
AGENCY OVERVIEW

408 PUBLIC SERVICE COMMISSION

Date: 12/13/2006

Time: 12:01:21

STATUTORY AUTHORITY

North Dakota Constitution, Article V, Sections 2 and 5, Article XII, Section 13; North Dakota Century Code Chapters 19-01, 24-01, 24-09, 36-05, 38-14.1, 38-14.2, 38-18, 40-05, 40-33, 40-34, 51-05, 54-06, 54-44.8, 57-61; Title 49 (except chapter 49-16), Title 60 (except Chapter 60-01) and Title 64.

AGENCY DESCRIPTION

The Public Service Commission is a constitutional agency with varying degrees of statutory authority over electric and gas utilities, telecommunication companies, energy plant & transmission line siting, railroads, grain elevators, auctioneers & auction clerks, weighing & measuring devices, pipeline safety and coal mine reclamation.

The Commission is comprised of three Commissioners who are elected on a state-wide basis to staggered six year terms.

AGENCY MISSION

The Public Service Commission fulfills its statutory mandates by protecting the public interest and regulating utilities, mining companies, and licensees in a fair, efficient, responsive, and cooperative manner. Regulatory initiatives assure that:

Utility customers receive reliable and safe service at reasonable and just rates.

Mined coal lands are reclaimed to provide a safe and productive environment now and in the future.

License and permit holders and operators of commercial weighing and measuring devices operate in a safe and fair manner.

Executive Secretary

- Promote agency efficiency and effectiveness by providing an office atmosphere and mechanisms that facilitate the development and maintenance of professional staff, shared goals, cooperation, and teamwork.

Public Utilities Division

- Establish and maintain a fair, reasonable, safe, efficient and workable framework in which the transition from monopoly utility services to competitive utility services can evolve.
- Improve information flow to consumers and the public generally for the purpose of enhancing the public's understanding of the evolving industry, the Commission's role, and the consumers' rights and responsibilities.
- Continue to protect ND's environment by maintaining a high level of oversight of energy conversion and transmission facility siting and utility safety issues.

Testing & Safety Division

- Promote enhanced public safety of ND's gas and LPG intrastate distribution/transmission systems through compliance with federal/state gas pipeline safety laws and rules.
- Promote low compliance costs by maintaining industry education through interaction with consumers, commercial weighing and measuring device operators, and gas pipeline operators.
- Promote professionalism and accuracy in ND's Metrology Program, the Weights and Measures regulatory and service sectors, and in gas pipeline distribution and transmission sectors by providing a work environment favorable to ongoing professional education.
- Promote fairness in the marketplace by verifying the accuracy of commercial scales and meters used in ND.

- . Promote low cost private inspection and maintenance services to the weights and measures device operators by providing low cost, local, metrology services to the region's service companies.

Licensing Division

- Ensure that regulated entities comply with statutes and rules governing their operations.
- . Ensure that the public receives fair and prompt service on matters involving jurisdictions handled by the Licensing Division.
- . Regulate industry within a framework that minimizes negative economic impacts on regulated entities.

Reclamation Division

- Carry out the mine permitting, inspection and enforcement, and bond release activities in a manner that provides the required protection to the environment and property owners while being responsive to the needs of the mining industry.
- Evaluate and adjust the regulatory program on an ongoing basis to achieve the optimum balance among environmental protection, least-cost industry operations, and landowner pursuit of agricultural activities.
- . Explore the scientific, engineering and statistical underpinnings of the regulatory program and make every effort to see that improvements resulting from that exploration are made at both the state and federal level.
- Promote public awareness of the regulatory program through increased contact with relevant organizations and potentially affected landowners.
- . Maintain maximum staff effectiveness by providing training and other opportunities for professional growth.

Abandoned Mine Lands Division

- Reclaim abandoned mine land sites found on the ND AML Inventory.
- Reclaim hazardous abandoned mine land sites not on the ND AML Inventory but discovered through exploratory drilling or public information.
- . Reclaim emergency sites as the highest work priority. Develop emergency reaction plans that will reduce the time taken to eliminate the eminent hazard.
- . Deposit funds in our State account so that when the federal program is over, the State will have the financial basis to address abandoned mine land hazards.
- . Seek to increase the gross amount of money received by the State for the purpose of reclamation through action in the National Association of AML Programs (NAAML) and through Congressional contacts.

