

FISCAL NOTE
Requested by Legislative Council
03/19/2015

Amendment to: SB 2123

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Current bill requires the commission to impose fees up to ten thousand dollars for processing PCN applications submitted by jurisdictional gas, pipeline and telephone utilities. These fees would be held in suspense using a special fund with specific project costing.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fee will be deposited into a special fund and held in suspense, to cover the cost of processing an application, instead of allocating these costs to the general fund operating line of its budget. An estimated amount of fiscal impact cannot be determined because jurisdictional utilities have sole discretion over if and when applications are filed. We do not know how many applications may be filed, or if the Commission would decide to impose a fee for a filed application. It is possible that no applications would be filed in a given time frame, or that no fee would be imposed.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

These fees would not be general revenue to the state, nor included in the executive budget. Fees will be collected and deposited into a special fund held for the single purpose of processing the filed application. Any costs incurred will be allocated to the fee and any balance remaining after processing the application will be returned to the applicant. Estimating the amount of fees that may be collected during a fiscal period is not possible because jurisdictional utilities have sole discretion over if and when applications are filed, and over the type of application that may be filed. It is possible that no applications would be filed in a given time frame, or that no fee would be imposed.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenses incurred to process the case would be allocated to the fee, held in suspense, for that case based on the continuing appropriation provided in subsection 6 of section 49-02-02 of the North Dakota Century Code. Estimating the amount of general fund expenditures that may be avoided during a fiscal period is not possible because jurisdictional utilities have sole discretion over if and when applications are filed, and over the type of application that may be filed. It is possible that no applications would be filed in a given time frame, or that no fee would be imposed.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Subsection 6 of section 49-02-02 of the North Dakota Century Code provides continuing appropriation to expend the funds upon receipt

Name: Illona A. Jeffcoat-Sacco

Agency: PSC

Telephone: 701-328-2407

Date Prepared: 03/19/2015

FISCAL NOTE
Requested by Legislative Council
12/22/2014

Revised
Amendment to: SB 2123

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
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Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
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School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill permits the commission to impose fees for processing PCN applications submitted to the Public Service Commission by jurisdictional gas, pipeline and telephone utilities. These fees would be held in suspense using a special fund with specific project costing.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of the proposed bill would allow the Commission to impose a fee, deposited into a special fund and held in suspense, to cover the cost of processing an application, instead of allocating these costs to the general fund operating line of its budget. An estimated amount of fiscal impact cannot be determined because jurisdictional utilities have sole discretion over if and when applications are filed. We do not know how many applications may be filed, or if the Commission would decide to impose a fee for a filed application. It is possible that no applications would be filed in a given time frame, or that no fee would be imposed.

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- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenses incurred to process the case would be allocated to the fee, held in suspense, for that case based on the continuing appropriation provided in subsection 6 of section 49-02-02 of the North Dakota Century Code.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Subsection 6 of section 49-02-02 of the North Dakota Century Code provides continuing appropriation to expend the funds upon receipt

Name: Illona A. Jeffcoat-Sacco

Agency: PSC

Telephone: 701-328-2407

Date Prepared: 12/22/2014

FISCAL NOTE
Requested by Legislative Council
12/22/2014

Bill/Resolution No.: SB 2123

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
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- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill permits the commission to impose fees for processing PCN applications submitted to the Public Service Commission by jurisdictional gas, pipeline and telephone utilities. These fees would be held in suspense using a special fund with specific project costing.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of the proposed bill would allow the Commission to impose a fee, deposited into a special fund and held in suspense, to cover the cost of processing an application, instead of allocating these costs to the general fund operating line of its budget. An estimated amount of fiscal impact cannot be determined because jurisdictional utilities have sole discretion over if and when applications are filed.

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- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

These fees would not be revenue to the state. Fees will be collected and deposited into a special fund held for the single purpose of processing the filed application. Costs incurred will be allocated to the fee and any remaining balance after processing the application will be returned to the company. Estimating the amount of fees that may be collected during a fiscal period is not practical because jurisdictional utilities have sole discretion over if and when applications are filed.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Subsection 6 of section 49-02-02 of the North Dakota Century Code provides continuing appropriation to expend the funds upon receipt.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Expenses incurred to process the case are allocated to the fee, which are held in a suspense account, based on the continuing appropriation provided in subsection 6 of section 49-02-02 of the North Dakota Century Code.

