$945,000, of which \$800,000 was from the beginning farmer revolving loan fund, \$20,000 was from carryover authority from the state rail fund, and \$125,000 was from other sources, including a shipper participating in the rail rate case.

Salary of commissioners - Section 5 provides statutory changes to North Dakota Century Code (NDCC) Section 49-01-05, relating to the salaries of the Public Service Commissioners. The Legislative Assembly authorized the 2007-09 biennium salary increases of 4 percent effective July 1, 2007, and 4 percent effective July 1, 2008, for elected officials. The Public Service Commissioners' salaries are to be increased from the current level of \$75,576 to \$78,599 effective July 1, 2007, and to \$81,743 effective July 1, 2008.

Weights and measures testing requirements - Sections 6, 7, and 8 change the requirement that weighing and measuring devices be tested every 15 months to a frequency as determined by the Public Service Commission, not to exceed 24 months. The required frequency for testing may vary depending on the type of weights and measures device.

Real estate auctions study - Section 9 provides for a Legislative Council study of the practices and laws relating to sale of real estate by auctioneers.

Geographic Information System Initiative - Section 10 provides that the Public Service Commission report to the 61st Legislative Assembly regarding the department's Geographic Information System Initiative.

Metrology program - Section 11 provides for the Public Service Commission and the Facility Management Division of the Office of Management and Budget to develop a schedule for the use of the metrology laboratory building for the 2007-09 biennium and for the Public Service Commission to present a report to the Budget Section and the Office of Management and Budget by July 1, 2008, regarding the facility use agreement and future plans for a metrology laboratory.

Related Legislation

Senate Bill No. 2031 - This bill provides for an **expedited rate adjustment for electric utilities** to recover transmission costs and allows for a change in the tariff to allow for the rate adjustment according to the provisions of the law and the tariff and subject to notice and opportunity for hearing.

House Bill No. 1018 - Section 28 of House Bill No. 1018, the appropriation bill for the Department of Commerce, provides for a Legislative Council study of issues relating to **wireless service providers** in the state and how wireless service impacts the business climate in the state.

House Bill No. 1221 - This bill provides for the Public Service Commission to approve, reject, or modify **public utility rate adjustments** for recovery of costs resulting from federal environmental mandates on existing electricity generating stations.

House Bill No. 1360 - This bill authorizes the State Treasurer to invest the credit-sale contract indemnity fund's money using the prudent investor rule. The **credit-sale contract indemnity fund** receives funding from assessments 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. The funds are currently deposited at the Bank of North Dakota and earn interest at the Bank's money market rate via the state's interest allocation process. General fund revenues are estimated to be reduced by \$80,000 per biennium due to the funding being removed from the state's current interest allocation process. It is anticipated that the return on the indemnity fund will increase by \$196,000 a biennium based on the State Treasurer's use of a more diversified investment strategy.