

THE MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS  
COMMISSION ON NATURAL RESOURCES  
February 12, 1981

The meeting was called to order by CHAIRMAN STOBBE at 8:00 a.m. on February 12, 1981 in room 431 of the State Capitol Building.

THE PUBLIC SERVICE COMMISSION

The following people represented the Public Service Commission:

Wayne Budt, Administrator, Transportation Division  
Bill Opitz, Executive Director, PSC  
Madeline L. Cottrill, Administrator and Commission  
Secretary of Centralized Services Division  
Gordon E. Bollinger, Chairman of PSC  
J. B. Driscoll, Commissioner of PSC  
Howard Ellis, Commissioner of PSC

MR. BILL OPITZ presented their response to the LFA budget and the \$200,000 appropriation due to the analysis and any litigation necessary with the Montana Power Company. He also stated their concerns regarding a tight budget.

Mr. Opitz stated that they had \$19,000 plus that was reverted to the general fund.

Mr. Opitz referred to the differences in salaries between the LFA and Executive budgets and that it amounted to about \$4,000.

Mr. Opitz stated that nothing had been added on to the budget for employee benefits for additional FTEs. What is shown, as granted, is 17.95% but their actual experience on their last payroll showed 18.75%. This means \$6,164 should be added.

The figure given by the OBPP for CONTRACTED SERVICES of \$57,675 is an accurate figure.

The SUPPLIES AND MATERIALS line item was discussed. A discrepancy of \$4,000 was referred to and their request of \$22,934. Included in that expense account was gasoline, office supplies and books and so they would recommend taking OBPP and adding \$1,200. They have six vehicles.

At this point, MR. OPITZ questioned COMMUNICATIONS AND OTHER EXPENSES and their differences and where their public notice expenses were. BOB ROBINSON stated that the LFA recorded public notices under OTHER EXPENSES and OBPP put in under COMMUNICATIONS.

\$64,000 was requested for the 1982-83 biennium for COMMUNICATIONS which included \$10,656 for local telephone. \$2,300 was included for long distance telephone, \$9,700 for SRS, \$19,000 for postage and mailing, \$575 for messenger service and \$21,654 for legal notices. There was a request made up in August and the phone

rate increase is not included. BOB ROBINSON said neither the LFA or the OSPP has figured 30% increase for the increase in telephone expenses.

Mr. Opitz stated that they would go with the OSPP recommendation for the TRAVEL category.

They have just acquired 1,200 more square feet of office space that gives them access to the whole building and the rent has been raised from \$4.70 a square foot to \$5.75 a square foot. Their contract for three years, from January 1, 1981 to January 1, 1984, is \$51,750 per year.

In addition, under this particular account number, when they go out of town they are being charged \$100 per month for a parking place as well as having to pay rent on a rag card typewriter of \$174 per month.

These three items under RENT comes to \$55,000.

The UTILITIES category was discussed. They stated they really have no way of knowing what it will cost them. They were paying about 60 cents per square foot for the square footage they had.

Mr. Opitz stated that the figure asked for REPAIR AND MAINTENANCE is \$8,047.

The OTHER EXPENSES category was discussed. Dues and subscriptions and the training program is \$4,627. He stated that they go before the best attorneys in the state and their people need more training and they need to send their new commissioners to school to teach them how to be hearings officers. Therefore, the amount they suggest is \$7,000.

It was assumed that there is equipment under the EQUIPMENT line item for the new FTEs that they had asked for which amounts to \$10,545. They now own the System 6. This is under account 2700 for repair and maintenance, which is \$5,555 for 1982 and \$6,377 for 1983.

BOB ROBINSON said that under the EQUIPMENT category, the LFA budget shows, at the current level, \$9,320 in 1982 and \$9,072 in 1983, which includes purchasing car replacement of a 1977 Pontiac in 1982 and a 1978 Fury in 1983, lights for a patrol car, an IBM typewriter, etc., which is essentially what they had asked for. There are different prices from the purchasing.

MR. OPITZ said the actual cost of the car is \$7,538 for this year. In saying they need \$6,100 for the increase fringes, \$7,000 more for rent, \$1,200 for supplies and materials and another \$700 for utilities, they are asking for approximately \$18,000 to \$20,300 more.

