

2025 HOUSE APPROPRIATIONS

HB 1008

DEPARTMENT 408 - PUBLIC SERVICE COMMISSION 2025-27 BASE LEVEL BUDGET

Base Budget - Summary

| | Base Level |
|---|-------------------|
| Salaries and wages | \$11,026,304 |
| Operating expenses | 2,205,487 |
| Capital assets | 25,000 |
| Grants | 20,000 |
| Abandoned mine lands contractual services | 6,000,000 |
| Rail rate complaint case | 900,000 |
| Railroad safety program | 672,206 |
| Specialized legal services | <u>420,000</u> |
| Total all funds | \$21,268,997 |
| Less other funds | <u>13,779,645</u> |
| Total general fund | \$7,489,352 |
| Full-time equivalent (FTE) positions | 45.00 |

Selected Base Budget Information

| | General Fund | Other Funds | Total |
|--|--------------|-------------|--------------|
| 1. Includes funding for state employee salary and benefits for 43 FTE positions, including \$160,575 of targeted market equity increases | \$5,865,635 | \$5,160,669 | \$11,026,304 |
| 2. Provides funding for operating expenses, including travel (\$517,770), rental costs (\$317,067), information technology software and processing (\$383,000), and professional fees and services (\$267,100) | \$1,578,717 | \$626,770 | \$2,205,487 |
| 3. Includes funding for specialized legal services | \$20,000 | \$400,000 | \$420,000 |
| 4. Includes funding for a Federal Energy Regulatory Commission contractor | \$120,000 | \$0 | \$120,000 |
| 5. Includes federal funding for contractors to remediate abandoned mined lands | \$0 | \$6,000,000 | \$6,000,000 |
| 6. Includes funding for the administration of the railroad safety program, of which \$554,239 is for salaries and wages for 2 FTE positions and \$117,967 is for operating expenses | \$0 | \$672,206 | \$672,206 |
| 7. Includes funding for a Bank of North Dakota loan to pay costs associated with a rail rate complaint case | \$0 | \$900,000 | \$900,000 |

Continuing Appropriations

Siting process expense recovery fund - North Dakota Century Code 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. For the 2021-23 biennium, the fund had \$825,250 of revenues, \$1,540,370 of expenditures, and a fund balance of \$2,070,196 on June 30, 2023.

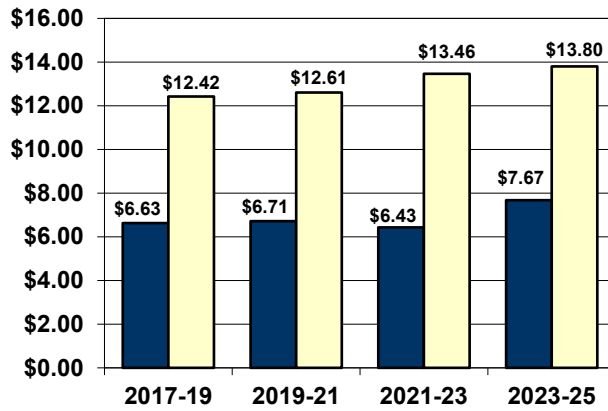
Performance assurance fund - Section 49-21-31 - Money received by the Public Service Commission under a performance assurance plan is to be deposited in the performance assurance fund until the balance equals \$100,000. The money in the fund may be used by the Public Service Commission to monitor the operation and effect of the performance assurance plan. For the 2021-23 biennium, the fund had no revenues or expenditures and had a balance of \$100,000 on June 30, 2023.

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 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. For the 2021-23 biennium, the fund had \$2,110,485 of revenues, \$1,880,213 of expenditures, and a fund balance of \$1,276,681 on June 30, 2023.

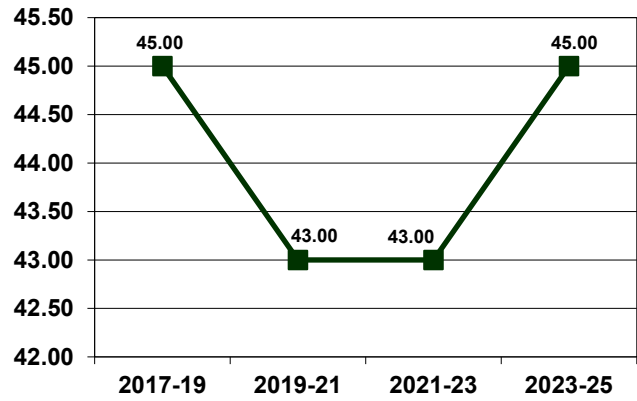
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

