

MINUTES  
NATURAL RESOURCES SUBCOMMITTEE  
50TH LEGISLATIVE SESSION  
HOUSE OF REPRESENTATIVES

February 12, 1987

The meeting of the Natural Resources Subcommittee was called to order by Vice Chairman Boylan on February 12, 1987, at 8:10 a.m. in room 317 of the State Capitol. Chairman Swift was excused until 8:30 a.m.

ROLL CALL: All subcommittee members were present. Also present were Carl Schweitzer, Senior Fiscal Analyst, from the Office of the Legislative Fiscal Analyst (LFA) and Karen Vollstedt, Budget Analyst, from the Office of Budget and Program Planning (OBPP).

Tape 74A

Public Service Commission (PSC) EXHIBIT 1

Executive Action

1. Executive Reduction. Carl explained that an attorney position, which was vacant, was eliminated in the five percent vacancy savings. PSC has requested that that position be reinstated.

Sen. Smith asked Karen why the budget office decided to approve that reduction of the attorney position. Karen answered that it was part of the pay plan reduction.

Rep. Spaeth asked what the attorney was needed for. Commissioner Howard Ellis answered that PSC is backlogged in the legal division.

Rep. Devlin asked if, in the last session, PSC was allowed this extra position. Robert Nelson, Administrator, Legal Division, said that was correct.

Chairman Swift asked how many court cases PSC had the last two years. Mr. Nelson said that he didn't have the numbers. Chairman Swift said that two years ago there was a high number of legal questions with the pipeline matter, but he didn't see an increase in relation to the general workload. Mr. Nelson replied that there had not been an increase in the last two to three years, but that there hadn't been a decrease either.

Rep. Spaeth suggested deferring action on this item and requested that Mr. Nelson give the subcommittee a

summary of cases and workload, and whether the workload was going to continue to increase. Rep. Spaeth MOVED to delay action on this item until a more thorough report is received from the PSC. Motion passed unanimously.

Carl explained that in the executive budget, the executive assumes that the utility tax is going to be extended (continued) and therefore will finance the PSC. In the LFA budget, the program is financed by general fund because that tax expires the end of this fiscal year. If members accept the executive on an issue, they are adding or subtracting to the utility tax. If members accept the LFA, they are adding or subtracting to the general fund.

Rep. Manuel MOVED to use the utility tax for the basis of funding for the PSC. Motion passed unanimously.

2. Commission Vacancy Savings. Sen. Smith said that it isn't right to lower the salaries straight across the board of elected officials. Rep. Manuel MOVED that this vacancy savings be put back in the PSC budget. Motion passed, with Sen. Story voting no.

3. Rail Safety. Chairman Swift asked if the federal government was dropping some of the inspections, and was the state having to pick those up. Wayne Budt, Administrator, Transportation Division, PSC, said that inspection is a joint effort with the federal government. He said that the PSC priorities are different than the federal. The federal government may not inspect a branch line as often as the PSC would. Mr. Budt said that the PSC concentrates on the branch lines.

Rep. Spaeth asked if the subcommittee didn't approve the executive budget here, would there be an inspector that wouldn't be doing as much inspecting as he could be doing. Mr. Budt said that if the inspector doesn't do the inspecting, the federal government will not let Montana charge back any money.

Rep. Spaeth MOVED to approve the executive budget on Item 3. Motion passed unanimously.

4. Audit. Carl explained that the executive budget appropriated the audit costs in both fiscal years. The LFA said that the audit is only needed in '88. This would be the LFA level. Sen. Smith MOVED to accept the LFA level. Motion passed unanimously.

Tape 74B

5. Pipeline Safety. Carl explained that \$3,000 in Item 7 is included in \$11,234 of Item 5. Sen. Story MOVED to accept LFA for Item 5. Rep. Spaeth asked why this item is 50 percent federal. Dan Elliott, Administrator, Utility Division, replied that it had been 50 percent federally funded since 1968.

Rep. Manuel asked if fees are collected for inspections. Mr. Elliott said no fees were collected. He said there are 23 inspection points and 13 operators.

Chairman Swift suggested that now that the pipeline controversy is over, PSC ought to get by with less cost. Mr. Elliott replied that that is a correct observation. Mr. Elliott said that the amount PSC is asking for is 13 percent less than PSC spent in '86.

Mr. Elliott said that it would be a safety problem if the pipeline is not inspected. The pipeline has been installed with cracks in it and those cracks must be monitored. He said further, that PSC would be breaking a commitment by not monitoring the pipeline.

Chairman Swift asked how much involvement the company has in the monitoring process. Mr. Nelson explained that the company has an independent consultant. Montana Power thinks this is important as far as the operation of that pipeline because it is a unique situation. Montana Power feels it is a fulfillment of the operation plan.

Rep. Spaeth MOVED to accept executive budget on Item 5.  
Motion passed with Sen. Story voting no.

