

PROGRAM NARRATIVE

408 Public Service Commission

Date: 12/07/2012**Time:** 14:46:56**Program:** Administration**Reporting level:** 00-408-100-00-00-00-00000000**Program Performance Measures**

Not Available.

Program Statistical Data

The Commission processed 1,372 cases, 96% of all formal cases were process without the need for a formal hearing.

Explanation of Program Costs

The Commission's administration is comprised of 3 Statewide Elected Officials, 1 Executive Secretary, and 10.05 full-time employees. The salary and wages line item includes the bulk of program expenditures. Of the remaining expenditures, more than half are technology related including such items as hardware, software, contractual services, ISD port charges, telephones, repairs and computer training. More details regarding the commission's computer system can be reviewed in its Information Technology Plan.

Program Goals and Objectives

The Commission's administrative functions are handled by its executive secretary and staff in its Legal and Technology Divisions. These divisions provide legal, data processing, budgeting, accounting, administrative, and personnel-related services to the Commission and its various regulatory divisions. These support services are provided to help the Commission carry out its statutory mandates in a timely, responsive, effective, and efficient manner.

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: HB1008

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:46:56

Program: Administration		Reporting Level: 00-408-100-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Salaries and Wages					
Salaries - Permanent	924,323	1,745,125	201,328	1,946,453	110,832
Salaries - Other	0	0	0	0	68,452
Temporary Salaries	1,560	4,000	(4,000)	0	0
Fringe Benefits	538,449	604,383	67,106	671,489	42,587
Salary Increase	0	0	0	0	0
Benefit Increase	0	0	0	0	0
Total	1,464,332	2,353,508	264,434	2,617,942	221,871
Salaries and Wages					
General Fund	1,464,332	1,773,881	120,137	1,894,018	133,121
Federal Funds	0	579,627	144,297	723,924	88,750
Special Funds	0	0	0	0	0
Total	1,464,332	2,353,508	264,434	2,617,942	221,871
Operating Expenses					
Travel	34,518	81,000	0	81,000	5,000
Supplies - IT Software	91,021	30,000	0	30,000	0
Supply/Material-Professional	9,219	7,200	0	7,200	0
Bldg, Ground, Maintenance	81	0	0	0	0
Miscellaneous Supplies	1,712	950	0	950	0
Office Supplies	26,829	21,400	0	21,400	0
Postage	1,955	16,600	0	16,600	0
Printing	4,475	10,000	0	10,000	0
IT Equip Under \$5,000	141,796	55,355	0	55,355	0
Other Equip Under \$5,000	1,880	5,281	0	5,281	0
Office Equip & Furn Supplies	32,115	3,319	0	3,319	0
Insurance	6,800	9,000	0	9,000	0
Rentals/Leases - Bldg/Land	0	3,000	0	3,000	0
Repairs	29,101	15,100	0	15,100	0
IT - Data Processing	125,731	143,650	0	143,650	0
IT - Communications	44,534	53,686	0	53,686	0
IT Contractual Srvcs and Rprs	39,829	89,900	0	89,900	0
Professional Development	29,031	50,766	0	50,766	0
Operating Fees and Services	2,988	25,686	0	25,686	0
Fees - Professional Services	4,130	2,000	0	2,000	0
Total	627,745	623,893	0	623,893	5,000

Operating Expenses

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: HB1008

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:46:56

Program: Administration		Reporting Level: 00-408-100-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
General Fund	627,745	623,893	0	623,893	5,000
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	627,745	623,893	0	623,893	5,000
Capital Assets					
IT Equip/Sftware Over \$5000	43,424	53,000	7,665	60,665	0
Total	43,424	53,000	7,665	60,665	0
Capital Assets					
General Fund	43,424	53,000	7,665	60,665	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	43,424	53,000	7,665	60,665	0
Total Expenditures	2,135,501	3,030,401	272,099	3,302,500	226,871
Funding Sources					
General Fund					
Total	2,135,501	2,450,774	127,802	2,578,576	138,121
Federal Funds					
002 Federal Fund Budget	0	0	0	0	0
R999 Indirect Cost Recovery	0	579,627	144,297	723,924	88,750
Total	0	579,627	144,297	723,924	88,750
Total Funding Sources	2,135,501	3,030,401	272,099	3,302,500	226,871
FTE Employees	13.44	13.44	0.61	14.05	1.00

CHANGE PACKAGE DETAIL

408 Public Service Commission
Biennium: 2013-2015

Bill#: HB1008

Date: 12/07/2012

Time: 14:46:56

Program: Administration			Reporting Level: 00-408-100-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes

Ongoing Budget Changes

A-A 1 IT Equipment over \$5,000		0.00	60,665	0	0	60,665
A-F 1 Remove Capital Asset Appropriations		0.00	(53,000)	0	0	(53,000)
Base Payroll Change		0.61	120,137	144,297	0	264,434
Total Ongoing Budget Changes		0.61	127,802	144,297	0	272,099
Total Base Budget Changes		0.61	127,802	144,297	0	272,099

Optional Budget Changes

Ongoing Optional Changes

A-C 6 Increased Travel Costs	4	0.00	5,000	0	0	5,000
A-C 1 Market Analysis Salary Adjustments	6	0.00	41,071	27,381	0	68,452
A-C 3 FTE - Paralegal	7	1.00	92,050	61,369	0	153,419
Total Ongoing Optional Changes		1.00	138,121	88,750	0	226,871
Total Optional Budget Changes		1.00	138,121	88,750	0	226,871

PROGRAM NARRATIVE**Date:** 12/07/2012**408 Public Service Commission****Time:** 14:46:56**Program:** Testing, Licensing and Certification**Reporting level:** 00-408-200-00-00-00-00000000**Program Performance Measures**

Not Available.

Program Statistical Data

WEIGHTS AND MEASURES: Commission staff inspected and tested 21,185 weighing or measuring devices during the 2009-2011 Biennium. In addition, the Commission monitored the documentation for 17,940 weighing or measuring devices installed or serviced by registered service persons. The devices tested and inspected by Commission staff included gas pumps, platform scales, truck scales, hopper scales, livestock scales, hanging scales and other miscellaneous devices. In addition to the devices listed above, registered service persons also install or service delivery meters and agriculture chemical meters.

Revenues generated during biennium 2009-2011 from staff testing of weighing or measuring devices totaled \$409,730.

LICENSING: During the 2009-2011 Biennium the Licensing Division issued a total of 52 new grain warehouse and facility-based grain buyer licenses, renewed a total of 795 grain warehouse and facility-based grain buyer licenses, and issued or renewed 152 roving grain buyer licenses. There were no hay buyer licenses issued during this period. These grain buying entities serve as the initial market for much of the grain produced by the state's farmers. The Licensing Division approved 222 capacity increase and 138 capacity decrease requests and granted a total of 44 grain warehouse and facility-based grain buyer requests to discontinue business. The Licensing Division also issued or renewed 757 auctioneer licenses and 422 auction and bank clerk licenses. The Licensing Division did not file any formal complaints; however, the Commission was involved in six insolvency cases.

Revenues generated for all grain warehouse, facility-based grain buyer, roving grain buyer, auctioneer, and auction/bank clerk license fees for the 2009-2011 biennium totaled \$442,370.

During the biennium, no payments were paid from the credit-sale contract indemnity fund. As of the end of the biennium, the credit-sale contract indemnity fund balance was approximately \$6.9 million.

GAS PIPELINE SAFETY: Commission staff conducted 139 gas pipeline inspections and issued 10 violations in the 2009-2011 Biennium. Civil penalties assessed totaled \$19,500.

Explanation of Program Costs

WEIGHTS AND MEASURES: The weights and measures program employs 4.5 full-time employees. The costs to operate the weights and measures program are primarily comprised of wages and travel expenses for the inspectors. Due to the closing of the Metrology Lab, spending includes travel to an out-of-state laboratory for calibration of weights and measures standards used for the testing of commercial weighing and measuring devices.

LICENSING: The program employs 3.75 full-time employees. For many years a large majority of grain warehouses in North Dakota stored federal grain and were regularly inspected by federal inspectors. The Commission developed its inspection program for the warehouses not inspected by federal inspectors which involved primarily warehouses that handled commodities such as dry edible beans, peas and lentils, organic grain, and crushing and processing facilities. The federal government ceased inspections at all state licensed grain warehouses in early 2009. The Commission is responsible for conducting inspections at all state licensed grain warehouses and inspections are conducted on a 15 – 18 month basis. The program costs are primarily comprised of wages and travel related costs for its warehouse inspections. The

PROGRAM NARRATIVE**Date:** 12/07/2012**408 Public Service Commission****Time:** 14:46:56**Program:** Testing, Licensing and Certification**Reporting level:** 00-408-200-00-00-00-00000000

Commission hired outside counsel to provide legal services to assist in processing a current insolvency. This unexpected cost could very likely be an ongoing need due to the complicated issues involved and the number of insolvencies happening simultaneously.

