

MINUTES OF THE MEETING  
NATURAL RESOURCES SUBCOMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

January 9, 1985

The meeting of the Natural Resources Subcommittee was called to order by Vice-Chairman Boyland on January 9, 1985 at 8:05 A.M. in Room 132 of the State Capitol Building.

ROLL CALL: All members were present with the exception of Chairman Manuel.

DEPARTMENT OF LIVESTOCK - SUPPLEMENTAL: Les Graham from the Department of Livestock said they thought they could make their budget work for the milk and egg program work, if the Committee chooses, if they forgo some vehicle purchases and equipment. Mr. Graham said if they run short their option should be to furlow the people without pay to make the program work.

Discussion was held on this comment. (2; A; 32)

DEPARTMENT OF COMMERCE: Keith Colbo, Director of the Department of Commerce, brought up two supplemental matters. The first supplemental request was for approximately \$290,000. That request is divided into two amounts. The first being the Burlington Northern lawsuit. See exhibit "C". The Burlington Northern portion is approximately \$180,000 of the total \$290,000. This began in 1983 and was brought to settlement. The second item for \$110,000 is known as the McCarty Farms/Staggers 229 case which began in 1981.

Keith Colbo called on Bill Fogarty to explain the details. Bill Fogarty is the Administrator of the Transportation Division. (2 A; 176) Discussion was held on these cases (2; A; 323). Mr. Fogarty said, in regards to the McCarty Farms case, that the grain producers in the state have raised about \$260,000 to date that they have paid. The Harding and Nelson firm, who is the firm that was retained by the grain producers to represent them initially will have incurred by the end of February about \$160,000 of non reimbursed costs. The Wheat Research and Marketing Committee put in \$40,000.

Representative Spaeth asked if there would be any opportunity for reimbursement of legal costs or fees depending on the outcome of the case? Mr. Fogarty said that the way the thing is set up now the Harding and Nelson people are just betting on the come and they must think that the case has enough merit that they are willing to put a considerable amount of the firms money into pursuing the case. They also share the same enthusiasm about winning the case. One thing they intend to talk to them about is that if there are some winnings involved that the State be reimbursed whatever costs are involved.

Representative Nathe asked if it was possible for the state to get reimbursed for the expenditure of \$110,000 in case they win the case? Mr. Forgarty said they would want it that way.

DEPARTMENT OF COMMERCE: Hard Rock Mining: Keith Colbo said they are not requesting additional funds. Mr. Colbo introduced Carol Ferguson to explain the process that the legislature went through at the last session in consideration of this appropriation. Carol Ferguson is the Administrative Officer to the Impact Board. (2; A; 500). See exhibit "D". Discussion followed (2; A: 629).

Vice-Chairman Boylan presented a copy of a letter from Representative Dave Brown to have his testimony entered into the minutes of the Committee hearing. See exhibit "E".

PUBLIC SERVICE COMMISSION: Clyde Jarvis, Chairman of the Public Service Commission asked for a supplemental totaling a little over \$25,000. The request is necessitated by two occurrences. One dealing with their responsibility under the Natural Gas Pipeline Safety Program and the second dealing with three Montana-Dakota Utilities (MDU) dockets before the Federal Energy Regulatory Commission (FERC). Mr. Jarvis introduced Eileen Shore to explain the Natural Gas Pipeline Safety Program. See exhibit "F". (2; B; 56) Ms. Shore said that they were not asking for additional money at this time for the additional contract. What they are asking for here is for work that has been previously done.

Representative Spaeth asked if the construction problems found were of the nature that would normally be found on a construction project like this? Ms. Shore replied that it was still under dispute by the various parties. Based on the expert that they have hired the problems go far beyond the normal problems that can be expected in any construction program. He considers them very serious problems, and some serious failures by the company to assure a safe pipeline.

Senator Lane asked if this was a different kind of a pipeline, was it more high pressure? Ms. Shore said that it was not, it was a major transition line. It is sixteen inches. Ms. Shore said that the company officials themselves acknowledged that there were some major mistakes made with this pipeline, as far as the companies overseeing the line, the management of the construction of the pipeline.

