

JOINT HOUSE-SENATE APPROPRIATIONS SUBCOMMITTEE ON NATURAL  
RESOURCES AND BUSINESS REGULATIONS - MINUTES  
March 1, 1983

The meeting was called to order by VICE-CHAIRMAN SMITH at 8:15  
a.m. in Room 132 of the Capitol Building, Helena, Montana.

ROLL CALL: SMITH, HEMSTAD, STOBIE, BOYLAN, LANE - Present  
MANUEL - Excused  
Staff Present: DICK GILBERT, LFA; CAROLYN DOERING  
OBPP; and PATTI SCOTT, SECRETARY

PUBLIC SERVICE COMMISSION (EXHIBIT A) (Tape #69 did not record  
to Side A-604. Cord was  
pulled out.)

BILL OPITZ, Executive Director of PSC, gave the Committee a copy  
of the fees charged by all states for Identification Stamps. If  
funds must be generated for the PSC, he suggested raising these  
fees may help. The Committee took no action on this suggestion.

Contracted Services

SENATOR BOYLAN MOVED TO NOT ALLOW THE \$11,000 IN LEGISLATIVE AUDIT  
FEES. MOTION FAILED WITH ONLY SENATOR BOYLAN VOTING YES.

There was considerable discussion on the charges for these audits.  
The Committee felt that they were high, but audits must be done.

Personal Services

REPRESENTATIVE HEMSTAD MOVED TO APPROVE 44 FTE's. MOTION PASSED  
WITH REPRESENTATIVE STOBIE VOTING NO.

REPRESENTATIVE HEMSTAD MOVED TO APPROVE \$1,141,965-FY84 and  
\$1,140,300-FY85 FOR PERSONAL SERVICES. MOTION PASSED WITH REP-  
RESENTATIVE STOBIE VOTING NO.

Operating Budget

SENATOR BOYLAN asked why the PSC could not share space in another  
State-owned building. MR. OPITZ stated he had looked into it, but  
could not find adequate space.

SENATOR LANE MOVED TO APPROVE \$305,212-FY84 and \$313,203-FY85. MO-  
TION PASSED WITH REPRESENTATIVE STOBIE VOTING NO.

Total Funding

REPRESENTATIVE HEMSTAD MOVED TO APPROVE THE TOTAL PROGRAM AT  
\$1,459,667-FY84 and \$1,466,523-FY85. MOTION PASSED WITH REPRE-  
SENTATIVE STOBIE VOTING NO.

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MODIFICATIONS FOR PSC (EXHIBIT D)

DICK GILBERT provided EXHIBIT B, which showed the modified requests already approved for elected officials by other subcommittees.

PSC's total modified request is for \$1,336,000. Of the \$2 million the elected officials have to work with, \$1,020,462-FY84 and \$608,284-FY85 had already been approved which is just \$400,000 short of the \$2 million. VICE-CHAIRMAN SMITH stated the PSC modifications should be considered by the full Committee. SENATOR BOYLAN agreed. REPRESENTATIVE HEMSTAD felt it was this Committee's responsibility to approve or disapprove these modifications. The rest of the Committee agreed.

The total modified request is for \$1,336,000. \$930,000 of this was a direct result of recommendations by the Legislative Auditor. Modified funding breakdown:

FY84 - \$684,000 General Fund  
24,026 Other

FY85 - \$652,000 General Fund  
19,000 Other

1. Exempt Employees

REPRESENTATIVE HEMSTAD MOVED TO DENY THIS REQUEST. MOTION PASSED UNANIMOUSLY.

2. Computer Capabilities (Tape #69, Side A-604 and Side B-001 to 288)

There was considerable discussion on the subject. This request was partially based on the recommendations of the Legislative Auditor. SCOT SEACAT, Legislative Auditor's office, was present to explain the Auditor's position. The Audit report basically reflected the PSC was doing a good job with what they had to work with. The major point, however, was the fact the PSC had no data base, nor the technical capabilities to deal with the complex rate requests. They have no ability to verify what the utilities tell them. The Audit report did not specifically recommend these four FTE in this modification, but did recommend auditors which are included in another recommendation.

REPRESENTATIVE STOBIE asked why the four people were needed. MR. OPITZ stated there is help required in getting the system going.

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REPRESENTATIVE HEMSTAD noted that the Auditor's recommendation did not even come out until November, 1982. The request is for half a million dollars, and suggested more study should be done.