GAS PIPELINE SAFETY: The gas pipeline safety program employs 1.10 full-time employees. As with the weights and measures program, the costs for the gas pipeline safety program are primarily comprised of wages and travel related costs for the inspectors.

Program Goals and Objectives

WEIGHTS AND MEASURES: 1) Inspect, test, and certify all commercial weighing and measuring devices used in North Dakota. 2) Test and license all registered service companies and self-certifying companies, and administer their compliance with State law and Commission rules. 3) Maintain traceability of all weight/volume standards to the National Institute of Standards and Technology. 4) Develop and recommend rule changes and enforcement procedures to the Commission. 5) Provide timely and accurate information in response to inquiries/complaints regarding the Weights and Measures Program.

LICENSING: Regulate: 1) public grain warehouses and grain buyers in order to protect the interests of farmers who market their grain through these companies; 2) auctioneers and clerks in order to protect the interests of persons buying or selling real or personal property via public auction; and 3) railroad activities to promote a healthy industry and fair treatment for all shippers. Exercise complaint authority over licensed and unlicensed public grain warehouses and grain buyers and investigate unfair practices and unfair discrimination.

GAS PIPELINE SAFETY: 1) Inspect all gas intrastate transmission and distribution systems for compliance to State law and recommend actions for substandard conditions. 2) Develop and recommend rule changes and enforcement procedures to the Commission. 3) Provide timely and accurate information in response to inquiries/complaints regarding the Pipeline Safety Program.

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: HB1008

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:46:56

Program: Testing, Licensing and Certification		Reporting Level: 00-408-200-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Salaries and Wages					
Salaries - Permanent	814,635	865,810	(14,821)	850,989	216,000
Salaries - Other	0	0	0	0	102,431
Temporary Salaries	11,037	100	(100)	0	0
Fringe Benefits	323,783	363,720	26	363,746	62,474
Reduction In Salary Budget	0	0	0	0	(183,345)
Salary Increase	0	0	0	0	0
Benefit Increase	0	0	0	0	0
Total	1,149,455	1,229,630	(14,895)	1,214,735	197,560
Salaries and Wages					
General Fund	1,061,087	1,145,146	(30,759)	1,114,387	(7,210)
Federal Funds	88,368	84,484	15,864	100,348	204,770
Special Funds	0	0	0	0	0
Total	1,149,455	1,229,630	(14,895)	1,214,735	197,560
Operating Expenses					
Travel	366,482	449,188	0	449,188	155,157
Supplies - IT Software	1,828	6,479	0	6,479	0
Supply/Material-Professional	280	500	0	500	0
Food and Clothing	3,295	3,400	0	3,400	0
Bldg, Ground, Maintenance	1,045	3,479	0	3,479	0
Miscellaneous Supplies	109	4,171	0	4,171	0
Office Supplies	1,586	1,601	0	1,601	0
Postage	4,212	300	0	300	0
Printing	430	4,700	0	4,700	0
IT Equip Under \$5,000	1,602	0	0	0	0
Other Equip Under \$5,000	2,992	5,000	0	5,000	0
Office Equip & Furn Supplies	3,529	1,000	0	1,000	0
Insurance	725	934	0	934	0
Rentals/Leases - Bldg/Land	0	4,000	0	4,000	0
Repairs	4,299	11,500	0	11,500	0
IT - Communications	3,436	4,100	0	4,100	0
IT Contractual Svcs and Rprs	2,650	3,000	0	3,000	0
Professional Development	1,611	1,680	0	1,680	0
Operating Fees and Services	20,856	28,772	0	28,772	0
Fees - Professional Services	8,598	64,128	0	64,128	200,000
Total	429,565	597,932	0	597,932	355,157