MR. OPITZ said they are asking for \$15,000 in 1982 for the computer, per year, and \$13,000 in 1983 on a lease-purchase. This is only in the CBPP budget.

MR. OPITZ explained the PURPA Program. They have received federal grants for the period from October, 1979, to September, 1980, in the amount of \$100,000 and for October, 1980 to September, 1981 of \$182,700. They have not spent the initial grant and will try and spread the \$182,000 as far as they can. PURPA stands for the Public Utilities Regulatory Policies Act. It mandates certain standards to be looked at as far as each one of the utilities.

In reference to EXHIBIT A, page 2, under the PURPA Program, they said they have a balance of \$58,115 from the \$200,000, and their grant for October, 1980, to September 30, 1982, is \$182,700 additional. They do not think there will be any more grant money.

SENATE BILL 515, sponsored by Senator Manning, will offer the PSC \$200,000. If this does not pass, they will need an additional \$50,000 added to the budget for the purpose of siting a case in a hearing that is pending.

SENATOR SMITH stated there would be no other supplements accepted, so this would have to be put into a Supplemental Bill.

BOB ROBINSON asked what they had spent in 1980 and was told it was \$36,100.

In reference to the 5 new FTEs which would include 2 auditors, 1 rate analyst, 1 secretary and 1 legislative intern, they would have to have additional room for them by either renting another building or redesigning their present facilities. This would cost about \$5,000.

MR. OPITZ stated that they are still asking for a railroad inspector. That is a program that would be shared fifty-fifty with the state. Federal Railroad Commission and the state have an ongoing program with rail and equipment inspection for railroads.

KEN CLARK, of the United Transportation Union, spoke on this, saying their concern was that they had no one with expertise to counter the railways.

J. T. MULAR, with Railway Clerks, supplemented Mr. Clark's statement, saying that they have a law on the books to coordinate through the FRA and state for safety inspection and felt the

derailments could have been prevented by having an inspector to check out possible contaminated waste and explosive materials traveling by rail. Also, they will have a police force besides someone to inspect. That would be paid half by the state and half by the federal government.

WAYNE BUDT, of the Public Service Commission, Transportation Division, stated that this is 50/50 with the federal government, but the federal funds pays 100% for the training. These inspectors have legal authority to turn in complaints and these are enforced by federal government.

MR. BUDT explained the truck deregulation, stating that it would increase their work. All people getting authority from the interstate commerce commission have to register that authority with the PSC, with insurance on file and buy stamps for each vehicle running through Montana. Without stamps, they can be fined. The stamp money goes into the general fund and the money from the fines go into the county school district. Regulatory fund includes interstate carrier, insurance and load check. The intrastate carriers function is granting authority if in the public interest, setting the rates and safety enforcement.

The witnesses were dismissed and the meeting was called into EXECUTIVE SESSION.

SENATOR BOYLAN made a MOTION that the subcommittee draw a resolution requiring the study of the responsibility of the Public Service Commission, and implication of its rate, selling and permit issuing responsibility. The intention is to examine the possibility of deregulation of some of the responsibilities of the department. MOTION PASSED.

MOTION was made by SENATOR BOYLAN to concur with the LFA and OBPP Commission of the Railroad Inspectors. MOTION PASSED.

SENATOR SMITH MOVED to accept the LFA and OBPP and the 44 FTE level. MOTION PASSED.

MOTION was made by SENATOR SMITH that the OBPP recommendation for 1982 of \$262,581 total first level be accepted. MOTION PASSED unanimously.

MOTION was made by REPRESENTATIVE MANUEL to add \$12,000 to supplies and materials. MOTION PASSED.

REPRESENTATIVE MANUEL MOVED to add \$7,200 for rent to the OBPP recommendation. MOTION PASSED.

REPRESENTATIVE MANUEL MOVED to add "line item" for \$182,700 for the PURPA grant for the biennium. MOTION PASSED.

MOTION was made by SENATOR BOYAN to adopt \$15,000 in 1982 and \$10,000 in 1983 for equipment. MOTION PASSED.

