

MINUTES OF THE MEETING
of
AGENCY 1

February 9, 1977
8:00 A.M.
Room 225
State Capitol Bldg.

PUBLIC SERVICE COMMISSION

The meeting was called to order by Chairman Bradley. Roll was taken. All members were present.

Chairman Bradley passed out a letter written to Jack Crosser which consisted of a joint resolution requesting space in the Highway Department Building for the Public Service Commission.

Jim Dwyer handed out a priority list of positions for their modified request. The personnel officer was replaced by an attorney. Each position is listed in order of priority. He said they have been authorized by legislature for 32 FTE's. The Department now has 34 FTE's including an unauthorized attorney.

Senator Roberts asked if the attorney was full time or just for this session. Mr. Dwyer replied for legislative session only. The commission was directed to draft their own law changes and had to hire an attorney to do this.

Representative Marks asked about the vacancy in the Transportation Department. How long has this been? Mr. Dwyer said an administrator retired on 7/1/75. An assistant moved up but had not been satisfactory she he was demoted and they are now interviewing for the administrative position. The assistant had been filling both positions. They have reviewed 128 applications to date.

Representative Marks asked what was the reason for having the third attorney instead of the personnel officer? Mr. Dwyer replied he was against this himself, but the commission felt the attorney was needed. They feel he is needed in preparing orders, especially to eliminate the ex-porte problem.

Mr. Dwyer said the commission wants teams of auditors, not just one. If they can only have one, they would rather have none, and take a communication engineer instead. They really want two auditors.

There was some discussion between the committee and Mr. Dwyer on the priority list he had distributed.

Senator Stephens asked Mr. Dwyer to explain what the Energy Planner and Customer Service person would do.

Mr. Dwyer said the Energy Planner would work to communicate with companies and other government agencies. The individual would participate in Montana Energy Advisory Council meetings, Natural Resource meetings, N. W. Power Pool conferences. He will work with all energy related agencies and would become an expert in the energy field and in the exportation of energy out of Montana.

The Customer Service person is the one the customer can go to with their complaints with a transportation company. She would serve as a mediator between the consumer and companies.

Senator Stephens asked if this was a duplication with the Consumer Council? Mr. Dwyer replied the Consumer Council has 4 people and are more legal oriented.

Representative Bradley asked if the Transportation Agent was a duplication with the Business Regulation Consumer Division. Mr. Dwyer said it could be a little. Phone calls come to them at times instead of Dick Disney. Representative Bradley then asked why and he replied he felt they get a faster effect than Mr. Disney's office, also we have good working relationship with the Governor.

Representative Bradley asked what authority the Utility Auditors have. Mr. Dwyer said they have subpoena power, but do not use it too often, only to a limited degree. He said it took 7 auditors 12 weeks to audit Montana Power two years ago.

Representative Bradley asked if it wouldn't be better than to have this temporary situation, couldn't you audit once ever 7 years or so. Mr. Dwyer said once the data bank is built up, the staff should go down. The people who do the audits would build the data base and then most of them should be through.

Representative Marks asked if these people are not allowed, what would you do? Mr. Dwyer said they had discussed this last night. If we don't get these people, on July 1, 1977 at 8:05 A.M. we would come in for a supplemental increase. We would come back at every opportunity.

Representative Marks asked if they would be asking for all 29 positions. Mr. Dwyer said for 11, for sure.

Representative Marks asked about the team of auditors the federal government was going to sent in, "Do you get any benefit from them?" Mr. Dwyer said yes, but they are not looking at what we are looking at; however they are cooperative.

Senator Stephens asked if the commission doesn't have the power to order the company to provide them with a certified audit?

Mr. Dwyer did not know for sure. Senator Stephens mentioned they audit themselves, we wouldn't have to accept their figures. You still feel you would have to do this yourself?

Mr. Dwyer felt if we can't have the auditors maybe you should pass a law giving us permission to accept their audits.

Mr. Dwyer, said above the dotted lines, (referring to the priority list) are essential. He mentioned there are some bills in now that could change this, but we will not know until the last day, depending on the bills.

Representative Marks asked if they were definitely going into the computer base. Mr. Dwyer said yes, they had already started in a limited basis.

With no more questions, the hearing was ended. The committee then went into a work session.