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: HB1008

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:46:56

Program: Testing, Licensing and Certification		Reporting Level: 00-408-200-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Operating Expenses					
General Fund	389,540	548,343	0	548,343	351,347
Federal Funds	40,025	49,589	0	49,589	3,810
Special Funds	0	0	0	0	0
Total	429,565	597,932	0	597,932	355,157
Rail Rate Complaint Case					
Fees - Professional Services	0	900,000	0	900,000	0
Total	0	900,000	0	900,000	0
Rail Rate Complaint Case					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	900,000	0	900,000	0
Total	0	900,000	0	900,000	0
Total Expenditures	1,579,020	2,727,562	(14,895)	2,712,667	552,717
Funding Sources					
General Fund					
Total	1,450,627	1,693,489	(30,759)	1,662,730	344,137
Federal Funds					
R030 Gas Pipeline Safety Program	86,236	0	0	0	0
R079 One Call Grant	10,000	0	0	0	0
R301 Gas Safety Grant	32,157	120,484	15,864	136,348	208,580
R791 One Call	0	13,589	0	13,589	0
Total	128,393	134,073	15,864	149,937	208,580
Special Funds					
277 State Rail Fund 277	0	900,000	0	900,000	0
Total	0	900,000	0	900,000	0
Total Funding Sources	1,579,020	2,727,562	(14,895)	2,712,667	552,717
FTE Employees	9.60	9.60	(0.25)	9.35	1.00

CHANGE PACKAGE DETAIL

408 Public Service Commission
Biennium: 2013-2015

Bill#: HB1008

Date: 12/07/2012

Time: 14:46:56

Program: Testing, Licensing and Certification			Reporting Level: 00-408-200-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes

Ongoing Budget Changes

Base Payroll Change		(0.25)	(30,759)	15,864	0	(14,895)
---------------------	--	--------	----------	--------	---	----------

Total Ongoing Budget Changes		(0.25)	(30,759)	15,864	0	(14,895)
-------------------------------------	--	---------------	-----------------	---------------	----------	-----------------

Total Base Budget Changes		(0.25)	(30,759)	15,864	0	(14,895)
----------------------------------	--	---------------	-----------------	---------------	----------	-----------------

Optional Budget Changes

Ongoing Optional Changes

A-C 2 FTE - Gas Pipeline Safety Inspector	1	1.00	111,389	167,085	0	278,474
---	---	------	---------	---------	---	---------

A-C 6 Increased Travel Costs	4	0.00	151,347	3,810	0	155,157
------------------------------	---	------	---------	-------	---	---------

A-C 5 Additional Legal Work	5	0.00	200,000	0	0	200,000
-----------------------------	---	------	---------	---	---	---------

A-C 1 Market Analysis Salary Adjustments	6	0.00	64,746	37,685	0	102,431
--	---	------	--------	--------	---	---------

Total Ongoing Optional Changes		1.00	527,482	208,580	0	736,062
---------------------------------------	--	-------------	----------------	----------------	----------	----------------

Total Optional Budget Changes		1.00	527,482	208,580	0	736,062
--------------------------------------	--	-------------	----------------	----------------	----------	----------------

Optional Savings Changes

A-G 1 3% Optional Savings Package	1	0.00	(183,345)	0	0	(183,345)
-----------------------------------	---	------	-----------	---	---	-----------

Total Optional Savings Changes		0.00	(183,345)	0	0	(183,345)
---------------------------------------	--	-------------	------------------	----------	----------	------------------

PROGRAM NARRATIVE**Date:** 12/07/2012**408 Public Service Commission****Time:** 14:46:56**Program:** Public Utilities**Reporting level:** 00-408-300-00-00-00-00000000**Program Performance Measures**

The case load, described in the next section, is handled by 4 analysts, 1 attorney, and 1 administrative assistant with support from the commission's information officer.

Program Statistical Data

During the 2009-11 Biennium, this program processed 613 cases including interconnection and service area agreements, fuel cost adjustment applications, public convenience and necessity certificates, tariff filings, energy conversion and transmission facility siting cases, advance determination of prudence cases, rate increase applications, filed complaints and other miscellaneous filings.

The Commission recorded approximately 2,970 complaints and inquiries during the 2009-11 biennium, the majority involved gas and electric concerns.

Explanation of Program Costs

The program employs 5.90 full-time employees. The majority of the requested funds is related to salaries but also includes operating expenses necessary to monitor and enforce compliance with the statutory requirements of public utility companies.

Program Goals and Objectives

Investigate profits, standards and conditions of service, service area boundaries, long range plans and siting routes of electric and gas utilities with the intent of allowing enough profit to maintain minimum cost of service for a desirable level of quality. Investigate and recommend compliance status of electric, gas and telecommunication companies within state law, Commission rules and orders. Evaluate impact of ownership transfers. Comply with Telecommunications Act of 1996. Exercise complaint authority and compliant adjudication authority over telecommunication prices and quality of service. Provide assistance to the public concerning complaints, inquiries and requests for information relating to rates, billing procedures, service deficiencies, safety, and customer relations.