6. Court Recorder Fees. Carl explained that this request is because the PSC is expecting an increase amount of court recorder fees relating to HB 302, a bill granting PSC authority to allow closure of certain railroad facilities.

Sen. Smith MOVED to accept executive budget on Item 6,  
with the understanding that if HB 302 is killed in the  
Senate, this Item would be taken out. Motion passed  
unanimously.

Items 8 and 9. Computer Subscription and Payroll Charges. Sen. Smith MOVED to accept executive budget  
on Items 8 and 9. Motion passed with Sen. Story voting  
no.

Item 10. Insurance and Bonds. Sen. Story MOVED to accept the executive budget on Item 10. Motion passed, with Rep. Manuel voting no.

11. Gasoline. Sen. Smith asked if this item would take into consideration that additional gasoline will be needed to attend rail abandonment hearings. Ms. Cottrill said that travel was built in assuming use of a motor pool car.

Karen explained that in '86, PSC spent \$5,752 on fuel. Rep. Spaeth asked what the gasoline was for if PSC using motor pool cars. Ms. Cottrill said there are five enforcement officers.

Rep. Spaeth MOVED to approve \$1,500 increase in gasoline for each year of the biennium. Motion passed unanimously.

12. Clothing. Ms. Cottrill explained that this request is for clothing for the five inspectors. Sen. Smith MOVED to accept the executive budget on Item 12. Motion passed with Sen. Story and Rep. Devlin voting no.

13. Travel: a) out-of-state, b) in-state, c) pipeline safety, and d) rail safety. Carl explained that as part of the pay plan reduction PSC reduced out-of-state travel by \$30,400. Sen. Boylan Moved the executive budget on Items 13, a and b.

Rep. Spaeth asked if there would be fewer hearings out of Helena if the subcommittee went with the executive budget on 13 b. Carl explained the total travel budget the executive budget recommends is \$38,872. The LFA recommends \$69,950. This is a difference of \$31,000. Carl said that this is primarily out-of-state travel.

Rep. Spaeth made a SUBSTITUTE MOTION to accept the executive budget on a and b, and the LFA budget on c and d. Motion passed unanimously.

Tape 75A

Carl explained that this motion leaves PSC with a total travel budget of about \$28,000. Sen. Smith asked if this is enough money to provide service to the outlying areas. Ms. Cottrill said it was not enough.

Karen said that PSC has requested that their travel budget be decreased as part of the pay plan reduction. The budget office accepted PSC's request.

Rep. Spaeth recommended that his motion stand until PSC comes back with more information on the travel figures.

14. Repairs and Maintenance. In answer to a question from Chairman Swift, Ms. Cottrill said that PSC had seven vehicles. Sen. Smith MOVED to accept the executive budget on Item 14. Motin passed unanimously.

15. Magazine Subscription. Sen. Story MOVED the executive budget on Item 15. Motion passed unanimously.

16. Equipment, a) car costs and b) computer supplies. Sen. Story Moved to accept the LFA on Item 16. Mr. Elliott explained 16b. He said that PSC requested this item to keep their personal computers up to date.

Sen. Smith asked how many miles were on the PSC cars. Ms. Cottrill said PSC would have three cars in '89 with over 100,000 miles on each.

Sen. Story Moved to accept the LFA budget on Item 16. Motion failed on a tie vote.

Sen. Smith said that the subcommittee is attempting to cut budgets as much as they possibly can. Sen. Smith said however, that he doesn't want PSC to have equipment that hinders them from carrying out the mandate of their duties. He said the subcommittee must look to the future and not eliminate some costs now and have to double the cost two years later.

Rep. Devlin MOVED to accept the LFA budget on 16b. Motion passed unanimously.

Sen. Smith MOVED to accept the executive budget on 16a. Motion passed with Sen. Story voting no.

17. Sound deadening Boards. Rep. Devlin said that legislators have hearing rooms that need sound deadening equipment. He said that the legislators get along with that equipment. Rep. Devlin MOVED to accept the LFA budget on Item 17. Motion passed.

18. Rent Inflation Factor. Rep. Spaeth MOVED to adjust the rent inflation factor to what the actual costs are. Motion passed unanimously.

Tape 75B

19. MOD. Data Consultant. Rep. Manuel said that this has been a long term project for PSC to get the computer system. Rep. Manuel said that the system is

useless without the software. Chairman Swift said that this is a reduced level from the total system that was discussed in '85.

Sen. Smith said that computers do not cut down the workload, but government just keeps growing. Rep. Spaeth MOVED to accept the executive budget on this item, and to line item it; and if in the 1989 biennium there are potential budget reductions this item is not to be reduced. Motion passed with Rep. Devlin and Sen. Story voting no.

20. MOD. Equipment Inspector. In answer to members questions, Wayne Budt answered that this item was a 50/50 federal match in '85. The federal government has changed this match. Karen said the program is now 66% by the state and 34% by federal government.

Rep. Devlin MOVED to accept the LFA budget on Item 20. Motion passed with Rep. Manuel voting no.

