

METROLOGY PROGRAM UPDATE

Presented by: Darrell Nitschke, Executive Secretary
Public Service Commission

Before: Budget Section Committee
The Honorable Ray Holmberg, Chairman

RE: Testing & Safety Division Metrology Program
Status of Transition to the Private Sector

Date: June 22, 2010

TESTIMONY

Chairman Holmberg and members of the Committee, thank you for the invitation to update the Budget Section Committee concerning the transition of the metrology program and lab to the private sector. For the record, my name is Darrell Nitschke, the Executive Secretary for the Public Service Commission and I am testifying today on behalf of the Commission.

As a reminder in 2009 House Bill 1008, the Commission's 2009-2011 Budget; the Legislature determined that the North Dakota Metrology Laboratory should be closed. Section 3 of the bill states:

It is the intent of the sixty-first legislative assembly that the public service commission discontinues providing metrology program services during the biennium beginning July 1, 2009, and ending June 30, 2011. It is further the intent of the legislative assembly that the public service commission and the department of commerce collaborate to assist with the transition of metrology services from a public to a private service by contracting with the private sector for services on a short-term basis, assisting with equipment acquisition, and providing referrals. The public service commission shall report to the budget section during the 2009-10 interim on the status of the metrology program.

The following updated timeline outlines the status of the Commission's metrology program and its efforts to seek private services (some of this is a repeat of the information shared with you at the December 2009 Budget Committee meeting):

- January – March 2009** 2009 Legislature voted to discontinue metrology program services no later than June 30, 2011.
- June 2009** Commission determined that the metrology lab should cease operations by June 30, 2010.
- June 2009** Lab Closure letter was sent to all ND Metrology customers.
- July 2009** Informal meeting held to discuss other-than government alternative possibilities for metrology services in ND. Attendees were Commissioner Cramer, NDPSC, Commissioner Goettle, ND Department of Commerce, and Randy Schwartz, Dakota MEP.
- September 2009** On September 2nd the Commission scheduled a Metrology lab tour and discussion. Those that attended included Commissioners, Commission Legal staff, Commission Testing & Safety staff, National Institute of Standards and Technology staff, Commissioner Goettle and staff, Randy Schwartz from Dakota MEP, Jim Albrecht and ComDel staff. Discussion focused on the history of metrology in ND, NIST requirements for private laboratory certification via NVLAP, and ideas on total and partial privatization of metrology services in ND and the surrounding region. ComDel also voiced its concern on startup costs and ongoing operational issues as a result of its discussion with NIST.
- September 2009** Commissioner Cramer and staff held a conference call with Commissioner Goettle and staff to discuss the ongoing marketing strategies for a future metrology program. Commissioner Goettle requested that Commission staff generate a list of the top

metrology fee customers along with a bio sheet on each one of those customers to include services they provide, a list of their equipment needed annual recertification, and the date of their last lab visit and fee paid for that visit.

September 2009

Commission staff prepared and transmitted the report as requested.

September 11, 2009

Informal meeting attended by Commissioner Kevin Cramer, NDPSC, Commissioner Shane Goettle, Department of Commerce, and Randy Schwartz, Dakota MEP. Randy Schwartz generated an email shortly after the meeting to sum up his ideas on what was needed to determine the future of metrology in ND and the surrounding region.

March 14, 2010

The PSC's metrologist resigned his position and the Commission discontinued providing metrology services to the public.

Latest Development

Commissioner Cramer, following a discussion with Russ Steiger, Executive Director the Bismarck Mandan Development Association last week, learned that Minnesota Valley Testing Laboratories, Inc. (MVTL) who are in the processes of constructing new laboratory facilities at the 2600 block of East Broadway in Bismarck, may be interested in the metrology program. The Commission is in the process of setting up a meeting with Tom Berg, CEO of MVTL, Shane Goettle, Department of Commerce, and Russ Steiger to discuss the possibilities. The Commission will keep you posted on any further developments.

Mr. Chairman, this completes my testimony. I would be happy to respond to any questions the committee might have.