

MEMORANDUM

TO: Lignite Research Council  
FR: Karlene Fine, Industrial Commission Executive Director  
DT: November 15, 2010  
RE: Revised Budget

In November of 2009 the Lignite Research Council and the Industrial Commission adopted the following annual budget:

Demonstration	\$3,953,850
Small Research	\$ 648,150
Marketing	\$ 273,000
LEC LV21	\$ 500,000
Administration	<u>\$ 375,000</u>
Total	\$5,750,000

Since that action was taken the administrative costs have been higher than anticipated. Legal costs are higher and are outside the scope of the litigation funding that was set aside for the Minnesota litigation. (EPA, SO2, etc.) The costs for the economic study were also higher than anticipated. Therefore, I would request a transfer of budget authority from the Small Research line item to the Administrative line item in the amount of \$100,000.

The revised annual budget would then be as follows:

Demonstration	\$3,953,850
Small Research	\$ 598,150
Marketing	\$ 273,000
LEC LV21	\$ 500,000
Administration	<u>\$ 425,000</u>
	\$5,750,000

Thank you for your consideration of this request.

Karlene