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: HB1008

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:46:56

Program: Public Utilities		Reporting Level: 00-408-300-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Salaries and Wages					
Salaries - Permanent	732,952	842,877	2,311	845,188	146,256
Salaries - Other	0	0	0	0	56,455
Temporary Salaries	975	4,000	(4,000)	0	0
Fringe Benefits	225,333	278,466	8,968	287,434	49,286
Salary Increase	0	0	0	0	0
Benefit Increase	0	0	0	0	0
Total	959,260	1,125,343	7,279	1,132,622	251,997
Salaries and Wages					
General Fund	935,794	1,125,343	7,279	1,132,622	251,997
Federal Funds	23,466	0	0	0	0
Special Funds	0	0	0	0	0
Total	959,260	1,125,343	7,279	1,132,622	251,997
Operating Expenses					
Travel	21,371	21,215	0	21,215	4,453
Supply/Material-Professional	412	2,000	0	2,000	0
Food and Clothing	0	300	0	300	0
Bldg, Ground, Maintenance	62	0	0	0	0
Miscellaneous Supplies	0	650	0	650	0
Office Supplies	25	260	0	260	0
Postage	2,371	0	0	0	0
Printing	24	100	0	100	0
IT Equip Under \$5,000	2,119	0	0	0	0
Other Equip Under \$5,000	149	4,500	0	4,500	0
Office Equip & Furn Supplies	16,528	597	0	597	0
IT - Communications	799	500	0	500	0
Professional Development	21,622	20,300	0	20,300	0
Operating Fees and Services	12,788	42,000	0	42,000	0
Fees - Professional Services	5,971	104,600	0	104,600	0
Total	84,241	197,022	0	197,022	4,453
Operating Expenses					
General Fund	74,332	72,022	0	72,022	4,453
Federal Funds	8,367	0	0	0	0
Special Funds	1,542	125,000	0	125,000	0
Total	84,241	197,022	0	197,022	4,453

REQUEST DETAIL BY PROGRAM408 Public Service Commission
Biennium: 2013-2015

Bill#: HB1008

Date: 12/07/2012

Time: 14:46:56

Program: Public Utilities		Reporting Level: 00-408-300-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Federal Stimulus Funds 2009					
Temporary Salaries	76,668	362,176	(362,176)	0	0
Fringe Benefits	16,126	56,041	(56,041)	0	0
Travel	12,927	75,000	(75,000)	0	0
Supplies - IT Software	0	9,000	(9,000)	0	0
Supply/Material-Professional	0	250	(250)	0	0
Postage	7	0	0	0	0
IT Equip Under \$5,000	2,119	10,000	(10,000)	0	0
IT - Communications	798	750	(750)	0	0
Professional Development	9,433	60,000	(60,000)	0	0
Operating Fees and Services	996	85,000	(85,000)	0	0
Total	119,074	658,217	(658,217)	0	0
Federal Stimulus Funds 2009					
General Fund	0	0	0	0	0
Federal Funds	119,074	658,217	(658,217)	0	0
Special Funds	0	0	0	0	0
Total	119,074	658,217	(658,217)	0	0
Total Expenditures	1,162,575	1,980,582	(650,938)	1,329,644	256,450
Funding Sources					
General Fund					
Total	1,010,126	1,197,365	7,279	1,204,644	256,450
Federal Funds					
R097 ARRA Funding	150,907	658,217	(658,217)	0	0
Total	150,907	658,217	(658,217)	0	0
Special Funds					
248 PSC Valuation Revolving Fund 248	1,542	125,000	0	125,000	0
Total	1,542	125,000	0	125,000	0
Total Funding Sources	1,162,575	1,980,582	(650,938)	1,329,644	256,450
FTE Employees	5.84	5.84	0.06	5.90	1.00

CHANGE PACKAGE DETAIL

408 Public Service Commission
Biennium: 2013-2015

Bill#: HB1008

Date: 12/07/2012

Time: 14:46:56

Program: Public Utilities			Reporting Level: 00-408-300-00-00-00-00000000			
---------------------------	--	--	---	--	--	--

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
-------------	----------	-----	--------------	---------------	---------------	-------------

Base Budget Changes

One Time Budget Changes

A-E 1 Remove ARRA Appropriations		0.00	0	(240,000)	0	(240,000)
----------------------------------	--	------	---	-----------	---	-----------

Total One Time Budget Changes		0.00	0	(240,000)	0	(240,000)
--------------------------------------	--	-------------	----------	------------------	----------	------------------

Ongoing Budget Changes

Base Payroll Change		0.06	7,279	(418,217)	0	(410,938)
---------------------	--	------	-------	-----------	---	-----------