REPRESENTATIVE HEMSTAD MOVED TO CONCUR WITH THE LFA RECOMMENDATIONS ON THIS, SPECIFICALLY: JULY 1983-JANUARY 1984 - REVIEW SPECIFIC FUNCTIONS THAT COULD BENEFIT FROM AUTOMATION AND BEGIN RECRUITING SYSTEMS ANALYST; JANUARY 1984-JANUARY 1985 - WITH SYSTEM ANALYST HIRED, DEVELOP DATA PROCESSING PACKAGES, DETERMINE DATA REQUIREMENTS AND AVAILABILITY; JANUARY 1985-BEGIN DATA COLLECTION AND ENTRY, DEVELOP COST FIGURES FOR SUCCEEDING IMPLEMENT STEPS FOR THE LEGISLATURE'S 1985-1987 APPROPRIATIONS. TOTAL COST - \$17,980-FY84 and \$50,660-FY85.

REPRESENTATIVE STOBIE MADE A SUBSTITUTE MOTION TO DENY THIS MODIFICATION. MOTION PASSED WITH REPRESENTATIVE STOBIE, SENATOR LANE AND VICE-CHAIRMAN SMITH VOTING YES. REPRESENTATIVE HEMSTAD AND SENATOR BOYLAN VOTED NO.

REPRESENTATIVE STOBIE felt further study was a waste of money.

VICE-CHAIRMAN SMITH felt the PSC should come up with an over-all plan to phase the computerization in, spreading out the costs. MR. GILBERT stated the LFA recommendation was a modest approach to identifying what was needed. REPRESENTATIVE STOBIE stated the Legislative Auditor has already done this.

REPRESENTATIVE HEMSTAD believes the PSC will someday need this computer function. She felt the Legislature should appropriate the \$68,000 to further study it.

With the modification denied, VICE-CHAIRMAN SMITH stated the PSC could come before the full Committee, if they so choose.

3. Audit Function (Tape #69, Side B-288)

REPRESENTATIVE STOBIE MOVED TO DENY THIS MODIFICATION. SENATOR BOYLAN MADE A SUBSTITUTE MOTION TO APPROVE TWO AUDITORS AND ADJUST THE FUNDING ACCORDINGLY. MOTION PASSED WITH SENATOR BOYLAN, REPRESENTATIVE HEMSTAD AND SENATOR LANE VOTING YES. REPRESENTATIVE STOBIE AND SENATOR SMITH VOTED NO.

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4. Lawyer

There are four lawyers on staff. VICE-CHAIRMAN SMITH feels the PSC is understaffed as far as attorneys, as they have a tremendous amount of legal work. REPRESENTATIVE HEMSTAD felt with de-regulation of Natural Gas coming, there is no need to "staff up."

REPRESENTATIVE HEMSTAD MOVED TO DENY THE REQUEST. MOTION FAILED WITH SENATORS BOYLAN AND LANE, AND VICE-CHAIRMAN SMITH VOTING NO. REPRESENTATIVES STOBIE AND HEMSTAD VOTED YES.

SENATOR BOYLAN MOVED TO ACCEPT THE LAWYER MODIFICATION. MOTION PASSED WITH REPRESENTATIVES STOBIE AND HEMSTAD VOTING NO.

5. Ongoing Review (Tape #69, Side B-666)

REPRESENTATIVE HEMSTAD MOVED TO DENY THIS MODIFICATION. MOTION PASSED WITH REPRESENTITIVES HEMSTAD AND STOBIE, AND VICE-CHAIRMAN SMITH VOTING YES. SENATOR BOYLAN AND SENATOR SMITH VOTED NO.

REPRESENTATIVE STOBIE stated the amount of dollars saved to the consumer as a result of this kind of review would be small. SENATOR BOYLAN stated the millions of dollars the utilities request should be considered, and give the PSC more to function with in considering requests.

6. Railroad Inspector (Tape #70, Side A-035)

SENATOR BOYLAN MOVED TO APPROVE THIS REQUEST. MOTION PASSED UNANIMOUSLY.

7. Training

REPRESENTATIVE HEMSTAD MOVED TO DENY THIS REQUEST. MOTION PASSED UNANIMOUSLY.

8. Expert Witnesses

REPRESENTATIVE HEMSTAD MOVED TO DENY THIS REQUEST. MOTION PASSED WITH SENATOR LANE VOTING NO. The Committee felt the utilities and Consumer Council both hire expert witnesses. The PSC should make determinations, not hire witnesses.

