

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

January 16, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Rex Manuel on January 16, 1985 at 8:05 a.m. in Room 132 of the State Capitol.

ROLL CALL: All members were present with the exception of Senator Smith who has been excused.

Chairman Manuel introduced Jim Paine from the Consumer Counsel. Mr. Paine, (12; A; 16) said that MDU is attempting to get out from some of the state's jurisdiction by transferring assets to Williston Basin. Williston Basin properties will be under FERC jurisdiction. Mr. Paine said everyone should be concerned about that because of the higher rates that would be necessitated. Mr. Paine said the reason there would be higher rates would be because of certain methodologies that the FERC uses vs. the various states. These states are North Dakota, South Dakota, Wyoming and Montana. Mr. Paine said quite a transfer of assets was involved out from under the jurisdictions of the various state agencies to the Feds. The Consumer Counsel was there to try to resist the reorganization because of the rate impact it would have. Mr. Paine said there is some duplication of effort between the Consumer Counsel and the Public Service Commission (PSC). (12; A; 56). Mr. Paine said there will be a hearing on several non-settled items down the road.

Representative Spaeth asked if it was necessary for both the Consumer Counsel and the PSC to appear before FERC? Mr. Paine said there might be some cases where it would be necessary but he didn't foresee any.

Representative Spaeth asked what the need for the additional \$13,500 in the budget was for? Bob Nelson, Attorney for the PSC, said in the future there will continue to be a conflict between what happens at the Federal level and what happens at the State level. Mr. Nelson said it is critical the PSC continue to participate in the gas cost tracking cases in order to define what the State Commission's role in the future will be vs. what the Federal Commission's role will be.

Representative Swift asked if the Consumer Counsel or the PSC has any authority over FERC as far as rate setting and the application? Mr. Nelson said they do not have any authority over FERC.

Mr. Paine said that Federal Jurisdiction has been coming in more and more in the telephone industry as well as in gas and electric.

Mr. Nelson said that Montana agreed not to resist a settlement of the application pending of MDU to reorganize before the FERC. If this settlement is approved by the Administrative Law Judge and the full commission there will be benefits that come out of it that wouldn't have if it had gone to hearing and been approved.

Mr. Nelson said there is 59 billion cubic feet of gas in storage of MDU that is not owned by MDU, but MDU has a first right on. PSC has been paying carrying charges of over 15 million a year with interest. If this settlement goes they will eliminate that right away so the rate payers will be relieved of that obligation and it will be reflected in the rates. Mr. Nelson said there are a lot of other details in the settlement.

DEPARTMENT OF LIVESTOCK (12; A; 338)

(Animal Control)

Vacancy Savings: Curt Nichols discussed Vacancy Savings. Les Graham, from the Department of Livestock, said that in reorganization they went from 4.2 FTE's to 3.0 FTE's.

Representative Spaeth made a motion we exclude Vacancy Savings from this program. Representative Nathe seconded. Chairman Manuel called for a vote and the motion carried.

Out-of-State Travel: Out-of-State Travel was discussed. Mr. Graham said that the only out-of-state travel that the pilots have taken in this program in the last five years has been to train. All the pilots are also air frame mechanics and they have to send them to schools which are out of state. Mr. Graham said the Department of Livestock has put a 450 hr. per year limit on what the pilots can fly because it is all stress flying. Discussion was held on the pilots and the concept of getting rid of one of the old helicopters and getting a new one.

Representative Swift asked if the switch in helicopters and reduction of one pilot would offset or have effects on training costs? Mr. Graham said they would be able to do it within the budget.

Representative Spaeth made a motion we allow \$1,500 a year for out-of-state travel. Representative Swift seconded. Chairman Manuel called for a vote and the motion carried.

Helicopter Tools: Mr. Graham said that the pilots purchase their own tools but there are some specialty tools that can only be used on helicopters. The Board of Livestock feels that the pilots shouldn't have to purchase some of the more expensive specialty tools.

Senator Lane made a motion to allow \$4,000 a year for tools. Senator Boylan seconded. Chairman Manuel called for a vote and the motion carried.

Miscellaneous: Discussion was held on the miscellaneous budget.

Representative Spaeth made a motion to go with the LFA's Budget, an increase of \$674 in fiscal 1986 and \$8,958 in fiscal 1987. Senator Lane seconded the motion. Chairman Manuel called for a vote and the motion carried.

(Rabies Control Program)

Supplemental included in Base: Representative Spaeth made a motion that we disallow the supplemental to be included in the base. Representative Nathe seconded. Chairman Manuel called for a vote and the motion carried.

Miscellaneous: Curt Nichols said that the inflation rate is included in all items. Discussion was held on this.

Representative Swift made a motion we accept the LFA's budget, an increase of \$1,350 in fiscal 1986 and \$3,224 in fiscal 1987. Representative Nathe seconded. Chairman Manuel called for a vote and the motion carried.

PUBLIC SERVICE COMMISSION AND CONSUMER COUNSEL

Discussion was held on the PSC and Consumer Counsel. Chairman Manuel explained to Senator Smith what Mr. Paine and Mr. Nelson had said.

Representative Spaeth made a motion that we approve the supplemental for \$20,000 but we closely monitor the situation over the next two years and see if there is duplication and request the two agencies involved to work together on any future actions they may have to take before FERC. Representative Nathe seconded. Senator Smith said the two agencies should make a report to the LFA's office and to the Governor's Budget office in regards to what progress they are making and then come back to the next session of the Legislature and make a report on what they have accomplished. Chairman Manuel called for a vote and the motion carried.

DEPARTMENT OF LIVESTOCK

(Disease Control)

Internal Hires: Curt Nichols explained this program.