Representative Swift asked if it has been determined whether the problem is in the area of vandalism or is it because of the low quality of the actual welding? Ms. Shore said that the company's own internal audit of the line and the repair has determined that if there had been no vandalism they would still be in the same situation. The basic problem was in the actual construction of the line. The vandalism added to that but it would be there without the vandalism.

Ms. Shore said that they receive weekly reports from a consultant that the Montana Power Company hired detailing what repairs were being made, why they were being made. They could make those available to the Committee. Senator Smith said that we didn't need those but that he would like to know some specific problems.

Senator Smith suggested that someone from the Montana Power Company be present when the Public Service Commission asks for additional appropriations later on.

Gene Fenderson (2; B; 320), Business Manager for Laborers Local 254, said that their union has been extremely involved in the pipeline controversy. He said he would stand along with the PSC and ask that the Committee give them a supplement.

Clyde Jarvis said that he has personally been on the pipeline and inspected it. He said it is not only welds that are a problem but that the pipeline has been resting on boulders in spots, which could puncture it as the pressure is put on. Mr. Jarvis said that he has been on the pipeline with members of the Montana Power Co. and the commission's engineer, and they will readily admit that this pipe has been found to be resting on rock ledges which present a very serious safety problem.

Mr. Jarvis introduced Dan Elliott, Administrator of the Utility Division. Mr. Elliott talked about the PSC's request for a supplement of \$20,000 to fund PSC representation before the Federal Energy Regulatory Commission (FERC), in MDU/Williston Basin rate cases. See Exhibit "G". (2; B; 407). Mr. Elliott presented some background. In August of 1982, Montana-Dakota Utilities petitioned FERC in Washington D.C. to reorganize itself into a transmission gas production company, which would be named Williston Basin Pipeline Company, i.e., the company which would own the local distribution systems and buy gas from Williston. The local distribution company would still be called MDU. The effect of the reorganization would reduce the PSC's jurisdiction from regulation of 33% of the companies natural gas properties to about 5 to 7%. The rest would be regulated by FERC. The PSC asked for and received \$10,000 in the 1983 legislature to resist the move. The \$10,000 was spent in the fiscal year 1984 as part of a \$75,000 four state effort. Montana participated with the other three states that would be affected by the reorganization. This state coalition was not able to block the reorganization but were successful in getting MDU to compromise. They feel the compromise saved rate payers in Montana about five million dollars per year. The PSC has spent \$3,200 during fiscal year 1985 and anticipates it will need another \$6,000 before July to participate before FERC on these issues. The amounts spent have been for travel and attorneys fees and the \$6,000 would be for travel to hearings and expert witnesses. Potential benefit from their participation would be about \$700,000.

The second case is a purchase gas tracking case which will consider the prudence of MDU's aggressive policy of purchasing excessive amounts of gas in times of surplus. The PSC has spent \$3,225 during fiscal year 1985 for expert consultants and travel and anticipates it will need to spend another \$7,000 to expand the scope of its expert consultant contract, legal fees and travel. The potential yearly savings to Montana rate payers could be as high as five million dollars. They feel that the expenditures for both cases are fairly conservative and contemplate a division amongst the four states once again as was done before.

Representative Spaeth asked if this is a role that the PSC has become involved in relatively regularly in these times of proceedings or is this a first in assuming the role of a Consumer Advocate on behalf of the Montana consumers? Mr. Elliott said they haven't had the situation arise often in the past because most of the jurisdiction of the Montana Dakota Utility System and the other utilities has been intra-state in nature so it has been regulated here in Helena.

Representative Spaeth (3; A; 001) asked why we have a Consumer Counsel if they are not taking care of this interest. He thinks there is duplication here. Mr. Elliott said that he didn't think there was any duplication in moneys because the total amount that the state of Montana owed was about \$20,000 out of the \$75,000 tab in the reorganization. The states figure that since Montana has had 33% of the jurisdiction that they should carry approximately 33% of the tab for the FERC so even if there was just one agency doing it he doesn't think there would be any reduction in dollars spent.

Representative Nathe (3; A; 014) asked if the \$75,000 was appropriated last session for this reorganization and then was overspent by \$20,000? Mr. Elliott said no that \$75,000 was what was spent in total by the four states.

Howard Ellis, Public Service Commissioner, said that the other three states requested their participation and they are the body that has the decision making ability and the Consumer Counsel does not have that.