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9. Radios (Tape #70, Side A-130)

SENATOR LANE MOVED TO APPROVE THE RADIOS. MOTION PASSED  
UNANIMOUSLY.

10. Clerk Typist

Mr. Opitz had testified he could accept .5 FTE. SENATOR  
BOYLAN MOVED TO APPROVE THE FTE. REPRESENTATIVE HEMSTAD  
MADE A SUBSTITUTE MOTION TO APPROVE .5 FTE. MOTION PASSED  
UNANIMOUSLY.

11. National Regulatory Research Institute

REPRESENTATIVE HEMSTAD stated Tom Schneider, Chairman of  
the PSC, is on the Board of Directors.

REPRESENTATIVE HEMSTAD MOVED TO APPROVE THIS REQUEST. MO-  
TION PASSED UNANIMOUSLY.

12. Commercial Advertisements

REPRESENTATIVE HEMSTAD does not feel the PSC should be in  
public relations. To deny this, would not affect legal  
notices.

REPRESENTATIVE HEMSTAD MOVED TO DENY THIS MODIFICATION. MO-  
TION PASSED UNANIMOUSLY.

13. Toll Free Number

REPRESENTATIVE HEMSTAD stated the Citizen's Advocate can be  
utilized, as well as the local representative or senator.

REPRESENTATIVE HEMSTAD MOVED TO DENY THIS MODIFICATION. MO-  
TION PASSED WITH SENATOR LANE VOTING NO.

Vacancy Savings

REPRESENTATIVE HEMSTAD MOVED 2%. MOTION FAILED WITH ONLY  
REPRESENTATIVE HEMSTAD VOTING YES.

REPRESENTATIVE HEMSTAD MOVED 1%. MOTION PASSED WITH SENATOR  
LANE VOTING NO.

The meeting adjourned at 11:00 a.m. (Tape #70, Side A-242)

VISITOR'S REGISTER

Joint HOUSE App Sub Com - Nat Res COMMITTEE

BILL \_\_\_\_\_

DATE 3-1-83

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
<i>Edward Garcia</i>	<i>Helena</i>	<i>MPSC</i>	✓	
<i>Bill Opatz</i>	<i>Helena</i>	<i>MPSC</i>	✓	
<i>Jim Mular</i>	<i>Butte</i>	<i>BRAC UTU Bmwz BLE</i>	✓	
<i>Terr England</i>	<i>Helena</i>	<i>MEIC</i>	✓	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