Total Ongoing Budget Changes		0.06	7,279	(418,217)	0	(410,938)
-------------------------------------	--	-------------	--------------	------------------	----------	------------------

Total Base Budget Changes		0.06	7,279	(658,217)	0	(650,938)
----------------------------------	--	-------------	--------------	------------------	----------	------------------

Optional Budget Changes

Ongoing Optional Changes

A-C 4 FTE - Public Utility Analyst	2	1.00	195,542	0	0	195,542
------------------------------------	---	------	---------	---	---	---------

A-C 6 Increased Travel Costs	4	0.00	4,453	0	0	4,453
------------------------------	---	------	-------	---	---	-------

A-C 1 Market Analysis Salary Adjustments	6	0.00	56,455	0	0	56,455
--	---	------	--------	---	---	--------

Total Ongoing Optional Changes		1.00	256,450	0	0	256,450
---------------------------------------	--	-------------	----------------	----------	----------	----------------

Total Optional Budget Changes		1.00	256,450	0	0	256,450
--------------------------------------	--	-------------	----------------	----------	----------	----------------

PROGRAM NARRATIVE**408 Public Service Commission****Date:** 12/07/2012**Time:** 14:46:56**Program:** Reclamation Programs**Reporting level:** 00-408-400-00-00-00-00000000**Program Performance Measures**

Not Available.

Program Statistical Data

The Reclamation Division is responsible for administering and enforcing the State's reclamation law for minimizing the environmental effects of surface coal mining and ensuring mined lands are properly reclaimed. During the 2009-2011 Biennium, the Commission permitted an additional 1,567 acres for surface coal mining and reclamation operations. Forty-eight permit revisions were approved during that two-year period, including two significant revisions that added acreage to existing permits. Nine permit renewals were also approved. Fourteen final bond release applications were approved during the 2009-2011 biennium where the Commission terminated its jurisdiction on 3,877 acres that had been under permit. The Reclamation Division conducted 1,310 inspections on 34 inspectable units and three Notices of Violation were issued during the biennium. The amount of lignite coal mined during the 2009-2011 biennium totaled 57,585,893 tons, a decrease of about 1.15 million tons compared to the previous biennium.

At the end of the biennium, 104,915 acres were under permits held by eight companies for eight mines. Of these, six are active and the other two were inactive and under reclamation. The Otter Creek Mining Company filed an application to permit a new 5,490 acre mine northwest of Center in late 2008 and staff conducted a detailed technical review of this application during the 2009-2011 Biennium. In early 2010 South Heart Coal, LLC, also filed a permit application on 4,581 acres for a new mine southwest of South Heart. Staff conducted completeness and technical reviews of this application during the 2009-2011 Biennium. An informal conference on this application was also held in June 2011, but this conference must be reconvened before a mining permit can be issued. As of July 2012, the Commission was waiting for company responses to technical deficiency letters on these two permit applications.

The Commission also received a revision application from the Falkirk Mining Company during the 2009-2011 Biennium to add nearly 17,000 acres to an existing permit. Staff conducted completeness and technical reviews of this application during the previous biennium and this significant revision was approved by the Commission in July 2011.

A reclamation fee on lignite mined in North Dakota is collected by the federal government to fund the abandoned mine lands reclamation program. The Abandoned Mine Lands Division (AML) uses the funds to reclaim abandoned mine lands with dangerous high walls, to fill mine sinkholes and stabilize underground mine voids.

During the 2009-2011 biennium, several major projects were carried out to eliminate hazards at abandoned surface and underground coal mines. Projects were carried out near Williston, Beulah and Zap to inject pressurized grout into abandoned underground mine voids located under public roads and near homes. Construction projects to backfill dangerous highwalls at abandoned surface mines were conducted west of Hazen, south of Sawyer, and southeast of Columbus. The 2010 project south of Sawyer was not completed until the fall of 2011 since a completion contractor had to finish it after the original contractor defaulted on the contract. Smaller projects to fill sinkholes caused by past underground mining were carried out at numerous locations in western North Dakota.

Emergency projects to fill sinkholes were completed near Beulah, Garrison and Wilton. Special funds were also received from the federal Office of Surface Mining in the fall of 2010 to extinguish coal outcrop fires in Slope County.

Staff in the AML Division designed the reclamation projects, but all of the actual construction work was done by private contractors.