Senator Smith made a motion we accept the Governor's recommendation of \$5,774 in FY '86 and \$5,902 in FY '87. Representative Swift seconded. Chairman Manuel called for a vote and the motion carried.

Vacancy Savings: Vacancy Savings was discussed.

Representative Swift made a motion we not take Vacancy Savings out of this Department. Senator Smith seconded. Chairman Manuel called for a vote and the motion carried.

Out-of-State Travel: Discussion was held.

Senator Smith made a motion we accept increased out-of-state travel expenses of \$4795 in fiscal 1986 and \$5345 in fiscal 1987. Senator Lane seconded. Chairman Manuel called for a vote and the motion carried.

Additional Vehicle: Curt Nichols explained that the LFA's budget allowed for one vehicle per year and the Governor's budget allowed for two vehicles per year. Discussion was held.

Senator Smith made a motion we allow them to purchase three vehicles in the next biennium. Senator Boylan seconded. Chairman Manuel called for a vote and the motion carried. Mr. Graham said they would delete one of the vehicles in FY '86.

Miscellaneous: (13; A; 250) Curt Nichols explained the Miscellaneous Budget.

Representative Nathe made a motion we use the Governor's Budget with a reduction of \$568 in fiscal 1986 and \$2741 in fiscal 1987. Representative Swift seconded. Chairman Manuel called for a vote and the motion carried.

(Modified Budget)

Automation: This request is partially for equipment and partially for processing costs. There is about \$16,000 of equipment and the rest of it is for processing, development and data transmission lines for the computer to work in the Disease Control program. Discussion was held on this.

Senator Smith made a motion we approve the modified budget of \$40,791 in FY '86 and \$33,882 in FY '87. Senator Lane seconded. Chairman Manuel called for a vote and the motion carried.

Inspection and Control: Additional costs for 6 pickups and 1 car each year. Discussion was held on this. These vehicles are for 18 District Stock Inspectors.

Senator Smith made a motion we allow the purchase of the necessary equipment to do their job. Senator Lane seconded. Chairman Manuel called for a vote and the motion carried.

Miscellaneous: (13; B; 10) Representative Nathe made a motion we accept the Governor's Budget for a reduction of \$40 in fiscal 1986 and \$472 in fiscal 1987. Senator Smith seconded. Motion carried.

(Beef and Pork Research)

Discussion was held on this program.

Representative Nathe made a motion that we accept the budget of \$570,000. Senator Smith seconded. Chairman Manuel called for a vote and the motion carried.

(Centralized Services)

Rent: Rent is determined by the amount of square feet in their offices. The Department of Livestock lost some square footage. Discussion was held on this.

Representative Nathe made a motion we go with the Governor's Budget, a reduction of \$5,271 in fiscal 1986 and \$6,874 in fiscal 1987. Senator Lane seconded. Chairman Manuel called for a vote and the motion carried.

Funding: Discussion was held on this.

Senator Smith made a motion we take 18% from the General Fund for Centralized Services funding. Senator Lane seconded. Chairman Manuel called for a vote and the motion carried.

Miscellaneous: Representative Nathe made a motion we accept the Governor's Budget, a reduction of \$1,210 in fiscal 1986 and \$1,813 in fiscal 1987. Representative Swift seconded. Chairman Manuel called for a vote and the motion carried.

(Diagnostic Lab.)

Out-of-State Travel: This out-of-state travel is mainly for employees to be certified and to maintain continuing education credits.

Senator Smith made a motion we approve half of the increased travel request which would be \$1,236 in FY '86 and \$1,782 in FY '87. Representative Swift seconded. Chairman Manuel called for a vote and the motion carried.

Miscellaneous: About half of this is General Fund. Discussion was held on the inflation factor.

Senator Smith made a motion to use the Executive Budget, a reduction of \$8,094 in fiscal 1986 and \$16,453 in fiscal 1987. Senator Lane seconded. Chairman Manuel called for a vote and all members except Senator Boylan voted yes. Motion carried.

Modified Budget:

Automation of Disease and Diagnosis Information: (14; A; 150) Ron Weiss, OBPP, said that the Governor's Budget allowed most agencies to increase their Data Processing as long as it didn't cost the General Fund.

Discussion was held. Mr. Graham said that there has been a history of reverting funds back to the General Fund in all the programs. Discussion was held on the reversions and the 50-50 split of general funds and state special revenues in this program.

Representative Swift made a motion we accept the 50-50 split and allow the \$19,175 in FY '86 and \$14,200 in FY '87. Senator Smith seconded. Chairman Manuel called for a vote and the motion carried.

Curt Nichols (14; A; 433) discussed a request of the agency for milk testing machines costing \$64,000. This equipment would be funded 50/50. Discussion was held.

Senator Smith made a motion that no action be taken on these machines at this time. Senator Lane seconded. Motion carried.

ADJOURN: Meeting adjourned at 11:20 a.m.


Rex Manuel, Chairman

DAILY ROLL CALL

NATURAL RESOURCES SUBCOMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date January 16, 1985

NAME	PRESENT	ABSENT	EXCUSED
Rep. Rex Manuel, Chairman	✓		
Senator Paul Boylan, Vice. Chair.	✓		
Senator Leo Lane	✓		
Senator Ed Smith			✓
Rep. Dennis Nathe	✓		
Rep. Gary Spaeth	✓		
Rep. Bernie Swift	✓		

VISITORS' REGISTER

NATURAL RESOURCES SUB COMMITTEE

BILL NO. _____

DATE January 16, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Ron Weiss	OBPP		
Jim Fain	Helena - Mt. Com. Council		
Bob Nelson	Helena - PSC		
Ken Lehman	Dept. of		
John Skuffel	Lewistown		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.