Name: Illona A. Jeffcoat-Sacco

Agency: PSC

Telephone: 701-328-2407

Date Prepared: 12/22/2014

2015 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2123

2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Roosevelt Park Room, State Capitol

SB 2123

1/13/2015

Job Number 21878

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to imposing an application fee for a certificate of public convenience and necessity by a utility other than an electric utility

Minutes:

Attachments

Vice Chairman Campbell: Opened the hearing.

Illona A. Jeffcoat-Sacco, General Counsel Public Service Commission: Written Testimony Attached with a proposed amendment. (1). (1:30-4:26)

Senator Miller: Asked for a description of what "certificate of public convenience and necessity" is and why it's needed.

Illona A. Jeffcoat-Sacco: A concept that stems from a regulated utility or a common carrier utility. Pipelines aren't really regulated but they're common carriers. It is the government decision in that framework of regulation that allows a company to make an investment. The question being, is this the best thing to invest in for everyone in that particular region where the monopoly is. (4:50-7:00)

Senator Miller: If a utility has a monopoly and wants to expand or do some sort of serious investment they would need to get this certificate of public confidence?

Illona A. Jeffcoat-Sacco: If you are by definition a regulated public utility. (7:26-8:30)

Senator Miller: Why do you need to have a fee and what is your incurred cost?

Illona A. Jeffcoat-Sacco: If a case gets complicated and we need economic experts it could cost twenty to thirty thousand dollars, some have cost one hundred thousand dollars. It is mostly used for out- of- pocket expenses. (8:45-10:15)

Vice Chairman Campbell: The reason it is discretionary is because it's not always refunded?

Illona A. Jeffcoat-Sacco: Yes and the other reason it's discretionary is if a case comes in and we know there is probably no objection. There will be a notice of opportunity for a hearing, not an actual hearing and they would not assess a fee at all.

Senator Miller: Asked if they would first require that a company submit fifty thousand dollars and they would hold it as a retainer until everything is settled.

Illona A. Jeffcoat-Sacco: The staff on the case would first look at it and see if it would cost anything. If they think there will be a proceeding they will make a recommendation to the commission. They wouldn't necessarily recommend fifty thousand.

Vice Chairman Campbell: Asked if there were any others in favor or opposition.

Todd D. Kranda, Attorney with Kelsch Kelsch Ruff & Kranda Law Firm: In opposition. Written Testimony Attached (2). (14:06-16:30)

Vice Chairman Campbell: Asked if he was happy with the proposed amendment.

Todd D. Kranda: They are pleased with it being reduced by nearly two-thirds. He thinks fifty is still a little steep but it's a lot less than one hundred and seventy- five thousand.

Vice Chairman Campbell: Asked if anyone else was in opposition or had neutral testimony. He closed the hearing.

Senator Murphy moved to adopt the amendment.

Senator Burckhard seconded the motion.

Roll Call Vote: Yes-6 No-0 Absent-1

Senator Murphy moved a do pass as amended.

Senator Sinner seconded the motion.

Roll Call Vote: Yes-5 No-1 Absent-1

Floor Assignment: Senator Murphy

15.8082.01001
Title.02000

Adopted by the Industry, Business and Labor
Committee

January 13, 2015

1/13/15
TUD

PROPOSED AMENDMENTS TO SENATE BILL NO. 2123

Page 1, line 3, replace "electronic" with "electric"

Page 1, line 18, remove "one"

Page 1, line 19, replace "hundred seventy-five" with "fifty"

Renumber accordingly

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2123**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: 15.8082.01001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Murphy Seconded By Senator Burckhard

Senators	Yes	No	Senators	Yes	No
Chairman Klein			Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller	x				
Senator Poolman	x				

Total (Yes) 6 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2123**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: 15.8082.01001

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Murphy Seconded By Senator Sinner

Senators	Yes	No	Senators	Yes	No
Chairman Klein			Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller		x			
Senator Poolman	x				

Total (Yes) 5 No 1

Absent 1

Floor Assignment Senator Murphy

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2123: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). SB 2123 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "electronic" with "electric"

Page 1, line 18, remove "one"

Page 1, line 19, replace "hundred seventy-five" with "fifty"

Renumber accordingly

2015 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2123

2015 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

SB 2123
3/9/2015
24524

- ☐ Subcommittee
☐ Conference Committee

Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Imposing an application fee for a certificate of public convenience & necessity by a utility other than an electric utility.