The Reclamation and AML Divisions continue to add more data to a Geographic Information System (GIS) to manage spatial data. The Reclamation Division uses the GIS data to assist in carrying out its technical reviews and to make mine inspections more efficient. This includes downloading GIS data onto tablet laptop computers equipped with GPS for use during routine mine inspections. The AML Division continues to add data to the GIS on all known abandoned mine sites in North Dakota.

PROGRAM NARRATIVE**408 Public Service Commission****Date:** 12/07/2012**Time:** 14:46:56**Program:** Reclamation Programs**Reporting level:** 00-408-400-00-00-00-00000000**Explanation of Program Costs**

The reclamation programs are authorized 13.7 full-time employees and two part-time seasonal employees. Most of the costs for these programs are paid by the federal government on a cost reimbursable basis. The funds are primarily used to pay for wages and to procure outside construction and other services for abandoned mine lands (AML) reclamation.

The costs of administering and enforcing the coal regulatory program are split 36% state general funds and 64% federal funds while the AML program is 100% federal funds. The commission also collects indirect costs from the federal government on the salaries of the employees that work on these programs. Based on federal legislation enacted by Congress in late 2006, the federal reclamation fees used to fund the AML program will be collected until 2022. This legislation also resulted in a significant increase in the amount of federal funds that North Dakota receives for its AML program starting in calendar year 2008. For calendar years 2013 and 2014, the Commission expects to receive approximately 4 million dollars of federal funds per year. The Commission received only about 1.6 million dollars per year for the AML program for many years prior to 2008.

Program Goals and Objectives

1. Reclaim all land currently surface mined for lignite to standards required under State and Federal law. This is to ensure that environmental effects of surface mining are minimized and lands disturbed by mining will be returned to long-term beneficial use, with the productivity of agricultural lands restored to pre-mine levels.
2. Reclamation of coal mines that were abandoned prior to 1977 and for which there is no continuing federal or state liability. Coal mines to be reclaimed under the Abandoned Mine Lands (AML) program are sites that are very hazardous or potentially hazardous to the public and other sites environmentally degraded due to past mining.

REQUEST DETAIL BY PROGRAM

408 Public Service Commission

Bill#: HB1008

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:46:56

Program: Reclamation Programs		Reporting Level: 00-408-400-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Salaries and Wages					
Salaries - Permanent	2,305,695	2,009,054	(131,690)	1,877,364	0
Salaries - Other	0	0	0	0	219,263
Temporary Salaries	47,259	75,000	66,440	141,440	0
Overtime	15,040	25,000	56,600	81,600	0
Fringe Benefits	560,663	668,139	6,622	674,761	0
Salary Increase	0	0	0	0	0
Benefit Increase	0	0	0	0	0
Total	2,928,657	2,777,193	(2,028)	2,775,165	219,263
Salaries and Wages					
General Fund	524,529	617,135	(16,624)	600,511	59,683
Federal Funds	2,404,128	2,160,058	14,596	2,174,654	159,580
Special Funds	0	0	0	0	0
Total	2,928,657	2,777,193	(2,028)	2,775,165	219,263
Operating Expenses					
Travel	153,581	234,500	0	234,500	11,545
Supplies - IT Software	1,576	12,500	0	12,500	0
Supply/Material-Professional	4,088	19,200	0	19,200	0
Food and Clothing	1,146	1,750	0	1,750	0
Bldg, Ground, Maintenance	390	250	0	250	0
Miscellaneous Supplies	2,441	3,367	0	3,367	0
Office Supplies	1,019	3,133	0	3,133	0
Postage	4,035	100	0	100	0
Printing	550	2,500	0	2,500	0
IT Equip Under \$5,000	456	32,500	0	32,500	0
Other Equip Under \$5,000	110	1,900	0	1,900	0
Office Equip & Furn Supplies	6,823	3,000	0	3,000	0
Insurance	255	825	0	825	0
Rentals/Leases-Equip & Other	0	1,000	0	1,000	0
Rentals/Leases - Bldg/Land	53,739	80,000	0	80,000	0
Repairs	29,303	7,500	0	7,500	0
IT - Data Processing	1,780	500	0	500	0
IT - Communications	3,132	7,100	0	7,100	0
IT Contractual Svcs and Rprs	3,000	0	0	0	0
Professional Development	35,572	43,500	0	43,500	0
Operating Fees and Services	4,694	84,600	0	84,600	0
Fees - Professional Services	19,318	14,000	0	14,000	100,000