Chairman Manuel took over the meeting and declared a short break.

DEPARTMENT OF AGRICULTURE: Ralph Peck, Executive Administrator for the Department of Agriculture, said that they had a budget amendment of \$37,312 but it did not meet the criteria because they should have presented that to the legislature in the 1983 session. They had a grant with the Environmental Protection Agency to do some research on Endrin. The supplemental would provide for continuation of that grant which they did do and completed. They looked for alternatives to cut it off and return the money to the EPA, however in looking at those alternatives most of the samples had been collected in 1983 and were waiting for analysis in the laboratory so the objectives of the grant wouldn't be met. They also had a potential problem with Brigham Young University as the contractor that used those results and

the EPA of having some liability with them because then they would not be able to continue with their grants. EPA used these results to analyze where Endirin was going and Promitherin. Endirin will not be registered next year on a nation wide basis. It will be discontinued. This would basically provide for continuing appropriations to pay the \$37,312 from EPA funds. This would not affect the General Fund. What they are basically asking for is the authority to use the \$37,312 EPA funds.

Senator Smith asked if the entire \$37,312 was spent? Mr. Peck said yes.

Senator Smith asked if the \$37,312 was included in the budgeting process? Curt Nichols, LFA, said it isn't included. They are talking about using the authority to spend this money. The cash itself is still with the EPA.

Senator Smith made a motion that we approve this amendment. Representative Swift seconded the motion. Motion carried unanimously.

PUBLIC SERVICE COMMISSION: Representative Spaeth made a motion we approve supplement for \$11,533. Senator Smith said he would second the motion, however, when we get down to the overall budget that we take a look at their asking of additional revenue for this pipeline supervision so we will then be able to see what the bill was that we passed the last time, so we can go back and make some changes if we feel that some of that should have been taken out of there. Motion carried unanimously.

PUBLIC SERVICE COMMISSION: MDU reorganization: More discussion was held on this issue. (4; A; 45). After discussion it was decided to let this ride for a while until it can be looked into further.

DEPARTMENT OF COMMERCE: Hard Rock Mining; discussion was held on this. (4; A; 150). Senator Smith asked if this money was appropriated could be spent for purposes other than the hearing process. Mr. Nichols said that unless we were to write special language with this supplemental it could be spent for purposes other than the hearing process. Five percent of the agencies budget can be transferred to other programs.

Representative Nathe (4; A; 230) asked if we were to approve that budget could we line out that it would have to be spent specifically for public hearings and if it is not spent by the first of July for that specific reason that it reverts back to the General Fund? Mr. Nichols said that it will automatically revert back to the General Fund. Representative Nathe asked how to get away from the 5% transfer Mr. Weiss said that if they approve the \$30,804 it can be assigned a unique appropriation number. If it is the intent of the Committee and the Legislature that this money not be included in the 5% transfer authority, then they have to go to the Budget Office to amend their operational plans to change that. The Budget Office could head that off at that time.

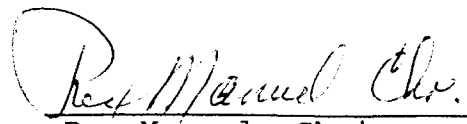
Senator Smith made a motion we pass this with the stipulation that they cannot spend the \$30,804 until the \$70,000 they have left is spent. Representative Nathe asked to put another ammendment on Senator Smith's motion. He wants to add the stipulation that if the money is not used by July 1 that it reverts back to the General Fund. There were no objections to this. Representative Nathe seconded the motion. Chairman Manuel called for a vote and the motion carried unanimously.

DEPARTMENT OF COMMERCE: Burlington Northern Suit and McCarty Farms/ Staggers 229 Case: Senator Smith made a motion we approve the supplemental for \$290,000. Representative Nathe asked to put another ammendment onto this motion. He asked to add that the State be reimbursed on the McCarty Farms case if the settlement is in favor of the plaintiff, and a rate of interest of 10% be paid over and above the cost of the principal for lost interest to the State for not having that money to invest. Senator Smith said that when we make this supplemental appropriation that we recognize the fact that the state should be reimbursed for their additional costs plus interest and that this should be put in the minutes. Representative Nathe withdrew his ammendment to the motion. Representative Swift seconded the motion. Chairman Manuel called for a vote and the motion carried unanimously.