Minutes:

Attachment 1

Chairman Keiser: Opens the hearing on Engrossed SB 2123.

Illona Jeffcoat-Sacco~General Counsel with the PSC: (Attachment 1).

Representative Becker: The cost of processing the application, what is involved with it that it might rise to the multiple of tens to thousands of dollars?

Jeffcoat-Sacco: In order to get up to the 30 or 40 thousand dollars there would have to be substantial outside consulting, where we would need expertise and outside counseling. The commission wants the discursion to set the fee because when it comes in we have enough to cover the hearing costs.

Representative Becker: What is the typical cost of processing over the past years?

Jeffcoat-Sacco: I venture it's about \$3,000 but I could produce some facts later for you.

Representative Beadle: If they get complicated, would you retroactively charge an application fee with these individuals or are they going to guess?

Jeffcoat-Sacco: I think we have a pretty good idea when they come in if they are going to be complicated.

Representative Beadle: This seems to be putting the additional cost on the applicant just to protect turf of the existing pipeline. You might not know about the competing pipelines objection until after the hearing point, will they still be at the lower no fee originally charged or if an objection came up, would there be a retroactive application fee accessed?

Jeffcoat-Sacco: I could see a time where we might ask to do that. I can see where you are going where the opponent isn't paying anything and they are causing the trouble. We've been down that road in the telephone business and if one of the reasons why those fees are assessed against telephone companies. If one is fighting another one, they are both getting assessed. We were trying to make the other PCN's consistent with electric and it seemed wrong not to have some fee on the gas or pipeline.

Representative Lefor: Why do you feel it's necessary to put up to \$50,000 in statute if you already have the discretion or are there other limitations to that discretion?

Jeffcoat-Sacco: Our discretion is over in the electric PCN chapter, not in the gas.

Representative Devlin: Is the up to \$50,000 language in the electric code?

Jeffcoat-Sacco: Actually it's up to \$175,000, which we had in the bill and we fixed on the other side.

Chairman Keiser: Explain how the assessments work to the new members of the committee.

Jeffcoat-Sacco: Explains to the members how the assessments work.

10:52

Chairman Keiser: If the commission made a mistake, is the remaining balance returned to the paying party?

Jeffcoat-Sacco: Exactly true.

Chairman Keiser: Can you assess further?

Jeffcoat-Sacco: Yes, we believe we can and would. I have never experience a time when we weren't working with the company and they understand that it is going to cost more and they are ready to send it before we ask for it. They do feel that it's in their interest that the case be well done.

Chairman Keiser: This is permissive language for the PSC, but it's two parts. Up until now, you haven't been able to assess a fee in these areas which means your budget has been covering it.

Jeffcoat-Sacco: You are correct.

Chairman Keiser: Your fiscal note says it's undeterminable but if you can assess a fee, what would be the purpose of not assessing a fee because it's part of this transaction? If that were the case, couldn't we reduce your budget?

Jeffcoat-Sacco: That's a good question; I can't honestly tell you that there will be one PCN filed in the next biennium.

Chairman Keiser: So if there is one not filed, you don't need money to manage it and if there is one, you can charge for it, why wouldn't we do that? Why should we keep funding you to pay an expense associated with doing business?

Jeffcoat-Sacco: I don't have the specific numbers; we have not had any litigated hearings under this chapter in the last biennium. There is probable a small amount in our operations in the public utilities budget for this but not a large amount.

Representative Devlin: You can impose a fee above \$50,000 and when I read the language it says up to \$50,000, what am I not understanding?

Jeffcoat-Sacco: In this bill it should be written, discretion from zero to \$50,000, where we have discretion over \$50,000 is in other provisions.