REPORT EBSR100  
 DATE : 01/08/83  
 TIME : 16/25/25

OFFICE OF BUDGET & PROGRAM PLANNING  
 EXECUTIVE BUDGET SYSTEM  
 AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

Exhibit A

3-1-83

AGENCY : 4201 PUBLIC SERVICE REGULATION  
 PROGRAM : 01 PUBLIC SERVICE REGULATION PROG  
 CONTROL : 00000

AE/OE	DESCRIPTION	CURRENT LEVEL SERVICES ONLY							
		OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	44,00	44,00		<u>44</u>	44,00	44,00		<u>44</u>
1100	SALARIES	958,753	962,661	3,908	<u>961,734</u>	955,104	958,998	3,894	<u>958,081</u>
1400	EMPLOYEE BENEFITS	137,677	138,128	451	<u>137,991</u>	138,872	140,117	1,245	<u>139,979</u>
1500	HEALTH INSURANCE	42,240	42,240		<u>42,240</u>	42,240	42,240		<u>42,240</u>
	TOTAL LEVEL	1,138,670	1,143,029	4,359	<u>1,141,965</u>	1,136,216	1,141,355	5,139	<u>1,140,300</u>
2100	CONTRACTED SERVICES	101,164	68,147	-33,017	<u>93,440</u>	93,446	77,082	-16,364	<u>85,259</u>
2200	SUPPLIES & MATERIALS	25,797	23,467	-2,330	<u>25,797</u>	27,171	25,277	-1,894	<u>27,171</u>
2300	COMMUNICATIONS	60,250	58,788	-1,462	<u>60,250</u>	67,822	66,129	-1,693	<u>67,822</u>
2400	TRAVEL	42,668	42,656	-12	<u>42,656</u>	43,652	43,633	-19	<u>43,633</u>
2500	RENT	58,792	55,750	-3,042	<u>58,792</u>	62,320	58,932	-3,388	<u>62,320</u>
2600	UTILITIES	7,189	6,928	-261	<u>6,928</u>	8,939	8,612	-327	<u>8,612</u>
2700	REPAIR & MAINTENANCE	9,080	9,082	2	<u>9,082</u>	9,625	9,623	-2	<u>9,623</u>
2800	OTHER EXPENSES	8,267	8,219	-48	<u>8,267</u>	8,763	8,710	-53	<u>8,763</u>
	TOTAL LEVEL	313,207	273,037	-40,170	<u>305,212</u>	321,738	297,998	-23,740	<u>313,203</u>
3100	EQUIPMENT	12,490	9,190	-3,300	<u>12,490</u>	13,020	9,063	-3,957	<u>13,020</u>
	TOTAL LEVEL	12,490	9,190	-3,300	<u>12,490</u>	13,020	9,063	-3,957	<u>13,020</u>
4200	BUILDINGS		315	315	<u>0</u>		333	333	<u>0</u>
	TOTAL LEVEL		315	315	<u>0</u>		333	333	<u>0</u>
	TOTAL PROGRAM	1,464,367	1,425,571	-38,796	<u>1,459,667</u>	1,470,974	1,448,749	-22,225	<u>1,446,523</u>
01100	GENERAL FUND	1,445,367	1,412,018	-33,349	<u>1,440,667</u>	1,451,974	1,435,196	-16,778	<u>1,447,523</u>
03011	NATURAL GAS SAFETY PGM	19,000	13,553	-5,447	<u>19,000</u>	19,000	13,553	-5,447	<u>19,000</u>
	TOTAL PROGRAM	1,464,367	1,425,571	-38,796	<u>1,459,667</u>	1,470,974	1,448,749	-22,225	<u>1,446,523</u>

Elected Officials  
Approved Modified Request

	1	2	3	4	
	FY 84	FY 84	FY 85	FY 85	
	GENERAL	Other	GENERAL	Other	
	Funds	Funds	Funds	Funds	
<del>AGENCY</del> JUSTICE					1
Criminal Investigation					2
- Coal Counties Project		199069		203707	3
- Additional Investigators	89165		94600		4
- Data Processing	29027		28920		5
FORENSIC SCIENCE					6
- Co-oximeter	12000				7
Highway Patrol					8
- Safety Education Officers	40730	42847	9210	42694	9
Legal Services					10
- Additional Attorneys		83307		84441	11
					12
Total AGENCY	170922	305223	132730	330842	13
					14
<del>AGENCY</del> STATE AUDITOR					15
Central Payroll	163102	91410	87608	90535	16
Insurance Regulation	32000		42000		17
Investment Regulation	21413		19541		18
					19
Total AGENCY	216515	91410	149149	90535	20
					21
					22
<del>AGENCY</del> GOVERNOR'S OFFICE					23
- Board of Visitors	11788		10967		24
- Lt. Governor	1994		2132		25
- Coal Tax Lobby	300000				26
- Permit Directory		12500			27
					28
Total AGENCY	313782	12500	13099		29
					30
					31
<del>AGENCY</del> SUPREME COURT					32
- Law Clerks	41907		41751		33
- Projects	10898		12000		34
- Law Library	27796		27572		35
- Boards & Commissions	7729		7701		36
					37
Total AGENCY	88330		89024		38
					39
					40
					41
					42
					43
					44
					45
					46



Elected Officials  
Approved Modified Request

	1	2	3	4
	FY 84	FY 84	FY 85	FY 85
	General	Other	General	Other
	Funds	Funds	Funds	Funds
AGENCY Office of Public Instruction				
Book Sales		20000		15000
Agency Total		<u>20000</u>		<u>15000</u>
AGENCY Board of Crime Control				
- GENERAL FUND INCREASE	230913		224282	
Agency Total	<u>230913</u>		<u>224282</u>	
<sup>approved</sup> Total Modified Requests already	<u>1020462</u>	<u>449132</u>	<u>608284</u>	<u>436377</u>
Remaining Consideration:				
AGENCY Justice				
- I. E. N. S.				
Switch Replacement	280933		57169	
Additional Terminals	6210		6810	
Statewide Dispatch	823629		532198	
Total Agency	<u>1110172</u>	<u>still needs to be acted on</u>	<u>596177</u>	
AGENCY Public Service Commission	?		?	