REQUEST DETAIL BY PROGRAM408 Public Service Commission
Biennium: 2013-2015

Bill#: HB1008

Date: 12/07/2012

Time: 14:46:56

Program: Reclamation Programs		Reporting Level: 00-408-400-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Total	327,008	553,725	0	553,725	111,545
Operating Expenses					
General Fund	48,585	65,052	0	65,052	40,156
Federal Funds	278,423	488,673	0	488,673	71,389
Special Funds	0	0	0	0	0
Total	327,008	553,725	0	553,725	111,545
Capital Assets					
Equipment Over \$5000	36,358	0	0	0	28,000
IT Equip/Sftware Over \$5000	38,168	0	0	0	0
Total	74,526	0	0	0	28,000
Capital Assets					
General Fund	3,600	0	0	0	10,080
Federal Funds	70,926	0	0	0	17,920
Special Funds	0	0	0	0	0
Total	74,526	0	0	0	28,000
Grants					
Transfers Out	8,000	16,000	4,000	20,000	0
Total	8,000	16,000	4,000	20,000	0
Grants					
General Fund	0	0	0	0	0
Federal Funds	8,000	16,000	4,000	20,000	0
Special Funds	0	0	0	0	0
Total	8,000	16,000	4,000	20,000	0
AML Contractual Services					
Fees - Professional Services	0	8,000,000	0	8,000,000	0
Other Capital Payments	3,087,004	0	0	0	0
Total	3,087,004	8,000,000	0	8,000,000	0
AML Contractual Services					
General Fund	0	0	0	0	0
Federal Funds	3,087,004	8,000,000	0	8,000,000	0
Special Funds	0	0	0	0	0

REQUEST DETAIL BY PROGRAM408 Public Service Commission
Biennium: 2013-2015

Bill#: HB1008

Date: 12/07/2012

Time: 14:46:56

Program: Reclamation Programs		Reporting Level: 00-408-400-00-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Total	3,087,004	8,000,000	0	8,000,000	0
Total Expenditures	6,425,195	11,346,918	1,972	11,348,890	358,808
Funding Sources					
General Fund					
Total	576,714	682,187	(16,624)	665,563	109,919
Federal Funds					
R015 OSM Technical Assistance	6,114	0	0	0	0
R034 ND Permanent Program	655,716	0	0	0	89,309
R040 AML Administrative	563,887	0	0	0	0
R044 AML Construction	2,681,629	0	245,344	245,344	0
R151 Mine Mapping Grant	0	15,000	0	15,000	0
R341 Reclamation Grant	734,917	1,272,779	(25,547)	1,247,232	105,860
R401 AML Admin Grant	97,785	981,952	(258,123)	723,829	53,720
R441 AML Construction Grant	1,059,247	8,395,000	56,922	8,451,922	0
R560 AML 09-10 Emergency Grant	28,211	0	0	0	0
R921 09-10 Coal Fire Suppression	20,975	0	0	0	0
Total	5,848,481	10,664,731	18,596	10,683,327	248,889
Total Funding Sources	6,425,195	11,346,918	1,972	11,348,890	358,808
FTE Employees	14.12	14.12	(0.42)	13.70	0.00

CHANGE PACKAGE DETAIL

408 Public Service Commission

Biennium: 2013-2015

Bill#: HB1008

Date: 12/07/2012

Time: 14:46:56

Program: Reclamation Programs	Reporting Level: 00-408-400-00-00-00-00-00000000
--------------------------------------	---

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
-------------	----------	-----	--------------	---------------	---------------	-------------

Base Budget Changes**Ongoing Budget Changes**

A-A 2 ND Geological Survey Pass Through Funds		0.00	0	4,000	0	4,000
Base Payroll Change		(0.42)	(16,624)	14,596	0	(2,028)
Total Ongoing Budget Changes		(0.42)	(16,624)	18,596	0	1,972
Total Base Budget Changes		(0.42)	(16,624)	18,596	0	1,972

Optional Budget Changes**One Time Optional Changes**

A-D 1 Hydraulic Soil Probe	3	0.00	10,080	17,920	0	28,000
Total One Time Optional Changes		0.00	10,080	17,920	0	28,000

Ongoing Optional Changes

A-C 6 Increased Travel Costs	4	0.00	4,156	7,389	0	11,545
A-C 5 Additional Legal Work	5	0.00	36,000	64,000	0	100,000
A-C 1 Market Analysis Salary Adjustments	6	0.00	59,683	159,580	0	219,263
Total Ongoing Optional Changes		0.00	99,839	230,969	0	330,808
Total Optional Budget Changes		0.00	109,919	248,889	0	358,808