Legal Division

- Advise and counsel the Commission in all matters directly or indirectly affecting the Commission or Commission staff.
- . Assist in the preparation and presentation of staff and Commission positions on matters of regulatory concern in Commission dockets and before state and federal agencies.
- . Represent the Commission in all proceedings before state and federal courts.
- . Coordinate the agency's legislative and rulemaking activities.
- . Fulfill staff functions for various divisions as situations warrant and time allows.
- Regulate railroads as provided for by state law and represent ND's railroad shipping interests in federal proceedings and in direct negotiations with the rail carriers that serve the state.

Accounting Division

- Provide accurate and usable financial information to commissioners and division directors.
- . Provide efficient and effective computer software applications.
- . Provide equipment necessary for the deployment of computer-based applications.
- . Provide necessary accounting and reporting to OMB, Legislative Council, ITD, federal government, utility industry, payroll department, etc.
- . Supervise the administration of federal grants and contracts.

AGENCY PERFORMANCE MEASURES

Not Available.

MAJOR ACCOMPLISHMENTS

- Processed 1,467 cases, approximately two-thirds of which were closed within 30 days.
- Decided three natural gas rate applications during the 2003-2005 biennium. A new rate design for residential customers of one company that combined two customer bill charges (a customer charge of \$5.50 per month and a distribution charge of \$1.248 per dekatherm) into one bill charge (a flat monthly charge of \$15.69 per month).
- Permitted an additional 23,718 acres for surface coal mining and reclamation operations. Thirteen final bond release applications were granted that totaled 3,241 acres.
- Filled dangerous sink holes from pre-reclamation law mines under roads near Dickinson, under parking lots in Beulah and various locations within the city limits of Garrison.
- Tested 28,549 weighing and measuring devices.
- Completed 275 grain elevator and grain buyer examinations.
- Collected indemnity fund collections for the 2003-2005 biennium totaled approximately \$2 million.
- Received authorization to expend up to \$945,000 to pursue a rail rate complaint proceeding before the Surface Transportation Board during the 2005-2007 biennium.
- Administered Qwest's Performance Assurance Plan fund for collecting funds from the Qwest Corp. when it fails to meet certain performance standards. The funds are then used to conduct audits of the reported results.
- Continued participation in a new regional regulatory organization known as the Organization of Midwest States Independent System Operator States.

FUTURE CRITICAL ISSUES

As identified by OMB, the Commission's cost to continue adjustment of \$57,533 is attributable to salary raises granted during the 2nd half of the 2005-07 biennium.

