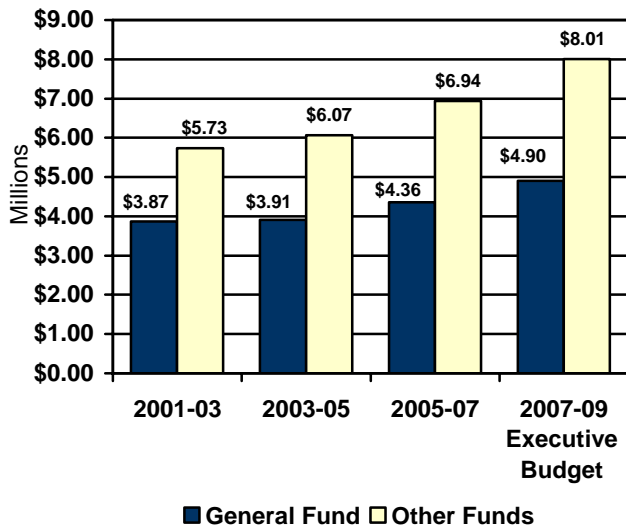


**Department 408 - Public Service Commission
 Senate Bill No. 2008**

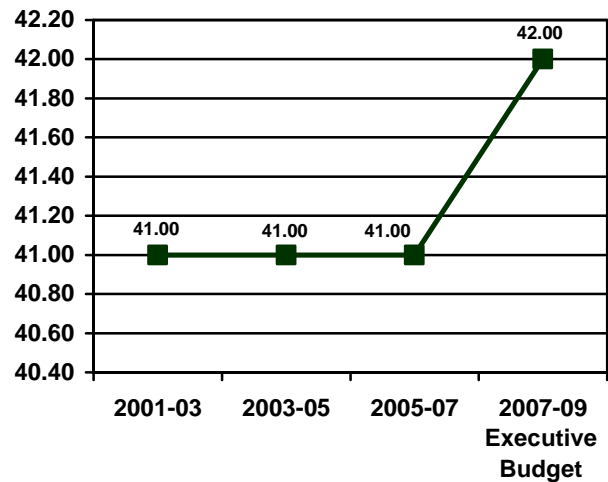
	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	42.00	\$4,903,183	\$8,005,382	\$12,908,565
2005-07 Legislative Appropriations	41.00	4,362,837	6,937,151	11,299,988 ¹
Increase (Decrease)	1.00	\$540,346	\$1,068,231	\$1,608,577

¹The 2005-07 appropriation amounts include \$60,000 of additional general fund spending authority relating to 2005 Senate Bill No. 2133, which was an emergency measure to refund siting application fees collected after August 1, 2004, in excess of expenses incurred for the evaluation and designation process.

Agency Funding



FTE Positions



First House Action

Attached is a summary of first house changes.

Executive Budget Highlights

	General Fund	Other Funds	Total
Administration			
1. Provides funding for information technology equipment over \$5,000 for a large format plotter (\$18,000), high-speed scanner (\$7,000), and server update (\$7,500)	\$32,500		\$32,500
2. Adds funding for 1 FTE position and related salaries and wages (\$131,388) and operating expenses (\$66,500) for the geographic information system (GIS) initiative	\$197,888		\$197,888
3. Provides funding for videoconferencing equipment (executive budget identified as one-time funding)	\$20,000		\$20,000
4. Adds funding for various operating costs, including information technology data processing (\$11,732), information technology equipment (\$14,019), and information technology communications (\$8,000)	\$49,783		\$49,783
Testing, licensing, and certification			
5. Removes funding for a "simplified" rail rate case from the beginning farmer revolving loan fund (\$800,000), carryover authority from the state rail fund (\$20,000), and from other sources, including a shipper participating in the rail rate case (\$125,000)		(\$945,000)	(\$945,000)
6. Adds contingent spending authority from the beginning farmer revolving loan fund (\$800,000) and other special funds (\$100,000) for a rail rate complaint case		\$900,000	\$900,000

7. Adds funding to have weights and measures equipment calibrated by Minnesota for National Institute of Standards and Technology-recognized metrology services (see metrology laboratory section below)	\$30,000		\$30,000
8. Decreases funding for various operating costs, including travel (\$15,518) and information technology software (\$13,381)	(\$27,975)	\$1,410	(\$26,565)
9. Restores 1 FTE weights and measures inspector position and related funding for salaries and wages (\$83,882), travel (\$55,736), and equipment over \$5,000 (\$39,000)	\$178,618		\$178,618
10. Adds funding to have weights and measures weights calibrated, which is required every 10 years	\$11,000		\$11,000

Public utilities

No major changes in public utilities

Reclamation programs

11. Provides funding for equipment over \$5,000 for a bore hole camera cable (\$10,000) and seismograph (\$6,000)	\$2,100	\$13,900	\$16,000
12. Increases federal funds spending authority for abandoned mine land reclamation project grants		\$831,508	\$831,508
13. Increases federal funding to complete electronic conversion of abandoned mine land maps		\$41,670	\$41,670
14. Adds federal funds spending authority for salary and wages per adjustment made in the executive budget to reflect changes after budget was submitted		\$36,000	\$36,000
15. Adds funding for various operating costs, including travel (\$22,550)	\$22,966	\$48,692	\$71,658

Other Sections in Bill

Section 4 of Senate Bill No. 2008 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.

Section 5 of House Bill No. 2008 provides the statutory changes as necessary to increase a Public Service Commissioner's salary as follows:

Annual salary authorized by the 2005 Legislative Assembly:

July 1, 2005	\$72,669
July 1, 2006	\$75,576

Proposed annual salary recommendation in the 2005-07 executive budget:

July 1, 2007	\$78,599
July 1, 2008	\$81,743

The executive recommendation provides funding for elected officials' salary increases equal to 4 percent of salaries effective July 1, 2007, and 4 percent effective July 1, 2008.

Metrology laboratory - The executive recommendation provides for discontinuance of the state metrology laboratory and to have the Public Service Commission Testing, Licensing and Certification Division utilize the Minnesota metrology laboratory for calibration services at a cost of \$15,000 per year. The state will avoid the cost of relocation and construction of a new laboratory and the purchase of laboratory equipment necessary to meet National Institute of Technology Standards and Technology standards.

Continuing Appropriations

Siting process expense recovery fund - NDCC 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 - NDCC 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 - NDCC 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 moneys in the fund may be used by the Public Service Commission to monitor the operation and effect of the performance assurance plan.

Major Related Legislation

Senate Bill No. 2031 - This bill provides for an expedited rate adjustment to recover transmission facility costs and allows for change in the tariff to allow the rate adjustment. The Public Service Commission is required to approve a rate adjustment unless the rate adjustment does not comply with the tariff or the incurred costs are not reasonable or prudent.

ATTACH:1