Representative Beadle: Lines 19 & 20, what is the process going through the emergency commission to get that?

Jeffcoat-Sacco: We avoid it like the plague. The language is copied from citing and rate cases.

Chairman Keiser: Anyone else here to testify in support of 2123, opposition, neutral? Closes the hearing, what are the wishes of the committee?

Representative Laning: Moves a Do Pass.

Vice Chairman Sukut: Seconded.

Chairman Keiser: I'm going to oppose it and I think we should make it a "shall" for doing business.

Roll call was taken for a SB 2123 with 7 yes, 7 no, 1 absent. Motion fails.

Chairman Keiser: Motion fails, what are your wishes?

Representative Hanson: Moves to amend it on line 18, page 1, to a "shall".

Representative Boschee: Seconded.

Chairman Keiser: Further discussion?

Representative Hanson: There isn't anything in here to safeguard from the PSC for abusing the ability to put a limit on it?

Chairman Keiser: Clearly the industry would object if they believe there was abuse.

Representative Kasper: Why \$50,000, seems we have a lot of money? I'm going to oppose the bill either way.

Roll call was taken on the amendment with 9 yes, 5 no, 1 absent.

Chairman Keiser: The amendment has been adopted.

Representative Boschee: Moves a Do Pass as Amended.

Representative M Nelson: Seconded.

Chairman Keiser: Further discussion?

Roll call was taken on a Do Pass as Amended on SB 2123 with 7 yes, 7 no, 1 absent, motion fails.

Chairman Keiser: We might hold this for a while or the other alternative motion is to send it to the floor without recommendation but that takes a motion. No motion. Closes the hearing.

2015 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

SB 2123
3/18/2015
24524

- ☐ Subcommittee
☐ Conference Committee

Eileen LeTang

Explanation or reason for introduction of bill/resolution:

Imposing an application fee for a certificate of public convenience & necessity by a utility other than an electric utility.

Minutes:

Chairman Keiser: Opens the work session hearing on SB 2123. Line 18, the commission may impose an application fee & it reads up to \$50,000. You want to move it to \$10,000?

Vice Chairman Sukut: In discussion, people were more comfortable with that.

Vice Chairman Sukut: Moves an amendment 15.8082.02001.

Representative Kasper: Seconded.

Representative Becker: My concern is we amended it to "may" and going up to 50,000, it allowed them to change if they had a situation where it was going to be 40,000 or 50,000. Then we changed it to "shall", I was not comfortable with it because they testified that the vast majority of applicants, that the costs only ran in the range of three to five thousand. I thought that was an unnecessary burden that the vast majority to supply fifty and get reimbursed as some later date. So, we drop it down to ten, which make less burdensome for all those that would be under ten anyway.

Chairman Keiser: I encourage you to read the rest of that section because they can increase it over ten.

Voice vote-motion carried for the amendment.

Vice Chairman Sukut: Moves a Do Pass as amended.

Representative Kasper: Seconded.

Roll call was taken on SB 2123, for a Do Pass as Amended with 12 yes, 0 no, 3 absent and Vice Chairman Sukut will carry the bill.

March 18, 2015

SAC
3/18/15

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2123

Page 1, line 18, replace "may" with "shall"

Page 1, line 18, replace "fifty" with "ten"

Renumber accordingly

Date: Mar 9, 2015Roll Call Vote: 1

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2123**

House Industry, Business & Labor Committee
☐ Subcommittee ☐ Conference Committee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Laning Seconded By Rep Sukut

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser		X	Representative Lefor	X	
Vice Chairman Sukut	X		Representative Louser		X
Representative Beadle		X	Representative Ruby		X
Representative Becker	X		Representative Amerman	X	
Representative Devlin	X		Representative Boschee		X
Representative Frantsvog	Ab		Representative Hanson		X
Representative Kasper		X	Representative M Nelson	X	
Representative Laning	X				

Total (Yes) 7 No 7

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

motion fails

Date: Mar 9, 2015Roll Call Vote: 2

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2123**

House Industry, Business & Labor Committee☐ Subcommittee☐ Conference Committee

Amendment LC# or Description: _____

Recommendation: ☒ Adopt Amendment☐ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☐ As Amended☐ Rerefer to Appropriations