REQUEST SUMMARY

Date: 12/13/2006

408 PUBLIC SERVICE COMMISSION

Bill#: SB 2008

Time: 12:01:21

Biennium: 2007-2009

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|--------------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| BY MAJOR PROGRAM | | | | | |
| ADMINISTRATION | 1,869,836 | 2,007,846 | 59,502 | 2,067,348 | 225,240 |
| TESTING, LICENSING AND CERTIFICATION | 1,679,355 | 2,478,436 | -1,036,218 | 1,442,218 | 360,930 |
| PUBLIC UTILITIES | 850,583 | 1,006,372 | -24,504 | 981,868 | 0 |
| RECLAMATION PROGRAMS | 3,966,050 | 5,747,335 | 958,034 | 6,705,369 | 0 |
| TOTAL MAJOR PROGRAMS | 8,365,824 | 11,239,989 | -43,186 | 11,196,803 | 586,170 |
| BY LINE ITEM | | | | | |
| SALARIES AND WAGES | 4,708,530 | 5,122,831 | 11,507 | 5,134,338 | 206,168 |
| OPERATING EXPENSES | 1,355,624 | 1,408,155 | 97,810 | 1,505,965 | 263,002 |
| CAPITAL ASSETS | 33,098 | 88,511 | -40,011 | 48,500 | 117,000 |
| GRANTS | 106,407 | 7,000 | 1,000 | 8,000 | 0 |
| AML CONTRACTUAL SERVICES | 1,931,723 | 3,668,492 | 831,508 | 4,500,000 | 0 |
| RAIL RATE AND SERVICE LEGAL FUND | 230,442 | 945,000 | -945,000 | 0 | 0 |
| TOTAL LINE ITEMS | 8,365,824 | 11,239,989 | -43,186 | 11,196,803 | 586,170 |
| BY FUNDING SOURCE | | | | | |
| GENERAL FUND | 3,946,104 | 4,302,838 | -42,466 | 4,260,372 | 586,170 |
| FEDERAL FUNDS | 4,088,944 | 5,867,151 | 944,280 | 6,811,431 | 0 |
| SPECIAL FUNDS | 330,776 | 1,070,000 | -945,000 | 125,000 | 0 |
| TOTAL FUNDING SOURCE | 8,365,824 | 11,239,989 | -43,186 | 11,196,803 | 586,170 |
| TOTAL FTE | 41.00 | 41.00 | -1.00 | 40.00 | 2.00 |

REQUEST DETAIL

Date: 12/13/2006

408 PUBLIC SERVICE COMMISSION

Bill#: SB 2008

Time: 12:01:21

Biennium: 2007-2009

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|--------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| SALARIES AND WAGES | | | | | |
| SALARIES - PERMANENT | 3,588,329 | 3,957,254 | -65,511 | 3,891,743 | 152,856 |
| SALARY BUDGET ADJUSTMENT | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY SALARIES | 19,550 | 53,000 | -5,000 | 48,000 | 0 |
| OVERTIME | 8,506 | 2,000 | -2,000 | 0 | 0 |
| FRINGE BENEFITS | 1,092,145 | 1,110,577 | 84,018 | 1,194,595 | 53,312 |
| SALARY INCREASE | 0 | 0 | 0 | 0 | 0 |
| BENEFIT INCREASE | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 4,708,530 | 5,122,831 | 11,507 | 5,134,338 | 206,168 |
| SALARIES AND WAGES | | | | | |
| GENERAL FUND | 2,983,266 | 3,307,831 | -14,443 | 3,293,388 | 206,168 |
| FEDERAL FUNDS | 1,725,264 | 1,815,000 | 25,950 | 1,840,950 | 0 |
| SPECIAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 4,708,530 | 5,122,831 | 11,507 | 5,134,338 | 206,168 |
| OPERATING EXPENSES | | | | | |
| TRAVEL | 490,641 | 531,992 | -45,704 | 486,288 | 61,736 |
| SUPPLIES - IT SOFTWARE | 72,587 | 54,460 | -6,681 | 47,779 | 16,000 |
| SUPPLY/MATERIAL-PROFESSIONAL | 12,156 | 14,900 | 3,500 | 18,400 | 0 |
| FOOD AND CLOTHING | 2,443 | 3,500 | 500 | 4,000 | 0 |
| BLDG, GROUND, MAINTENANCE | 465 | 37,100 | -24,000 | 13,100 | 0 |
| MISCELLANEOUS SUPPLIES | 12,160 | 11,307 | 93 | 11,400 | 1,000 |
| OFFICE SUPPLIES | 22,924 | 19,605 | 5,000 | 24,605 | 0 |
| POSTAGE | 22,492 | 27,264 | 100 | 27,364 | 0 |
| PRINTING | 16,307 | 23,650 | -3,161 | 20,489 | 0 |
| IT EQUIP UNDER \$5,000 | 41,185 | 41,801 | 34,827 | 76,628 | 11,000 |
| OTHER EQUIP UNDER \$5,000 | 13,777 | 5,000 | 0 | 5,000 | 0 |
| OFFICE EQUIP & FURN SUPPLIES | 11,387 | 6,600 | 3,100 | 9,700 | 0 |
| INSURANCE | 15,834 | 10,425 | 634 | 11,059 | 266 |
| RENTALS/LEASES-EQUIP & OTHER | 0 | 2,500 | 500 | 3,000 | 0 |
| RENTALS/LEASES - BLDG/LAND | 55,117 | 71,000 | -4,000 | 67,000 | 160,000 |
| REPAIRS | 14,254 | 42,500 | 5,500 | 48,000 | 500 |
| IT - DATA PROCESSING | 63,478 | 101,521 | 11,732 | 113,253 | 24,000 |
| IT-COMMUNICATIONS | 40,109 | 47,100 | 8,350 | 55,450 | 300 |
| IT CONTRACTUAL SERVICES AND RE | 28,456 | 28,600 | 7,300 | 35,900 | 10,500 |
| PROFESSIONAL DEVELOPMENT | 46,413 | 86,130 | 6,050 | 92,180 | 3,700 |

