

**Department 408 - Public Service Commission**  
**Senate Bill No. 2008**

**Executive Budget Comparison to Base Level**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2023-25 Executive Budget	\$7,631,372	\$13,988,625	\$21,619,997
2023-25 Base Level	6,425,687	13,347,095	19,772,782
Increase (Decrease)	\$1,205,685	\$641,530	\$1,847,215

**Selected Budget Changes Recommended in the Executive Budget**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1. Adds funding for state employee salary and benefits increases, of which \$710,485 is for salary increases and \$216,032 is for health insurance increases	\$546,042	\$380,475	\$926,517
2. Adds 1 FTE environmental scientist position	\$77,962	\$138,602	\$216,564
3. Adds funding for a new Capitol space rent model	\$221,067	\$0	\$221,067
4. Adds funding for a Federal Energy Regulatory Commission (FERC) contractor	\$120,000	\$0	\$120,000
5. Adjusts funding for ongoing operating expenses	\$83,600	(\$30,042)	\$53,558
6. Adds <b>one-time funding</b> for shortfall of indirect cost recovery	\$101,700	\$0	\$101,700

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

**Selected Bill Sections Recommended in the Executive Budget**

**Beginning farmer revolving loan fund** - Section 3 would authorize a \$900,000 transfer from the beginning farmer revolving loan fund to the Public Service Commission to pay for costs associated with a rail rate complaint case. The Public Service Commission would reimburse the beginning farmer revolving loan fund using amounts available from damages or proceeds, net of legal fees.

**Railroad safety program** - Section 4 would amend North Dakota Century Code Section 57-43.2-19 to increase the deposit from \$297,362 to \$332,327 per year from special fuels taxes into the rail safety fund through June 30, 2027.

**Salary of commissioners** - Section 5 would provide the statutory changes increasing the Public Service Commissioners' salaries. The Public Service Commissioners' annual salary would increase from the current level of \$117,610 to \$124,667, effective July 1, 2023, and to \$129,654, effective July 1, 2024, to reflect the 6 percent and 4 percent recommended salary increase.

**Continuing Appropriations**

**Siting process expense recovery fund** - Section 49-22-22 - Siting process application fees received are deposited in the siting process expense recovery fund to pay expenses incurred in the siting process.

**Performance assurance fund** - Section 49-21-31 - Money received by the Public Service Commission under a performance assurance plan is to be deposited in the performance assurance fund until the balance equals \$100,000. The money in the fund may be used by the Public Service Commission to monitor the operation and effect of the performance assurance plan.

**Utility valuation expense recovery** - Section 49-05-04 - Any public utility requesting an increase in its rates above the maximum approved or prescribed by the commission shall furnish the commission the required documents and an application fee in the amount of \$175,000. Upon request of the commission and with the approval of the Emergency Commission, the applicant shall pay such additional fees as are reasonably necessary for completion of the application process by the commission. The commission shall pay the expenses of investigating a rate increase application under this section from the application fee paid by the public utility in accordance with Section 49-02-02. The commission may waive or reduce the fee.

**Deficiency Appropriations**

There are no deficiency appropriations for this agency.

**Significant Audit Findings**

There are no significant audit findings for this agency.

**Major Related Legislation**

**House Bill No. 1063** - Relates to tariff rate filing fee requirements.

**House Bill No. 1064** - Relates to the definition of excavation.

**House Bill No. 1067** - Relates to the powers of the Public Service Commission.

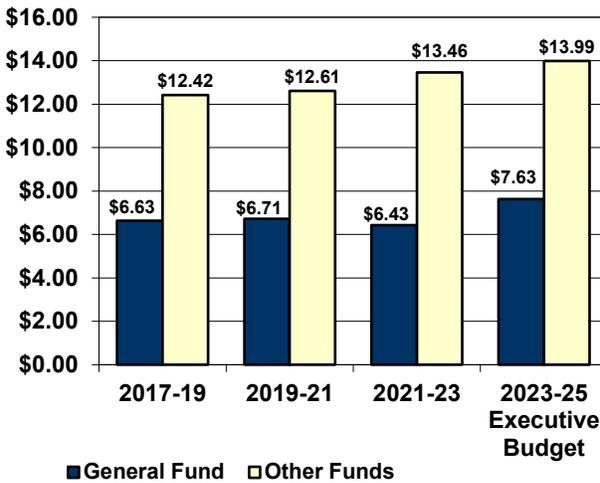
**House Bill No. 1096** - Relates to permit fees for registered service companies and registered service persons.