LIVESTOCK: Discussion was held on this (4; A; 475). Representative Nathe asked if there is some way to put in the language of the appropriations bill the understanding that Les Graham wanted us to know that he could do this without the supplemental, but that he wanted this Committee to know that down the road if they run into problems in the future with their vehicles by getting off schedule with replacing vehicles he would need more money. Representative Spaeth (4; A; 615) made a motion to approve \$8,000 of their request. Senator Smith seconded the motion. Chairman Manuel called for a vote and the motion carried unanimously.

LIVESTOCK: Rabies Supplemental: Representative Swift made a motion that we approve the \$8,000 request on the rabies supplemental. Representative Nathe seconded the motion. Motion carried unanimously.

Meeting adjourned at 10:45 A.M.

  
Rex Manuel, Chairman

DAILY ROLL CALL

NATURAL RESOURCES SUBCOMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date January 9, 1985

[illegible]

MONTANA DEPARTMENT OF COMMERCE  
TRANSPORTATION DIVISION

BURLINGTON NORTHERN RAILROAD LAWSUIT

On September 14, 1983 the State of Montana (Department of Commerce) filed a lawsuit against Burlington Northern Railroad (BNRR) for breach of contract to provide rail service between Lewistown and Geraldine.

The State of Montana had two goals in mind when the lawsuit was filed:

- (1) the restoration of rail service to the Geraldine branchline along with recovery of damages based upon the perceived breach of contract; and
- (2) increasing the State's negotiating posture and clout against BNRR in resolving issues such as service rates and other abandonments.

The following highlights the terms of the settlement:

- Cash donation of \$8 million for branchline rehabilitation and operation.
- Construction of the Moore-Sipple connection to the main line at an estimated cost of \$3 million to be completed within three years from the effective date of the settlement agreement. Lewistown-Moccasin line will be donated to shortline upon completion of Moore-Sipple connection.
- Payment from BNRR of \$3.5 million to the State of Montana for loan repayments in full. These loans are repaid about nine years early.

Other concessions include commitment by BNRR to rehabilitate four lines, three-year moratorium on abandonments, rate protection, and interline agreements.

MCCARTY FARMS/STAGGERS 229 CASE

BACKGROUND

The McCarty Farms Case and the State's Staggers 229 Case were filed separately in March of 1981. The McCarty Farms Case is a class action suit that was filed by the AG Coalition charging Burlington Northern Railroad (BNRR) with the unreasonableness of rates for the period of 1978 through 1980. The State's Staggers 229 Case was filed in March of 1981 under the provisions of the Staggers Act which gave all parties the opportunity to protest rates in effect as of December, 1980. The December, 1980 rates were designated to be the basis for all future rates, and if they weren't protested by March, 1981, they were forever unprotestable.

In 1982, an Interstate Commerce Commission (ICC) Administrative Law Judge found that in the case of McCarty Farms, the BNRR possessed market dominance and determined that their rates were unreasonable--in some cases as much as 292 percent of variable cost. The BNRR appealed this decision to the full ICC.

Late in 1982, the ICC combined the McCarty Farms and the State's Staggers 229 Cases. In 1984, the ICC reopened the entire case and ordered that market dominance and rate unreasonableness would have to be reproven under current rules and regulations.



The request for \$110,600 is for expert witness testimony to carry the case through the market dominance phase. The rate unreasonableness portion of the case will be pursued in FY 1986-1987 biennium and is estimated to cost approximately \$200,000. If the BNRR loses the case, reparations could approach \$64 million.

#### SUPPLEMENTAL COST BREAKDOWN

<u>Category</u>	<u>BNRR Litigation</u>	<u>McCarty Farms Litigation</u>	<u>Total</u>
Contracted Services	\$161,444	\$110,000	\$271,444
Supplies & Materials	5,633	-0-	5,633
Communications	538	-0-	538
Travel	11,189	-0-	11,189
Other Expenses (film processing, freight)	<u>340</u>	<u>-0-</u>	<u>340</u>
Total Supplemental Request	\$179,144	\$110,000	\$289,144