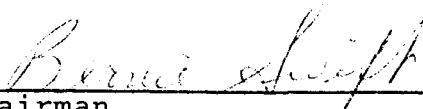
21. MOD. Consultants. Mr. Nelson said that the Commission has withdrawn this request. The Commission is requesting to be allowed to carry over to the next biennium the \$12,000 remaining in the line item amount appropriated for consultants.

Rep. Spaeth MOVED that the Commission be allowed to carry over the spending authorization at the current level and that it be a biennial appropriation. Motion passed unanimously.

Chairman Swift explained that the LFA and budget analyst will work out the carry over dollars, and it will be in lieu of Item 21, consultants.

22. MOD. Toll-Free Number. Rep. Spaeth MOVED to not accept this MOD. Motion passed unanimously.

Meeting adjourned at 10:55 a.m.

  
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Chairman  
Natural Resources Subcommittee

DAILY ROLL CALL

NATURAL RESOURCES

SUBCOMMITTEE

DATE 2-12-87

NAME	PRESENT	ABSENT	EXCUSED
Senator Boylan	X		
Representative Devlin	X		
Representative Manuel	X		
Senator Smith	X		
Representative Spaeth	X		
Senator Story	X		
Representative Swift	X		



**Subcommittee Action**  
**Agency: Public Service Commission**

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	45.00	46.00	(1.00)	45.00	46.00	(1.00)
Personal Serv.	\$1,328,002	\$1,351,875	\$(23,873)	\$1,326,579	\$1,350,437	\$(23,858)
Operating Exp.	320,197	332,913	(12,716)	319,023	321,897	(2,874)
Equipment	30,525	23,260	7,265	23,605	10,778	12,827
Non-Operating	<u>20,000</u>	<u>-0-</u>	<u>20,000</u>	<u>7,000</u>	<u>-0-</u>	<u>7,000</u>
<b>Total Exp.</b>	<u><u>\$1,698,724</u></u>	<u><u>\$1,708,048</u></u>	<u><u>\$(9,234)</u></u>	<u><u>\$1,676,207</u></u>	<u><u>\$1,683,112</u></u>	<u><u>\$(6,905)</u></u>

**Funding**

General Fund	\$ -0-	\$1,661,118	\$(1,661,118)	\$ -0-	\$1,632,790	\$(1,632,790)
State Spec. Rev.	1,644,164	-0-	1,644,164	1,618,705	-0-	1,618,705
Federal	39,560	31,930	7,630	42,502	35,322	7,180
Proprietary	<u>15,000</u>	<u>15,000</u>	<u>-0-</u>	<u>15,000</u>	<u>15,000</u>	<u>-0-</u>
<b>Total Funding</b>	<u><u>\$1,698,724</u></u>	<u><u>\$1,708,048</u></u>	<u><u>\$(9,234)</u></u>	<u><u>\$1,676,207</u></u>	<u><u>\$1,683,112</u></u>	<u><u>\$(6,905)</u></u>

Add to (Subtract From)

LFA Current Level

Subcommittee Action

<u>Differences</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Executive Reduction	\$(31,035)	\$(31,000)	_____	_____
2. Commission Vacancy Savings	8,707	8,707	_____	_____
3. Rail Safety				
FY88 - \$8,659 State Funds				
\$2,013 Federal Funds				
FY89 - \$9,085 State Funds				
- \$1,517 Federal Funds	10,672	10,602	_____	_____
4. Audit	-0-	(12,480)	_____	_____
5. Pipeline Safety (50% Federal)	11,234	11,234	_____	_____
6. Court Recorder Fees	10,108	10,108	_____	_____
7. Pipeline Consultant	3,000	3,000	_____	_____
8. Computer Subscription	3,500	3,500	_____	_____
9. Payroll Charges	2,700	2,700	_____	_____
10. Insurance & Bonds	(1,600)	(1,600)	_____	_____
11. Gasoline	2,700	2,500	_____	_____



Differences	Add to (Subtract From)		Subcommittee Action	
	LFA Current Level			
	Fiscal 1988	Fiscal 1989	Fiscal 1988	Fiscal 1989
12. Clothing	700	700		
13. Travel				
a. Out-of-State	(30,400)	(30,400)		
b. In-State	(11,157)	(11,157)		
c. Pipeline Safety	5,701	5,701		
d. Rail Safety	4,756	4,756		
14. Repairs and Maintenance				
Vehicles - 350				
Radios - 200				
Grease & Lube - 400				
Tires & Tube - 450	1,400	1,400		
15. Magazine Subscription	(1,200)	(1,200)		
16. Equipment				
a. Car Costs	3,625	11,927		
b. Computer Supplies	3,642	900		
17. Sound Deadening Boards	20,000	7,000		
18. Rent Inflation Factor	(3,400)	(4,721)		
19. Data Consultant MOD	57,000	-0-		
20. Equipment Inspector MOD	43,691	34,217		
21. Consultants MOD	50,000	50,000		
22. Toll-Free Number MOD	10,184	10,122		