REQUEST DETAIL

Date: 12/13/2006

408 PUBLIC SERVICE COMMISSION

Bill#: SB 2008

Time: 12:01:21

Biennium: 2007-2009

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|----------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| OPERATING FEES AND SERVICES | 275,025 | 73,180 | 55,170 | 128,350 | 0 |
| FEES - PROFESSIONAL SERVICES | 98,414 | 168,020 | 39,000 | 207,020 | -26,000 |
| TOTAL | 1,355,624 | 1,408,155 | 97,810 | 1,505,965 | 263,002 |
| OPERATING EXPENSES | | | | | |
| GENERAL FUND | 869,740 | 919,846 | 12,538 | 932,384 | 263,002 |
| FEDERAL FUNDS | 385,550 | 363,309 | 85,272 | 448,581 | 0 |
| SPECIAL FUNDS | 100,334 | 125,000 | 0 | 125,000 | 0 |
| TOTAL | 1,355,624 | 1,408,155 | 97,810 | 1,505,965 | 263,002 |
| CAPITAL ASSETS | | | | | |
| EQUIPMENT OVER \$5000 | 16,611 | 45,500 | -29,500 | 16,000 | 107,000 |
| IT EQUIPMENT OVER \$5000 | 16,487 | 43,011 | -10,511 | 32,500 | 10,000 |
| TOTAL | 33,098 | 88,511 | -40,011 | 48,500 | 117,000 |
| CAPITAL ASSETS | | | | | |
| GENERAL FUND | 33,098 | 75,161 | -40,561 | 34,600 | 117,000 |
| FEDERAL FUNDS | 0 | 13,350 | 550 | 13,900 | 0 |
| SPECIAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 33,098 | 88,511 | -40,011 | 48,500 | 117,000 |
| GRANTS | | | | | |
| GRANTS, BENEFITS & CLAIMS | 101,406 | 0 | 0 | 0 | 0 |
| TRANSFERS OUT | 5,001 | 7,000 | 1,000 | 8,000 | 0 |
| TOTAL | 106,407 | 7,000 | 1,000 | 8,000 | 0 |
| GRANTS | | | | | |
| GENERAL FUND | 60,000 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 46,407 | 7,000 | 1,000 | 8,000 | 0 |
| SPECIAL FUNDS | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 106,407 | 7,000 | 1,000 | 8,000 | 0 |
| SPECIAL LINES | | | | | |
| AML CONTRACTUAL SERVICES | 1,931,723 | 3,668,492 | 831,508 | 4,500,000 | 0 |
| RAIL RATE AND SERVICE LEGAL FUND | 230,442 | 945,000 | -945,000 | 0 | 0 |
| TOTAL | 2,162,165 | 4,613,492 | 828,317 | 4,500,000 | 0 |