DEPARTMENT OF COMMERCE  
COMMUNITY DEVELOPMENT DIVISION



TED SCHWINDEN, GOVERNOR

COGSWELL BUILDING—ROOM C 211  
CAPITOL STATION

STATE OF MONTANA

(406) 444-3757

HELENA, MONTANA 59620

MEMORANDUM

TO: Joint Appropriations Committee

FROM: Hard-Rock Mining Impact Board  
Montana Department of Commerce *Daryl Ferguson*

DATE: January 7, 1985

RE: Supplemental Appropriation Request

The 1983 Legislature intended the Hard-Rock Mining Impact Board to have a biennial appropriation. An inadvertant legislative staff oversight on another issue at the end of the session resulted in subsequent confusion about the biennial nature of the Board's appropriation. Because of this confusion, the Board had to revert \$30,809 in FY84 revenues, which they had expected to include in their FY85 budget. The Board is now asking the Legislature to approve a supplemental appropriation in the amount of this reversion. That is, the Board is asking to carry forward the \$30,809 which would have been available under the Legislature's originally intended biennial appropriation.

Attached for your reference are:

1. a line-item budget break-out for the \$30,809;
2. excerpts from the 1983 appropriations bill showing the Legislature's intended biennial appropriation; and
3. an explanation of what appears to have occurred at the end of the 1983 session that resulted in the current confusion over the biennial appropriation authority.

1/7/85

Hard-Rock Mining Impact Board/DOC

ATTACHMENT 1

The biennial carry-over/supplemental request is basic to the Board's FY 1985 budget. The anticipated expenditure of funds is as follows:

TOTAL SUPPLEMENTAL REQUEST/BUDGETED FY CARRY-OVER: \$30,809

per diem	\$ 2,846
contracted services	18,048
supplies and materials	1,150
communications	1,400
travel	3,720
rent	700
repair and maintenance	1,100
other	835
equipment	1,010

Without the supplemental appropriation/anticipated biennial carry-over the Board will not be able to hold the meetings and public hearings required of it by statute. This would prevent the Board from reviewing and issuing final approval of the fiscal impact plans to be submitted by large-scale mineral developers this fiscal year.

Approval of the impact plan is necessary as a condition of the operating permit of a new large-scale mineral development. Without this approval no new large-scale hard-rock mining operation can begin construction or operation.

During this fiscal year, at least three large-scale mineral developments will be affected: a) the Homestake/ACN Jardine Joint Venture project in Park County, b) the Stillwater Mining Company project in Stillwater County, and c) the Centennial Montana Tunnels project in Jefferson County.

## ATTACHMENT 2

Fiscal_1984				Fiscal_1985			
General	State	Federal		General	State	Federal	
Special	Special	Special		Special	Special	Special	
_Fund--	Revenue	Revenue Proprietary	Total	_Fund--	Revenue	Revenue Proprietary	Total
	6,353,038	647,774	7,000,812		6,354,813	657,476	7,012,289
1. Community Assistance							
a. Community Assistance							
289,462	12,179,567	7,892,122	20,361,171	294,576	12,194,743	6,501,753	18,991,072
b. Hard Rock Mining							
	103,203		103,203		104,498		104,498
12. Economic Development Support							
269,348	25,246		294,594	269,279	26,451		295,730
15. Indian Affairs Coordinator							
96,497			96,497	97,846			97,846
1. Director's Office							
1,750		141,587	143,337	1,750		143,842	145,592
1. Centralized Services Division							
a. Operations							
		441,748	441,748			423,980	423,980
b. Audit							
		54,300	54,300				
16. Legal Services Division							
119,598		165,625	285,223	120,146		162,410	282,556
17. Accounting and Management							
356,912			356,912	39,211		267,701	356,912
							MB 447

-54-

C54

Fiscal_1984					Fiscal_1985				
State		Federal			State		Federal		
General	Special	Special			General	Special	Special		
_Fund--	Revenue	Revenue	Proprietary	Total	_Fund--	Revenue	Revenue	Proprietary	Total
18. Local Government Services									
1,462,306			929,817	2,392,123	1,461,600			936,645	2,398,245
19. Public Contractor									
26,939				26,939	26,939				26,939
20. Health Facilities Authority									
			100,000	100,000				100,000	100,000
-----									
Total									
5,208,246	15,385,142	19,101,960	2,566,244	42,261,592	4,971,846	15,442,879	18,554,799	2,782,570	41,752,094

The appropriations in item 11b are for the biennium. In the event state special revenue funds are not available in item 11b because of the passage and approval of House Bill 446, the same funds, namely 198,778 in fiscal 1984 and \$100,073 in fiscal 1985, are hereby appropriated from the general fund.