Other Actions:

☐ Reconsider☐ _____Motion Made By Rep Hanson Seconded By Rep Boschee

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Representative Lefor	X	
Vice Chairman Sukut	X		Representative Louser	X	
Representative Beadle		X	Representative Ruby		X
Representative Becker		X	Representative Amerman	X	
Representative Devlin		X	Representative Boschee	X	
Representative Frantsvog	Ab		Representative Hanson	X	
Representative Kasper		X	Representative M Nelson	X	
Representative Laning	X				

Total (Yes) 9 No 5Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

p1, line 18 = change from
may to shall

Date: Mar 9, 2015Roll Call Vote: 3

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2123**

House Industry, Business & Labor Committee☐ Subcommittee☐ Conference Committee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment☒ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☒ As Amended☐ Rerefer to AppropriationsOther Actions: ☐ Reconsider☐ _____Motion Made By Rep Boschee Seconded By Rep Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Representative Lefor	X	
Vice Chairman Sukut	X		Representative Louser		X
Representative Beadle		X	Representative Ruby		X
Representative Becker		X	Representative Amerman	X	
Representative Devlin		X	Representative Boschee	X	
Representative Frantsvog	Ab		Representative Hanson		X
Representative Kasper		X	Representative M Nelson	X	
Representative Laning	X				

Total (Yes) 7 No 7Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

motion fails due to a tie

Date: Mar 18, 2015Roll Call Vote: 1

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2123**

House Industry, Business & Labor Committee
☐ Subcommittee

 ☐ Conference Committee
Amendment LC# or Description: 15.8082.02001 - 03000

Recommendation: ☒ Adopt Amendment
 ☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
 ☐ As Amended ☐ Rerefer to Appropriations
 Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Sukut Seconded By Rep Kasper

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Representative Lefor		
Vice Chairman Sukut			Representative Louser		
Representative Beadle			Representative Ruby		
Representative Becker			Representative Amerman		
Representative Devlin			Representative Bosch		
Representative Frantsov			Representative Hanson		
Representative Kasper			Representative M Nelson		
Representative Laning					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

may to shall
 line 18, fifty to ten
 voice vote - motion carried

Date: Mar 18, 2015Roll Call Vote: 2

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2123**

House Industry, Business & Labor Committee
☐ Subcommittee

 ☐ Conference Committee

Amendment LC# or Description: _____

 Recommendation: ☐ Adopt Amendment
 ☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
 ☒ As Amended ☐ Rerefer to Appropriations

 Other Actions: ☐ Reconsider ☐ _____

 Motion Made By Rep Sukut Seconded By Rep Kasper

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Representative Lefor	X	
Vice Chairman Sukut	X		Representative Louser	X	
Representative Beadle	X		Representative Ruby	Ab	
Representative Becker	X		Representative Amerman	X	
Representative Devlin	X		Representative Boschee	X	
Representative Frantsvog	Ab		Representative Hanson	X	
Representative Kasper	X		Representative M Nelson	Ab	
Representative Laning	X				

 Total (Yes) 12 No 0

 Absent 3

 Floor Assignment Rep Sukut

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2123, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2123 was placed on the Sixth order on the calendar.

Page 1, line 18, replace "may" with "shall"

Page 1, line 18, replace "fifty" with "ten"

Renumber accordingly

2015 TESTIMONY

SB 2123

Senate Bill 2123

Presented by: Illona A. Jeffcoat-Sacco, General Counsel
Public Service Commission

Before: Senate Industry, Business and Labor Committee
The Honorable Jerry Klein, Chairman

Date: January 13, 2015

TESTIMONY

Mister Chairman and committee members, I'm Illona Jeffcoat-Sacco, General Counsel with the Public Service Commission. The Public Service Commission asked me to testify today in support of Senate Bill 2123, introduced at our request.

This bill would add language to allow the Commission discretion to impose a fee of up to one hundred seventy-five thousand dollars for an application for a certificate of public convenience and necessity by a utility other than an electric utility.