MOTION was made by SENATOR BOYAN to add \$2,500 to repairs and office space reallocation. MOTION PASSED.

MOTION was made by SENATOR BOYAN to reappropriate the balance of the \$200,000 Montana Power suit appropriation for the biennium. MOTION PASSED.

The motion was made to adjourn at 11:50 a.m.

  
CHRIS STOBIE, CHAIRMAN

lmw

M E M O R A N D U M

TO: Commissioners/Executive Director

FROM: Centralized Services Division

SUBJECT: Budget Status Report as of January 30, 1981  
 Responsibility Center 1  
 Operations

	Budgeted	Current Month		YTD	Encumbered	Expended	Year Expended
		Expended	YTD				
Salaries	707,875	52,693	365,537		51.7		588
Employee Benefits	123,215	9,767	63,965		51.9		588
Total Personal Services	831,090	62,460	429,502		51.7		588
Contracted Services	48,430	2,977	33,150		75.1		588
Supplies & Materials	16,750	907	8,907		60.1		588
Communication/Legals	42,000	3,185	21,907		52.2		588
Travel	26,752	2,138	15,274		57.1		588
Rent	38,000	4,487	23,503		117.6		588
Utilities	4,460	399	1,642		36.8		588
Repair & Maintenance	4,000	515	3,361		174.1		588
Other Expenses	3,700	737	1,802		48.7		588
Equipment	6,240	35	92		112.7		588
Remodeling Building	0	417	417				588
Total Operating Expenses	190,332	15,796	110,053		76.8		588
TOTAL PROGRAM COST	1,021,422	78,257	539,556		36,100	56.4	

(1) Behind pay period ending January 23, 1981 - about 31,000

We are behind two months on payment of Postage (\$2,200), Telephone Bill (\$8,000), Montana Power (\$350) and Motor Pool (\$500) and one month on payment of Duplicating (\$1,300)

Adding the estimated 38,350 we have not paid the percent expended is 60.2%.

M E M O R A N D U M

TO: Commissioners/Executive Director

FROM: Centralized Services Division

SUBJECT: Budget Status Report of January 30, 1981  
 Responsibility Center 8  
 PURPA

	<u>Budgeted</u>	<u>Current Month Expended</u>	<u>YTD</u>	<u>Encumbrance</u>
Salaries	83,296	2,070	55,873	
Employee Benefits	14,704	419	10,337	
Total Personal Services	<u>98,000</u>	<u>2,490</u>	<u>66,210</u>	
(1)				
Contracted Services/Print- ing	50,495	9,983	44,865	
Supplies & Materials	2,722	158	1,086	
Communication/Postage	4,393	169	2,197	
Travel	27,449	0	9,969	
Rent/Utilities	5,691	0	7,874	
Repair & Maintenance	500	0	33	
Other Expenses	1,563	0	915	
Equipment	9,187	0	9,337	
Total Operating Expenses	<u>102,000</u>	<u>10,309</u>	<u>75,675</u>	<u>0</u>
TOTAL PROGRAM COST	200,000	12,799	141,885	58,115

We received 100,000 from D.O.E.  
 (1) Behind pay period ending January 23, 1981 - About 1,250

M E M O R A N D U M

TO: Commissioners/Executive Director

FROM: Centralized Services Division

SUBJECT: Budget Status Report as of January 30, 1981  
 Responsibility Center 7  
 Special Audit

	<u>Budgeted</u>	<u>Current Month Expended</u>	<u>YTD</u>	<u>Remaining</u>
Contracted Services - Printing Travel	200,000	3.80	103,583	96,416

TOTAL PROGRAM COST



VISITORS' REGISTER

PSC Budget

NAME	ADDRESS	INTERESTING	SUPPORT	OPPO
Jerry Burt	911 Woodville Blvd	MPSC		
Bill Coitz	2 Wood Ct	MPSC	X	
John Z...	245 2nd St	MPSC	X	
...	1000 ...	MPSC	X	
...	...	...	X	
Frank J. Kuchner	Charlie ...	...	✓	
T. Muller	Butte St	Pre Ring Charts	X	
J. D. ...	...	PSC	X	
...	✓	✓	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE DENY REWARD REQUEST WITH SECRETARY.