PERSONAL SERVICES. --

Mr. Robinson gave the recommendation of the LFA, saying the difference between the LFA and Executive budget is about \$2,000. Recommendation was by placing each person at proper grade and step in present pay plan. Benefit rate is actual rate experienced in fiscal 76 plus adjustments for increases in PERS.

Mr. Simkins agreed. He took the actual fiscal 76 base and allowed 10% for operating and personal service category. 4% vacancy factor and gave them a step increase.

Discussion by the committee.

Representative Marks made the motion to accept the LFA recommendation for personal services.

AYES - Unanimous

MOTION PASSED

CONTRACTED SERVICES -

Mr. Robinson said the only thing he is recommending different than what the department is asking for is he added \$10,000 for a hearings reporter and \$1,000 for additional insurance. He included the \$16,000 they receive from grants which brings it to about \$56,000.

Representative Marks asked the LFA what the reason is for the large amount in contracted services for fiscal 76. Mr. Robinson said they had 2 line item contract service studies.

Open discussion.

Representative Bradley thought they should take out the hearing reporter and consider that later. Mr. Dwyer mentioned the view of the commission is they would prefer to have the contract service as low as possible and have the FTE's instead.

Mr. Robinson said they have to have \$20,565.00 plus the \$16,000. That would be \$36,565 for the first year and \$37,113 for the second year.

Senator Stephens made the motion the figures by the budget analyst be accepted.

AYES - Unanimous

MOTION PASSED

SUPPLIES -

The LFA recommendation was developed by applying standard inflation factors to fiscal '76 expenditures.

Representative Marks asked what the inflation factors were.

Mr. Robinson said we recommend a 5% inflation factor on office supplies and 5% vehicle.

Senator Story asked about the uniforms. Mr. Robinson said they were for the 5 men in the field, the enforcement department.

Senator Stephens made a motion to accept the LFA's figures for supplies.

AYES - Unanimous

MOTION PASSED

COMMUNICATION

The LFA said this is basically the telephone, local services, teletype, long distance, and state system. Basically we took actual fiscal '76 expenditures and applied 5%. On postage and mail we applied 15% to the fiscal '76 actual experience and carried it through the 2 years.

Mr. Dwyer said their charges have come up to \$450 a month in the STS area from \$275 a month. The LFA recommendation is too low.

Rep. Marks said then we would have to add \$5,000 instead of \$3500.

Bob Robinson said he combined their previous long distance to the STS expenditure. I come up with \$3,057. With inflation factor this comes to \$3,524.

Representative Marks asked if this would be enough to cover the new higher rate.

Mr. Robinson said the new rate had not come in when he figured this.

Representative Marks made the motion that the LFA recommendation be adjusted up to \$23,585 a year and accept the LFA recommendation.

AYES - Unanimous

MOTION CARRIED

TRAVEL

LFA recommendation - he took actual expenditure in fiscal 76 and applied a flat 5% inflation factor on all in-state expenses.

There was some discussion on the out of state travel.

Representative Marks moved we accept the LFA recommendation.

AYES - Unanimous

MOTION CARRIED

RENT -

The LFA recommends taking the request by the Department. We should also line item some funds in case they can get into the highway building.

Representative Bradley suggested we wait on this until they hear from Jack Crosser regarding the letter. Everyone agreed.

UTILITIES -

The LFA recommends an inflation factor applied of 15% the 1st year and 10% the second year.

Senator Thomas made the motion to accept the utilities for both years as recommended by the LFA

AYES - Unanimous

MOTION CARRIED

REPAIRS -

Mr. Robinson said basically inflation factors applied to the different items -

Office equipment - went with their recommendation - \$1600 per year.

Passenger vehicles- 5% - we didn't recommend the repair of accident they requested because they did not have any cost last year.

Misc. parts to automobiles - Oil, etc. - we accept their request in all cases except oil. They asked for more than was spent last year.

We applied 5% inflation factor in the general category.

Mr. Dwyer said they have 5 old cars and asked for \$300 for oil.

There was a discussion about oil needed, cost, et. After further discussion, it was decided to come back to this.

The committee agreed.

The meeting was adjourned until tomorrow at 8:00 a.m.

Dorothy Bradley
Dorothy Bradley, Chairman

Nina Kosmas, Secretary