REQUEST DETAIL

Date: 12/13/2006

408 PUBLIC SERVICE COMMISSION

Bill#: SB 2008

Time: 12:01:21

Biennium: 2007-2009

| Description | Expenditures 2003-2005 Biennium | Present Budget 2005-2007 | Budget Request Change | Requested Budget 2007-2009 Biennium | Optional Budget Request |
|------------------------------|---------------------------------------|--------------------------------|-----------------------------|---|-------------------------------|
| SPECIAL LINES | | | | | |
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 1,931,723 | 3,668,492 | 831,508 | 4,500,000 | 0 |
| SPECIAL FUNDS | 230,442 | 945,000 | -945,000 | 0 | 0 |
| TOTAL | 2,162,165 | 4,613,492 | -113,492 | 4,500,000 | 0 |
| FUNDING SOURCES | | | | | |
| GENERAL FUND | 3,946,104 | 4,302,838 | -42,466 | 4,260,372 | 586,170 |
| FEDERAL FUNDS | 4,088,944 | 5,867,151 | 944,280 | 6,811,431 | 0 |
| SPECIAL FUNDS | 330,776 | 1,070,000 | -945,000 | 125,000 | 0 |
| TOTAL FUNDING SOURCES | 8,365,824 | 11,239,989 | -43,186 | 11,196,803 | 586,170 |

CHANGE PACKAGE SUMMARY
408 PUBLIC SERVICE COMMISSION
Biennium: 2007-2009

Bill#: SB 2008

Date: 12/13/2006

Time: 12:01:21

| Description | FTE | General Fund | Federal Funds | Special Funds | Total Funds |
|--|--------------|----------------|----------------|-----------------|----------------|
| AGENCY BUDGET CHANGES | | | | | |
| Cost To Continue | -1.00 | -89,604 | 12,600 | -3,191 | -80,195 |
| 1 IT Communications | .00 | 8,123 | 227 | 0 | 8,350 |
| 2 IT Software | .00 | -14,181 | 0 | 0 | -14,181 |
| 3 Miscellaneous adjustments | .00 | 11,401 | 7,265 | 0 | 18,666 |
| 4 Travel | .00 | -11,916 | 21,948 | 0 | 10,032 |
| 5 Postage | .00 | 100 | 0 | 0 | 100 |
| 6 Reclamation Equipment over \$5,000 | .00 | 2,100 | 13,900 | 0 | 16,000 |
| 7 IT Equipment under \$5,000 | .00 | 20,144 | 14,683 | 0 | 34,827 |
| 9 Professional Development | .00 | 1,580 | 4,470 | 0 | 6,050 |
| 10 Repairs | .00 | -500 | 5,000 | 0 | 4,500 |
| 12 IT Equipment over \$5,000 | .00 | 32,500 | 0 | 0 | 32,500 |
| 13 IT Contractual Service | .00 | 5,300 | 2,000 | 0 | 7,300 |
| 14 Funding Source Change | .00 | 10,716 | -10,716 | 0 | 0 |
| 17 IT Data Processing | .00 | 11,732 | 0 | 0 | 11,732 |
| 18 Rail Fund | .00 | 0 | 0 | -941,809 | -941,809 |
| 19 Ten Year Calibration | .00 | 11,000 | 0 | 0 | 11,000 |
| 20 ND Geological Survey Pass Through Funds | .00 | 0 | 1,000 | 0 | 1,000 |
| 22 Remove T&S Slide in units | .00 | 0 | 0 | 0 | 0 |
| 30 Delete Hearing Room Renovations | .00 | -14,000 | 0 | 0 | -14,000 |
| 31 Reduce 1 W&M FTE and related travel. | .00 | -55,736 | 0 | 0 | -55,736 |
| 32 Minnesota Metrology Inspection | .00 | 30,000 | 0 | 0 | 30,000 |
| 33 Remove 13th Floor Remodel Costs | .00 | -3,500 | -6,500 | 0 | -10,000 |
| 34 Increase AML Construction Funding | .00 | 0 | 831,508 | 0 | 831,508 |
| 36 Specialized Software | .00 | 2,275 | 5,225 | 0 | 7,500 |
| 37 Mine Mapping of Abandoned Mine Lands | .00 | 0 | 41,670 | 0 | 41,670 |
| Agency Total | -1.00 | -42,466 | 944,280 | -945,000 | -43,186 |
| OPTIONAL REQUEST | | | | | |
| 11 Metrology Program | .00 | 188,766 | 0 | 0 | 188,766 |
| 12 GIS Program | 1.00 | 205,240 | 0 | 0 | 205,240 |
| 15 Restore W&M inspector, travel and equipment | 1.00 | 172,164 | 0 | 0 | 172,164 |
| 16 Video Conferencing | .00 | 20,000 | 0 | 0 | 20,000 |
| Optional Total | 2.00 | 586,170 | 0 | 0 | 586,170 |