## TOTAL SECTION C

19,334,365 45,965,116 36,390,668 4,688,398 106,278,547 18,341,080 46,746,692 35,129,235 4,811,858 105,028,465

1/7/85

Hard-Rock Mining Impact Board/DOC

### ATTACHMENT 3

During the final week of the 1983 Legislative session, the appropriations committee approved an amendment to the appropriation for the hard-rock impact board. The only purpose of the amendment was to ensure an alternative revenue fund for the board's appropriation, if needed. At the time two other bills had just passed, each authorizing a special revenue fund from which the board's appropriation was to be made. Because of last minute changes in their specific language and timing, it appeared they might effectively cancel each other out. Therefore, the appropriations committee provided that, if needed, the appropriation could be made from the general fund instead of from a special revenue fund. In doing this, the committee intended everything else to remain the same: the revenues still came basically from the metal mines license tax and both the amount of the appropriation and its biennial nature were to continue as specified.

Subsequently, it appears that two things occurred in preparing the final language for the appropriations bill:

- a) as instructed, the LFA wrote into the alternative appropriation the same dollar amounts that appeared at that time in the original appropriation; but,
- b) when they later went through the entire appropriations bill to increase all quasi-judicial board appropriations to reflect a legislated increase in board members' per diem, they inadvertently wrote the increase only into the original appropriation appearing in item 11b and failed to make the same change in the parallel alternative appropriation in the amendatory sentence.

As a result of this oversight, the amounts in item 11b and the amounts in the amendatory sentence differ. Late in FY84 the LFA and OBPP raised the question of whether the amendment was intended to be a separate, superceding appropriation, because of the different amounts, rather than a parallel appropriation from an alternative fund.

As you see in the excerpt from HB 447, the authorization for the biennial appropriation refers to item 11b. If item 11b and the amendment are not intended to be alternatives to the same basic appropriation, (i.e., identical amounts from the same basic revenue source but via different revenue funds), then, the question arises, does the biennial appropriation authorization for item 11b also apply to the amendment?

After considerable struggling with the issue, we concluded that the best way to deal with the problem would be to request the Legislature to approve a supplemental appropriation in an amount equal to that amount the Board would have carried forward under the biennial appropriation originally approved by the appropriations committee.



*The Big Sky Country*

Exhibit "E"

MONTANA STATE HOUSE OF REPRESENTATIVES

REPRESENTATIVE DAVE BROWN  
HOUSE DISTRICT ~~88~~ 72

HOME ADDRESS:  
3040 OTTAWA  
BUTTE, MONTANA 59701  
PHONE (406) 782-3604

COMMITTEES:

JUDICIARY, CHAIRMAN  
NATURAL RESOURCES  
HIGHWAYS  
ENVIRONMENTAL QUALITY COUNCIL, VICE-CHAIRMAN

January 9, 1984

Mr. Chairman and Members of the Subcommittee:

I apologize that activities in the Judiciary Committee prevent me from attending your Subcommittee meeting in person this morning. However, I do wish to be on the record strongly supporting the Commerce Department supplemental of approximately \$30,800 for the operation of the Hard Rock Mining Impact Board.

Several main points to remember are:

1. The 1983 Legislature did not purposefully intend to cause this shortage.
2. This funding is necessary in order for the Board to hold hearings on impact plans and perform other duties as required under the Act.
3. In the next year, there will be at least three impact plans evaluated by the Board, thus creating a real and immediate need for supplemental funding.

Funding of the supplemental request for the Hard Rock Mining Board will continue what is becoming a smooth operating effort. As Chairman of the EQC oversight subcommittee in the last two sessions who has had responsibility for reviewing the efforts of the Hard Rock Mining Board, I urge your concurrence in this supplemental request.