**House Bill No. 1097** - Relates to the definitions of utility-scale energy storage, route adjustment for electric transmission lines, and an electric energy conversion facility.

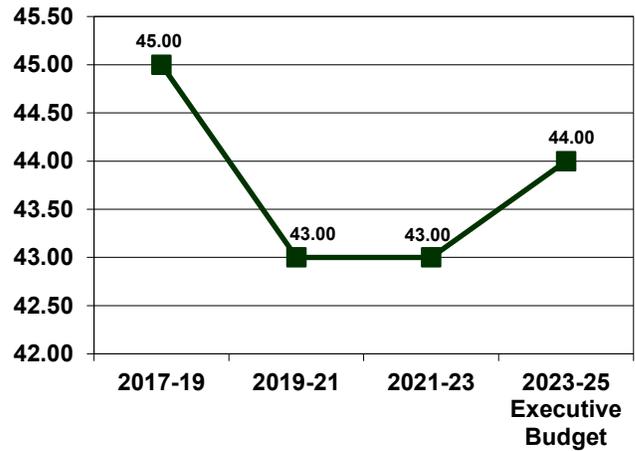
# Historical Appropriations Information

## Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



### Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$7,175,827	\$6,630,762	\$6,714,928	\$6,425,687	\$7,527,872
Increase (decrease) from previous biennium	N/A	(\$545,065)	\$84,166	(\$289,241)	\$1,102,185
Percentage increase (decrease) from previous biennium	N/A	(7.6%)	1.3%	(4.3%)	17.2%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(7.6%)	(6.4%)	(10.5%)	4.9%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2017-19 Biennium

1. Removed 2 FTE undesignated positions (\$286,240)
2. Reduced salaries and wages in anticipation of savings from vacant positions and employee turnover (\$250,000)
3. Reduced funding for operating expenses (\$47,736)
4. Reduced funding for capital assets to provide a total of \$10,000 (\$16,400)
5. Removed funding from the general fund for specialized legal services (\$56,000)

#### 2019-21 Biennium

1. Transferred 2 FTE grain warehouse inspectors (\$317,725) and related operating expenses (\$71,000) to the Department of Agriculture (\$388,725)
2. Added funding for the reclassification of an existing underfunded FTE position as an accounting budget specialist position (\$165,493) and related operating expenses \$170,493

#### 2021-23 Biennium

1. Changed the funding source for a portion of salaries and wages from the general fund to the Public Service Commission program fund (\$625,000)
2. Added funding for the reclassification of an existing underfunded FTE position as a natural gas pipeline inspector position \$167,547

#### 2023-25 Biennium (Executive Budget Recommendation)

1. Adds funding for a new Capitol space rent model \$221,067
2. Adds funding for a FERC contractor \$120,000

- 3. Adds funding for ongoing operating expenses, of which \$52,000 is for supplies - IT software to provide a total of \$224,500, and \$31,600 is for professional development to provide a total of \$132,400 \$83,600
- 4. Adds 1 FTE for an environmental scientist position \$77,962

**One-Time General Fund Appropriations**

	<b>2015-17</b>	<b>2017-19</b>	<b>2019-21</b>	<b>2021-23</b>	<b>2023-25 Executive Budget</b>
One-time general fund appropriations	\$239,624	\$0	\$0	\$5,400	\$103,500