BUDGET CHANGES NARRATIVE
408 PUBLIC SERVICE COMMISSION

Date: 12/13/2006
Time: 12:01:21

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 1 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

IT Communications -

The increase in projected costs are based upon usage and ITD rates, including basic telephone, cell phones and long distance telephone service.

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 2 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

IT Software -

Reduction in number of software applications needing upgrades.

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 3 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Miscellaneous adjustments -

These smaller amounts reflect changes in costs and current spending levels for necessary goods and services.

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 4 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Travel -

Adjust travel budget to reflect OMB guidelines and current usage.

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 5 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Postage -

Increase due to rising cost of postage.

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 6 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Reclamation Equipment over \$5,000 -

\$6,000 to purchase a seismograph for use in investigating blasting related complaints and funds to procure AML camera equipment.

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 7 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

IT Equipment under \$5,000 -

To comply with IT equipment under \$5,000 replacement schedule and to replace tablet pc's, cameras and GPS units that were previously furnished by OSM. See further discussion in IT plan.

| | | | |
|------------------------|-----------------------|---------------------|------------------|
| Change Group: A | Change Type: A | Change No: 9 | Priority: |
|------------------------|-----------------------|---------------------|------------------|

Professional Development -

Additional funding to enable highly specialized training for greater staff efficiency.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 10 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Repairs -

Cost to repair existing Commission equipment.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 12 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

IT Equipment over \$5,000 -

Reduction of funding for equipment from OSM and increased use by other divisions of the Commission for certain pieces of equipment. See IT plan for further discussion.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 13 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

IT Contractual Service -

Funding for increased costs of maintenance and upgrade support on software.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 14 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Funding Source Change -

To correct funding sources.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 17 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

IT Data Processing -

Increase in the cost of services from ITD

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 18 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Rail Fund -

By unanimous recommendation of the Commission and the North Dakota contributing agricultural stakeholder group, a decision was made to forego filing of a rate complaint at this time due to rate cuts that have been implemented by railroads in response to the state's impending rate case. Instead, the Commission and the stakeholder group will seek to have a continuing appropriation established to address a wide range of rail concerns including rate and service issues.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 19 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Ten Year Calibration -

Cost to have Weights and Measures weights calibrated to national standards. Required every 10 years.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 20 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

ND Geological Survey Pass Through Funds -

This line item is for authorization to transfer some of the federal funds that the Commission receives from OSM to the North Dakota Geological Survey for the federal share of regulating coal exploration activities in the State. The amount of funds to be transferred has increased since more coal exploration activity is expected during the 2007-09 biennium. Some of the increase is also due to higher travel costs to field check drill-hole reclamation and slightly higher salaries for people that administer the coal exploration program.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 22 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Remove T&S Slide in units -

Procured in the 2005-2007 biennium

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 30 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Delete Hearing Room Renovations -

To eliminate expenditures to remodel commission hearing room.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 31 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Reduce 1 W&M FTE and related travel. -

Adjustment is necessary to meet the Governor's hold even budget request.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 32 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Minnesota Metrology Inspection -

Costs necessary to have weights and measures equipment calibrated by Minnesota since the hold-even budget required by the Governor eliminates the budget for our metrology operation.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 33 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Remove 13th Floor Remodel Costs -

Adjustment is necessary to eliminate 2005-07 biennium costs to renovate 13th floor office space.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 34 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Increase AML Construction Funding -

To increase federal funding authority for possible increases in available federal funds for abandoned mine lands reclamation.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 36 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Specialized Software -

Increased budget for emerging technologies and specialized software relevant to mine land reclamation.

| | | | |
|------------------------|-----------------------|----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 37 | Priority: |
|------------------------|-----------------------|----------------------|------------------|