Exhibit C

3-1-83

COST OF VEHICLE IDENTIFICATION STAMPS

Thirty-three states other than Montana sell stamps.

Twenty charge \$5.00 or less.

Thirteen charge in excess of \$5.00.

Of the thirteen states charging more than \$5.00, nine states charge \$10.00 or more.

Montana sold 181,924 stamps in 1982.

Montana has sold 158,533 stamps to date in 1983.

STATES SELLING AND COST OF VEHICLE IDENTIFICATION STAMPS

Alabama	\$ 1.00
Arkansas	\$ 5.00
California	\$ 5.00
Colorado	\$ 5.00
Connecticut	\$10.00
Illinois	\$ 2.00
Indiana	\$ 3.00
Iowa	\$ 1.00
Kansas	\$10.00
Louisiana	\$10.00
Maine	\$ 8.00
Massachusetts	\$10.00
Minnesota	\$ 5.45
Mississippi	\$13.00
Missouri	\$ 5.00
Montana	\$ 5.00
Nebraska	\$ 5.50
New Hampshire	\$10.00
New York	\$ 5.00
North Carolina	\$ 1.00
North Dakota	\$ 5.00
Ohio	\$ 1.00
Oklahoma	\$ 5.00
Oregon	\$10.00
Rhode Island	\$ 7.00
South Carolina	\$ 1.00
South Dakota	\$ 4.00
Tennessee	\$ 5.00
Texas	\$11.00
Utah	\$ 1.00
Virginia	\$10.00
Washington	\$ 3.00
West Virginia	\$ 3.00
Wisconsin	\$ 5.00

3-1-83

LFA Page - Not addressed

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

EXEMPT EMPLOYEES  
1985 Biennium

Personal Services:	<u>FY84</u>	<u>FY85</u>
Salaries	\$20,000	\$20,000
Employee Benefits	5,560	5,560
Total	<u>\$25,560</u>	<u>\$25,560</u>

Narrative:

The Commission introduced legislation (HB-627) which will provide it with ten exempt staff positions, bringing the number of exemptions in line with all other elected officials. The Commission requests funds to increase salaries in order to attract and retain competent professional staff. In the past, the Commission has lost such people to outside industries and to the Legislative branch of government.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

COMPUTER CAPABILITIES  
Budget Modification  
1985 Biennium

	<u>FY84</u>	<u>FY85</u>
FTE	4.00	4.00
<u>Personal Services:</u>		
Salaries	\$ 84,518	\$ 84,192
Employee Benefits	16,904	16,838
Total	<u>\$101,422</u>	<u>\$101,030</u>
<u>Operating Expenses:</u>		
Contracted Services	\$138,675	\$138,675
Supplies and Materials	2,200	2,332
Communications	2,400	2,544
Travel	2,500	2,650
Rent	2,300	2,438
Utilities	636	800
Repairs and Maintenance	1,284	1,284
Other Expenses	-0-	-0-
Total	<u>\$149,995</u>	<u>\$150,733</u>
<u>Equipment:</u>	\$ 20,380	-0-
Total Program	\$271,797	\$251,753
<u>Funding:</u>		
General Fund	\$271,797	\$251,753

Narrative:

Computer Analytical Assistance (4.00 FTE) - As noted in its recent sunset audit, the Commission has no computer capability to assist in the regulation of Montana's largest industries. It seeks funds to hire two systems analysts and two computer programmers associated with the development and operation of computer systems. This modification would provide the Commission with this much-needed tool, expanding the analytical capabilities of the office and assisting in the timely and efficient processing of rate cases.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

AUDIT FUNCTION  
Budget Modification  
1985 Biennium

	<u>FY84</u>	<u>FY85</u>
FTE	4.00	4.00
<u>Personal Services:</u>		
Salaries	\$ 80,465	\$ 80,156
Employee Benefits	16,093	16,031
Total	\$ 96,558	\$ 96,187
<u>Operating Expenses:</u>		
Supplies and Materials	\$ 1,200	\$ 1,272
Communications	4,800	5,088
Travel	10,000	10,600
Rent	2,300	2,438
Utilities	636	800
Repairs and Maintenance	260	275
Total	\$ 19,196	\$ 20,473
<u>Equipment:</u>	\$ 6,036	-0-
Total Program	\$121,790	\$116,660
<u>Funding:</u>		
General Fund	\$121,790	\$116,660

