

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

HB 1038

(list bill or resolution and number, if available, or subject)

Amendment to:

(list bill or resolution and number)

REQUESTED BY: Dean F. Bard, Assistant DATE OF RECEIPT Jan. 4 1971  
Council

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed attach a supplementary sheet. Please type.

The total fiscal effect in dollars if sections 48-05-02 and 48-05-04, as amended, of the North Dakota Century Code are repealed is difficult even to estimate.

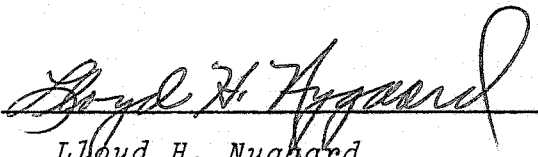
Some benefits to be derived from the repeal of these sections are:

1. The number of people to man the various heating plants can gradually be reduced by up to 50% as units are installed which will burn other than native fuels, such as lignite.
2. The initial cost of lignite-fired steam generating units is approximately two and one-half times that of liquid and gaseous fuel-fired units.
3. Maintenance costs of lignite-fired units are approximately six times that of liquid and gaseous fuel-fired units.
4. Liquid and gaseous fired units keep the air pollution hazard within the standards established in the North Dakota Air Pollution Control Regulations as issued by the North Dakota State Department of Health in accordance with Chapter 23-25, Air Pollution Control, of the North Dakota Century Code.

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Date of preparation: Jan. 6, 1971

Signed



Typed name

Lloyd H. Nygaard

Department

State Board of Higher Education

An illustration of the savings to be realized are evidenced by the attached comparison of lignite versus gas and oil for North Dakota State University, Fargo, North Dakota, resulting from a study completed in December, 1970. The illustration points out operating savings of approximately \$40,000 per year and the reduced capital expenditure for the gas - oil-fired unit over the lignite burning unit from \$1,750,000 down to \$767,400.

Similar savings may be realized at other institutions affected by section 48-05-02 of the North Dakota Century Code.

HB 1038

NORTH DAKOTA STATE UNIVERSITY

OPERATING COST STUDY

	<u>Lignite</u>	<u>Gas-Oil *</u>
1968-69 Fuel Cost	\$121, 830. 55	\$173, 960. 00
Labor	73, 500. 00	40, 800. 00
Power	12, 100. 00	6, 200. 00
Soot blowing	3, 550. 00	800. 00
Ash Handling	4, 300. 00	----
Equipment Maintenance	<u>10, 000. 00</u>	<u>1, 500. 00</u>
	\$225, 280. 55	\$223, 260. 00

\* Assumes 56% fuel oil operation and 44% natural gas operation

Total cost of new 100, 000 lbs. /hr. steam generator:

	<u>Lignite Fired</u>	<u>Gas-Oil Fired</u>
	\$1, 750, 000. 00	\$761, 400. 00
Interest @ 7% over 30 years	\$ 11, 655. 00	\$ 5, 071. 00
Retirement Cost 30 yr.	<u>58, 333. 00</u>	<u>25, 380. 00</u>
	\$ 69, 988. 00	\$ 30, 451. 00
Add Operating	<u>225, 280. 55</u>	<u>223, 260. 00</u>
	\$ 295, 268. 55	\$253, 711. 00