The Commission currently is allowed discretion to impose a similar fee (limited to one hundred seventy-five thousand dollars) for an application for a certificate of public convenience and necessity by an electric utility and this bill is intended to make consistent the statutory treatment of all applications for a certificate of public convenience and necessity, including applications by transportation pipeline utilities, gas utilities, and heating utilities.

If a fee is imposed, it would be used by the Commission to process the application, and any balance remaining after the application is processed would be returned to the applicant.

The Public Service Commission originally proposed the discretionary fee at one hundred and seventy-five thousand dollars, consistent with the statutory application fees in other areas of the Commission's jurisdiction. Since that time, the Commission has heard concerns from stakeholders and has agreed to reduce the amount to fifty thousand dollars. A proposed amendment to this effect is attached.

Although Chapter 49-03.1 applies to incumbent telecommunications companies, practically speaking, the commission would not impose a fee for a telecommunications application, because out of pocket costs for telecommunications cases can be recovered from the parties involved under Chapter 49-21 through the Utility Valuation Fund.

We respectfully request the favorable action of the committee on the proposed amendment and the bill, as amended.

Mister Chairman, this concludes my testimony. I will be happy to answer any questions.

PREPARED BY THE PUBLIC SERVICE COMMISSION
January 13, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2123

Page 1, line 3, replace "electronic" with "electric"

Page 1, line 18, replace "one hundred seventy-five" with "fifty"

Renumber accordingly

**Testimony in Opposition to
SENATE BILL NO. 2123**

Senate Industry Business and Labor Committee - January 13, 2015

Chairman Klein, Senate Industry Business and Labor Committee members, for the record my name is Todd D. Kranda. I am an attorney with the Kelsch Kelsch Ruff & Kranda Law Firm in Mandan and I appear before you today as a lobbyist on behalf of the North Dakota Petroleum Council to oppose SB 2123 as introduced. NDPC represents more than 500 companies involved in all aspects of the oil and gas industry and has been representing the industry since 1952.

The NDPC is opposed to SB 2123 because it establishes a substantial fee for a public convenience and necessity application with the Public Service Commission when no prior fee existed. A fee in the amount of \$175,000 is far in excess of the estimated costs associated with a public convenience and necessity application process.

While it is appropriate for the PSC to recover its necessary costs as are incurred for a public convenience and necessity application process, the amount requested of \$175,000 is unreasonable. An amount in the range of \$25,000 - \$50,000 would be more than adequate for reimbursement of the publication costs, administrative law judge fee and any other costs incurred. Even though the excess amount would be reimbursed at the conclusion of the process the funds are paid in advance and held during the process.

In conclusion, the \$175,000 fee provided for within SB 2123 should be amended and the amount reduced to a more reasonable level consistent with the expected costs. I would be happy to try to answer any questions.

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Senate Bill 2123

Presented by: Illona A. Jeffcoat-Sacco, General Counsel
Public Service Commission

Before: House Industry, Business and Labor Committee
The Honorable George Keiser, Chairman

Date: March 9, 2015

TESTIMONY

Mister Chairman and committee members, I am Illona Jeffcoat-Sacco, General Counsel with the Public Service Commission. The Public Service Commission asked me to testify today in support of Senate Bill 2123, introduced at our request.

This bill, as amended in the Senate, would add language to allow the Commission discretion to impose a fee of up to fifty thousand dollars for an application for a certificate of public convenience and necessity by a utility other than an electric utility.

The Commission currently is allowed discretion to impose a fee for an application for a certificate of public convenience and necessity by an electric utility. This bill is intended to make consistent the statutory treatment of all applications for a certificate of public convenience and necessity, including applications by transportation pipeline utilities, gas utilities, and heating utilities.

If a fee is imposed, it would be used by the Commission to process the application, and any balance remaining after the application is processed would be returned to the applicant.

Although Chapter 49-03.1 applies to incumbent telecommunications companies, practically speaking, the commission would not impose a fee for a telecommunications application, because out of pocket costs for telecommunications cases can be recovered from the parties involved under Chapter 49-21 through the Utility Valuation Fund.

Mister Chairman, this concludes my testimony. I will be happy to answer any questions.