Narrative:

While 39 other states perform audits of utilities, the Commission does not have an audit capability. The PSC is not adequately verifying the supporting figures provided by the utilities to justify rate requests and, as a result, is dependent on information provided by utilities. The present department staff spends a majority of its time analyzing rate requests. Little time is available to verify provided information or to review the actual records of the utilities. While many utilities undergo financial audits through retained CPA firms, and some maintain an internal audit staff, there is still a need for independent financial data verification which meet the needs of the Commission.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

LAWYER  
Budget Modification  
1985 Biennium

	<u>FY84</u>	<u>FY85</u>
FTE	1.00	1.00
<u>Personal Services:</u>		
Salaries	\$21,872	\$21,795
Employee Benefits	4,376	4,359
Total	<u>\$26,248</u>	<u>\$26,154</u>
<u>Operating Expenses:</u>		
Supplies and Materials	600	660
Communications	1,200	1,272
Travel/Registration Fees	2,500	2,515
Rent	575	610
Utilities	159	200
Total Operating Expenses	<u>\$ 5,034</u>	<u>\$ 5,257</u>
<u>Equipment:</u>	\$ 1,559	\$ 1,559
Total Program	\$32,841	\$32,970
<u>Funding:</u>		
General Fund	\$32,841	\$32,970

Narrative:

The Commission holds hearings fifteen to twenty days per month. An attorney must attend each hearing. In the past two years, in addition to these day-to-day requirements which have increased substantially, the Legal Division has been required to handle a larger number of lawsuits, which are increasingly complex and time consuming. In addition, because of the activities associated with the AT&T divestiture, one attorney has devoted most of his time to telephone matters. The position is needed to adequately represent the Commission in its administrative hearings and in Court.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

ONGOING REVIEW  
Budget Modifications  
1985 Biennium

	<u>FY84</u>	<u>FY85</u>
FTE	3.00	3.00
<u>Personal Services:</u>		
Salaries	\$54,669	\$54,415
Employee Benefits	10,934	10,883
Total	\$65,603	\$65,298
<u>Operating Expenses:</u>		
Supplies and Materials	\$ 1,200	\$ 1,272
Communications	4,800	5,088
Travel	7,500	7,950
Rent	1,725	1,828
Utilities	636	800
Repairs and Maintenance	230	243
Total Operating Expenses	\$16,091	\$17,181
<u>Equipment:</u>	\$ 4,718	-0-
Total Program	\$86,412	\$82,479
<u>Funding:</u>		
General Fund	\$86,412	\$82,479

Narrative:

One of the major responsibilities of the Public Service Commission is to assure the public of adequate utility service at just and reasonable rates. At present, the Commission is not meeting this responsibility because it is not monitoring the financial activity of regulated utilities on a continuing basis. The only time a utility's financial condition is evaluated is when the utility submits a rate change request. As a result, the Commission and its staff are not adequately informed about the utilities' interim financial status between rate cases.



DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

RAILROAD INSPECTOR  
Budget Modification  
1985 Biennium

FTE	<u>FY84</u> 1.00	<u>FY85</u> 1.00
<u>Personal Services:</u>		
Salaries	\$21,872	\$21,795
Employee Benefits	4,376	4,359
Total	<u>\$26,248</u>	<u>\$26,154</u>
<u>Operating Expenses:</u>		
Contracted Services	-0-	-0-
Supplies and Materials	2,500	2,650
Communications	1,200	1,272
Travel	5,626	5,964
Rent	575	610
Utilities	159	200
Repairs and Maintenance	1,100	1,166
Other Expense	-0-	-0-
Total Operating Expenses	<u>\$11,160</u>	<u>\$11,862</u>
<u>Equipment:</u>	\$10,644	-0-
<u>Total Program:</u>	\$48,052	\$38,016
<u>Funding:</u>		
General Fund	\$24,026	\$19,008
Other Funds	\$24,026	\$19,008

Narrative:

Railroad Inspector - The Commission is responsible for enforcing railroad safety statutes. This modification would provide for the funding of one track/rail inspector, with the program receiving 50% of the money from the Federal Railroad Administration and 50% from the State's general fund.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

TRAINING  
1985 Biennium

<u>Operating Expense:</u>	<u>FY84</u>	<u>FY85</u>
Other Expenses	\$22,472	\$23,820
Total	\$22,472	\$23,820

Narrative:

Training - Commissioners and staff require periodic training and up-grading in their profession. Specialized schools outside Montana offer many courses which are necessary and valuable in an ever-changing regulatory environment. The Supreme Court has recently ordered that all attorneys in the State obtain continuing legal education credits on a yearly basis.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

EXPERT WITNESSES  
Budget Modification  
1985 Biennium

<u>Operating Expense:</u>	<u>FY84</u>	<u>FY85</u>
Contracted Services	\$50,000	\$50,000
Total	\$50,000	\$50,000

Narrative:

Expert Witnesses - This modification would provide funds to hire consultants in rate proceedings before this Commission and other Federal regulatory agencies. When an issue arises in a proceeding that the Consumer Counsel or other parties cannot address adequately, the Commission must hire expert witnesses to develop a complete evidentiary record. Commission representation is becoming more important as the Federal presence in the State regulatory arena expands. Montana interests could have been better represented in recent hearings before the National Energy Board of Canada, the Interstate Commerce Commission, the Federal Communications Commission, and the Federal Energy Regulatory Commission, had such funds been available to the Commission.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

RADIOS  
Budget Modification  
1985 Biennium

<u>Operating Expenses:</u>	<u>FY 84</u>	<u>FY85</u>
Equipment	\$7,500	
Total	\$7,500	
 <u>Funding:</u>		
General Fund	\$7,500	

Narrative:

Radios - This modification would provide funds to purchase new highband radios for the cars of the motor carrier enforcement staff once a state-wide communication system is established. This sytem will be designed to facilitate communications between all enforcement personnel by State, County or City.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

CLERK TYPIST  
Budget Modification  
1985 Biennium

	<u>FY84</u>	<u>FY85</u>
FTE	1.00	1.00
<u>Personal Services:</u>		
Salaries	\$10,925	\$10,883
Employee Benefits	2,185	2,177
Total	\$13,110	\$13,060
<u>Operating Expenses:</u>		
Supplies and Materials	600	660
Communications	1,200	1,272
Rent	575	610
Utilities	159	200
Repairs and Maintenance	100	106
Total	\$ 2,634	\$2,848
<u>Equipment:</u>	\$ 1,572	-0-
Total	\$17,316	\$15,908
<u>Funding:</u>		
General Fund	\$17,316	\$15,908

Narrative:

Clerk Typist (1.00 FTE) - The Commission is inundated with studies, periodicals and literature of all kinds relevant to the industries it regulates. A secretary is needed to file and index this material so that it can be used by the Commission, its staff and the public for basic research.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

NATIONAL REGULATORY RESEARCH INSTITUTE  
Budget Modification  
1985 Biennium

<u>Operating Expenses:</u>	<u>FY 84</u>	<u>FY85</u>
Contracted Services	\$ 5,100	\$ 5,100
Total	\$ 5,100	\$ 5,100

  

<u>Funding:</u>		
General Fund	\$ 5,100	\$ 5,100

Narrative:

The National Regulatory Research Institute (NRRI) is an organization established at Ohio State University to do basic research for State regulatory commissions. The \$5,100 represents Montana's share of the Institute's budget. Research has been done in the past on matters affecting the electric, natural gas and telecommunications industries.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

COMMERCIAL ADVERTISEMENTS  
Budget Modification  
1985 Biennium

<u>Operating Expense:</u>	<u>FY84</u>	<u>FY85</u>
Communications	\$11,236	\$11,910
Total	\$11,236	\$11,910

Narrative:

Commercial Advertisements - The Commission frequently receives complaints from consumers that they were unaware of the time and place of public hearings. Legal notices do not adequately alert the public to the Commission proceedings. Commercial advertisements are necessary to raise the public awareness of these matters which so critically affect the lives of the general populace.

DEPARTMENT OF PUBLIC SERVICE REGULATION  
PUBLIC SERVICE COMMISSION

TOLL FREE NUMBER  
Budget Modification  
1985 Biennium

<u>Operating Expenses:</u>	<u>FY84</u>	<u>FY85</u>
Communications	\$8,280	\$9,688
Total	\$8,280	\$9,688
 <u>Funding:</u>		
General Fund	\$8,280	\$9,688

Narrative:

Toll Free Number - A large portion of the 1,000 consumer complaints the Commission received each year are from people residing in or near Helena. The Commission requests funds for a toll-free number. Assistance to consumers should be uniformly available to all citizens of Montana, not just those located in the Helena area.