**Major One-Time General Fund Appropriations**

**2017-19 Biennium**

None \$0

**2019-21 Biennium**

None \$0

**2021-23 Biennium**

- 1. Replace real time kinematic equipment \$5,400

**2023-25 Biennium (Executive Budget Recommendation)**

- 1. Shortfall of indirect cost recovery \$101,700
- 2. Drone \$1,800

**Public Service Commission - Budget No. 408**  
**Senate Bill No. 2008**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2023-25 Biennium Base Level</b>	43.00	\$6,425,687	\$13,347,095	\$19,772,782
<b>2023-25 Ongoing Funding Changes</b>				
Cost to continue salaries		\$53,472	\$27,589	\$81,061
Salary increase		419,766	290,719	710,485
Health insurance increase		126,276	89,756	216,032
Adds funding for temporary salaries and the railroad safety program			106,706	106,706
Adds 1 FTE environmental scientist position	1.00	77,962	138,602	216,564
Adds funding for ITD rate increase		42		42
Adjusts funding for operating expenses		83,600	(30,042)	53,558
Adds funding for a new Capitol space rent model		221,067		221,067
Adds funding for a FERC contractor		120,000		120,000
<b>Total ongoing funding changes</b>	<b>1.00</b>	<b>\$1,102,185</b>	<b>\$623,330</b>	<b>\$1,725,515</b>
<b>One-time funding items</b>				
Adds one-time funding for shortfall of indirect cost recovery		\$101,700		\$101,700
Adds one-time funding for a drone		1,800	\$18,200	20,000
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$103,500</b>	<b>\$18,200</b>	<b>\$121,700</b>
<b>Total Changes to Base Level Funding</b>	<b>1.00</b>	<b>\$1,205,685</b>	<b>\$641,530</b>	<b>\$1,847,215</b>
<b>2023-25 Total Funding</b>	<b>44.00</b>	<b>\$7,631,372</b>	<b>\$13,988,625</b>	<b>\$21,619,997</b>
<i>Federal funds included in other funds</i>			<i>\$11,673,971</i>	
<i>Total ongoing changes as a percentage of base level</i>	<i>2.3%</i>	<i>17.2%</i>	<i>4.7%</i>	<i>8.7%</i>
<i>Total changes as a percentage of base level</i>	<i>2.3%</i>	<i>18.8%</i>	<i>4.8%</i>	<i>9.3%</i>

**Other Sections in Public Service Commission - Budget No. 408**

	<b>Executive Budget Recommendation</b>
Beginning farmer revolving loan fund	Section 3 would authorize a \$900,000 transfer from the beginning farmer revolving loan fund to the Public Service Commission to pay for costs associated with a rail rate complaint case. The Public Service Commission would reimburse the beginning farmer revolving loan fund using amounts available from damages or proceeds, net of legal fees.
Railroad safety program	Section 4 would amend Section 57-43.2-19 to increase the deposit from \$297,362 to \$332,327 per year from special fuels taxes into the rail safety fund through June 30, 2027.
Salary of commissioners	Section 5 would provide the statutory changes increasing the Public Service Commissioners' salaries. The Public Service Commissioners' annual salary would increase from the current level of \$117,610 to \$124,667, effective July 1, 2023, and to \$129,654 effective July 1, 2024, to reflect the 6 percent and 4 percent recommended salary increase.

**SENATE BILL NO. 2008  
 (Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 57-43.2-19, 49-01-05, of the North Dakota Century Code, relating to the salary of public service commissioners, and to authorize a transfer.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the public service commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$ 9,991,488	\$ 1,362,618	\$ 11,354,106
Operating Expenses	1,801,570	394,667	2,196,237
Capital Assets	25,000	20,000	45,000
Grants	20,000	0	20,000
Abandoned Mined Lands Contractual	6,000,000	0	6,000,000
Rail Rate Complaint Case	900,000	0	900,000
Railroad Safety Program	614,724	69,930	684,654
Specialized Legal Services	<u>420,000</u>	<u>0</u>	<u>420,000</u>
Total All Funds	\$19,772,782	\$1,847,215	\$21,619,997
Less Estimated Income	<u>13,347,095</u>	<u>641,530</u>	<u>13,988,625</u>
Total General Fund	\$ 6,425,687	\$1,205,685	\$ 7,631,372
Full-Time Equivalent Positions	43.00	1.00	44.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Indirect Cost Recovery Shortfall	\$0	\$101,700
One-Time Equipment	<u>120,000</u>	<u>20,000</u>
Total All Funds	\$120,000	\$121,700
Total Special Funds	<u>120,000</u>	<u>18,200</u>
Total General Fund	\$ 0	\$ 103,500

**SECTION 3. TRANSFER AND REPAYMENT - BEGINNING FARMER REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer from the beginning farmer revolving loan fund to the public service commission the sum of \$900,000, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act to pay for costs associated with a rail rate complaint case. Transfers must be made during the biennium beginning July 1, 2023 and ending June 30, 2025, upon order of the commission. If any amounts are spent pursuant to this section, the public service commission shall reimburse the beginning farmer revolving loan fund using amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case.

**SECTION 4. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-19. Transfer, deposit, and distribution of funds. (Effective through June 30, ~~2025~~, 2027)**

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to ~~two three hundred ninety-seven~~ thirty-two thousand three hundred ~~sixty-two~~ twenty-seven dollars per year must be transferred to the state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

Transfer, deposit, and distribution of funds. (Effective after June 30, ~~2025~~ 2027) All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in the highway tax distribution fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

**SECTION 5. AMENDMENT.** Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

**49-01-05. Salary of commissioners.** The annual salary of a commissioner is ~~one hundred seventeen thousand six hundred ten dollars through June 30, 2023,~~ one hundred twenty-four thousand six hundred sixty seven dollars through June 30, 2024 and one hundred twenty-nine thousand six hundred fifty-four dollars, thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.