Mine Mapping of Abandoned Mine Lands -

Federal funds to complete electronic conversion of abandoned mine land maps.

| | | | |
|------------------------|-----------------------|-----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 100 | Priority: |
|------------------------|-----------------------|-----------------------|------------------|

OMB Weights and Measurers Position -

Executive Recommendation to restore one inspector's position, related travel and equipment that were removed to meet budget guidelines, address salary equity issues, ITD increases, and \$30,000 for Minnesota Metrology Lab services.

| | | | |
|------------------------|-----------------------|-----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 101 | Priority: |
|------------------------|-----------------------|-----------------------|------------------|

OMB GIS Initiative -

Executive Recommendation to support agency request for 1.00 FTE to support GIS initiative to improve the Commission's efficiency in responding to requests, flexibility and accuracy of decision making.

| | | | |
|------------------------|-----------------------|-----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 102 | Priority: |
|------------------------|-----------------------|-----------------------|------------------|

OMB Video Conferencing -

Executive Recommendation to provide for video conferencing in the Commission Hearing Room.

| | | | |
|------------------------|-----------------------|-----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 103 | Priority: |
|------------------------|-----------------------|-----------------------|------------------|

OMB Contingency Legal Fund -

Executive Recommendation to carry forward the \$900,000 from the Beginning Farmer Fund to establish an on-going Rail Rate and Service Fund appropriation line.

| | | | |
|------------------------|-----------------------|-----------------------|------------------|
| Change Group: A | Change Type: A | Change No: 104 | Priority: |
|------------------------|-----------------------|-----------------------|------------------|

OMB Increase Federal Salaries -

Executive Recommendation to increase federal funds and the salary line item to reflect changes that were made after the budget had been submitted.

| | | | |
|------------------------|-----------------------|----------------------|--------------------|
| Change Group: O | Change Type: A | Change No: 11 | Priority: 4 |
|------------------------|-----------------------|----------------------|--------------------|

Metrology Program -

Replace outdated equipment to allow the lab to meet NIST standards

| | | | |
|------------------------|-----------------------|----------------------|--------------------|
| Change Group: O | Change Type: A | Change No: 12 | Priority: 2 |
|------------------------|-----------------------|----------------------|--------------------|

GIS Program -

This package supports the Public Service Commission's Graphic Information System (GIS) initiative. This initiative is designed to support energy development in North Dakota by supporting the coal mine reclamation, siting and other energy related duties within the Commission. This system will improve the Commission's speed, flexibility and accuracy of decision making.

| | | | |
|------------------------|-----------------------|----------------------|--------------------|
| Change Group: O | Change Type: A | Change No: 15 | Priority: 1 |
|------------------------|-----------------------|----------------------|--------------------|

Restore W M inspector, travel and equipment -

In order to submit a hold-even budget as requested by the Governor, it was necessary to unfund one inspector's position, related travel and equipment. The Commission does not believe such is in the interest of the state and therefore requests reinstatement of the position.

| | | | |
|------------------------|-----------------------|----------------------|--------------------|
| Change Group: O | Change Type: A | Change No: 16 | Priority: 3 |
|------------------------|-----------------------|----------------------|--------------------|

Video Conferencing -

To provide for video conferencing in the Commission Hearing Room.

At it's June 14, 2006 meeting, Budget Section passed the following motion:

"That the Budget Section, pursuant to North Dakota Century Code Section 54-44.1-07 relating to the form of budget data, requests the Office of Management and Budget to direct agencies, as they develop their 2007-09 biennium budget requests, to identify one-time budget investments that will result in long-term budget savings or efficiencies and other one-time expenditure items and that the Office of Management and Budget include these in the executive budget information provided to the 60th Legislative Assembly in December 2006, including an indication by amount and funding source, of those that are being recommended in the executive budget."

In order to accomplish this request, OMB is asking agencies to clearly identify and explain one-time budget investments and the long-term budget savings or efficiencies that would result, in the budget narrative. This will assist OMB in providing the required information to the Legislature.