*Dave Brown*  
#72

PSC REQUEST  
FOR A SUPPLEMENTAL APPROPRIATION  
FOR ITS NATURAL GAS  
PIPELINE SAFETY PROGRAM

Reason for request: A consultant was retained to assist in enforcement of safety regulations relating to natural gas pipelines. Because of problems revealed regarding the Montana Power Company's construction of its Warm Springs to Cut Bank pipeline, the PSC needs the services of an expert in the areas of metallurgy, fracture mechanics, welding, metals stress, and weld x-ray.

Total Contract:	\$ 14,600.00	
	- 3,067.00	Paid from FY '84 Budget
	<u>\$ 11,533.00</u>	Total Deficiency
	- 5,766.50	Federal Supplement
	<u><u>\$ 5,766.50</u></u>	Supplemental Appropriation Request

Request: That the PSC be authorized to spend the federal appropriation and that an additional \$5,766.50 be appropriated from the General Fund.



U.S. Department  
of Transportation

Research and  
Special Programs  
Administration

400 Seventh Street, S.W.  
Washington, D.C. 20590

DEC 11 1984

Mr. Dennis Crawford  
Assistant Administrator, Utility Division  
Public Service Commission  
Department of Public Service Regulation  
2701 Prospect Avenue  
Helena, MT 59620

Dear Mr. Crawford:

In response to your request for an additional \$5,766.50 to supplement your 1984 Pipeline Safety Grant (No. DOT-GB-40025; current allocation: \$18,960.50; modified total allocation to be \$24,727.00), please be notified that we will prepare a modification to your 1984 payment agreement in that amount as soon as possible. It is understood that this amount represents a 50 percent Federal share of a program cost overrun of \$11,533.00.

Sincerely,

Robert L. Paullin  
Associate Director for  
Operations and Enforcement  
Materials Transportation Bureau

RECEIVED

DEC 14 1984

MONT. P. S. COMMISSION





STATE OF MONTANA  
OFFICE OF BUDGET AND PROGRAM PLANNING  
OPERATIONAL PLAN/BUDGET  
AMENDMENT

EXPLANATION/JUSTIFICATION  
(SEE REVERSE FOR INSTRUCTIONS)

Agency  
Request No.

4

Page

2

of

2

CODE

NAME

AGENCY

4201

Dept. of Public Service Regulation

THE INFORMATION FOLLOWING IS TO SUPPORT THE ATTACHED OPERATIONAL PLAN/BUDGET AMENDMENT REQUEST

SUBJECT: Supplemental Budget Appropriation of \$20,000 To Allow Montana Public Service Commission Participation In FERC Dockets Which Involve Montana-Dakota Utilities And May Impact Their Montana Gas Customers Rates

Two Montana-Dakota Utilities dockets are likely candidates for the Montana Public Service Commission participation during the last half of fiscal 1985:

1. FERC Docket #A84-2-49-000, a purchased gas adjustment docket which will consider the issue of whether or not Montana-Dakota Utilities' gas purchasing policies are reasonable (see Attachment #1).
2. FERC Docket #CP82-487-000, the Montana-Dakota Utilities/Williston Basin Interstate Pipeline Co. reorganization.

The Montana Public Service Commission has initiated its participation in TA84-2-49-000, and will be faced with participating in the discovery phase of the docket during the last half of fiscal 1985. This will entail at least one trip to Washington, D.C. and fees for legal and expert witness consulting services. These fees may be split among several affected states but this is by no means certain.

The Montana Public Service Commission has participated in the Montana-Dakota Utilities/Williston Basin Reorganization docket during fiscal 1984 and 1985. Current information indicates that it may again be subject to settlement conferences during the last half of fiscal 1985. This would require at least one trip to Washington, D.C. and potential sharing of legal and expert witness consulting fees.

## VISITORS' REGISTER

NATURAL RESOURCES SUB COMMITTEEBILL NO. SupplementalsDATE January 9, 1985

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
CLYDE JARVIS	HELENA	✓	
Don Elliott	Helena	✓	
Eileen Shore	HELENA	✓	
Keith L. Colbo	Helena	✓	
Steve Huntington	"	✓	
William Trgarty	Helena	✓	
James Winston	Helena	✓	
Mary Evans	Helena	✓	
Ralph Teck	Helena	✓	
John Skufca	"	✓	
Les Graham	"	✓	
Howard L. Ellis	"	✓	
RON WEISS	OBPT		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.