Ongoing General Fund Appropriations

| | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25 |
|---|-------------|-------------|-------------|-------------|-------------|
| Ongoing general fund appropriations | \$7,175,827 | \$6,630,762 | \$6,714,928 | \$6,425,687 | \$7,489,352 |
| Increase (decrease) from previous biennium | N/A | (\$545,065) | \$84,166 | (\$289,241) | \$1,063,665 |
| Percentage increase (decrease) from previous biennium | N/A | (7.6%) | 1.3% | (4.3%) | 16.6% |
| Cumulative percentage increase (decrease) from 2015-17 biennium | N/A | (7.6%) | (6.4%) | (10.5%) | 4.4% |

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

1. Added funding for a new Capitol space rent model \$221,067
2. Added funding for 1 FTE environmental scientist position and 1 FTE engineering analyst position; of which \$365,030 is for salaries and wages and \$9,250 is for related operating expenses \$374,280

- 3. Added funding for ongoing operating expenses, of which \$52,000 is for supplies - information technology 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. Added funding for a Federal Energy Regulatory Commission contractor \$120,000

One-Time General Fund Appropriations

| | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25 |
|--------------------------------------|-----------|---------|---------|---------|-----------|
| One-time general fund appropriations | \$239,624 | \$0 | \$0 | \$5,400 | \$183,500 |

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

- 1. Shortfall of indirect cost recovery \$101,700
- 2. Weights and measures equipment \$70,000
- 3. Copier \$10,000
- 4. Drone \$1,800



EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

| | FTE Positions | General Fund | Other Funds | Total |
|---------------------------------|----------------------|---------------------|--------------------|--------------------|
| Executive budget recommendation | 45.00 | \$9,255,954 | \$14,321,949 | \$23,577,903 |
| Base level | 45.00 | 7,489,352 | 13,779,645 | 21,268,997 |
| Increase (decrease) | 0.00 | \$1,766,602 | \$542,304 | \$2,308,906 |
| Percentage increase (decrease) | 0.0% | 23.6% | 3.9% | 10.9% |

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace the 2023-25 biennium new and vacant FTE funding pool funding in the agency budget
- Provides \$300,000 from the general fund for the Public Service Commission to intervene on federal litigation that may affect the state
- Adds \$25,000 from the general fund for staff professional development
- Increases funding for operating expenses by \$217,167, of which \$212,542 is from the general fund and \$4,625 is from federal funds, for increased costs for information technology, fleet services, rent, and other expenses
- Includes \$50,000 from the general fund for capital assets purchases, including the purchase of a drone
- Adds \$155,000 of one-time funding from the general fund (\$5,580) and federal funds (\$149,420) for imaging technology for a drone

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 8 fees. The agency did not recommend any changes to the fees.

Major Related Legislation

House Bill No. 1063 - Public Service Commission open meetings - Provides an exemption to not require the Public Service Commission to post meeting notices when a quorum of commissioners are attending a legislative committee meeting.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Public Service Commission - Budget No. 408
Agency Worksheet - House Bill No. 1008

| | Executive Budget | | | |
|---|------------------|--------------------|---------------------|---------------------|
| | FTE Positions | General Fund | Other Funds | Total |
| 2025-27 Biennium Base Level | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 |
| 2025-27 Ongoing Funding Changes | | | | |
| Base budget reductions and adjustments | | | (\$282,673) | (\$282,673) |
| Cost to continue salary increases | | \$142,505 | 18,945 | 161,450 |
| Salary increase | | 336,293 | 227,136 | 563,429 |
| Health insurance increase | | 159,891 | 110,347 | 270,238 |
| Add funding to restore 2023-25 new FTE funding pool | | 365,030 | 138,602 | 503,632 |
| Add funding to restore 2023-25 vacant FTE funding | | 181,788 | 125,902 | 307,690 |
| Information technology costs | | 64,692 | | 64,692 |
| Federal intervention funding | | 300,000 | | 300,000 |
| Staff professional development | | 43,000 | | 43,000 |
| Increased rent and operating expenses | | 167,823 | 4,625 | 172,448 |
| Capital assets purchases | | | 50,000 | 50,000 |
| Total ongoing funding changes | 0.00 | \$1,761,022 | \$392,884 | \$2,153,906 |
| One-Time Funding Items | | | | |
| LiDAR imaging system | | \$5,580 | \$149,420 | \$155,000 |
| Total one-time funding changes | 0.00 | \$5,580 | \$149,420 | \$155,000 |
| Total Changes to Base Level Funding | 0.00 | \$1,766,602 | \$542,304 | \$2,308,906 |
| 2025-27 Total Funding | 45.00 | \$9,255,954 | \$14,321,949 | \$23,577,903 |

Federal funds included in other funds

\$11,955,869

Total ongoing changes - Percentage of base level

0.0%

23.5%

2.9%

10.1%

Total changes - Percentage of base level

0.0%

23.6%

3.9%

10.9%

Other Sections in Public Service Commission - Budget No. 408

| Section Description | Executive Budget |
|-------------------------------|---|
| FTE positions | Section 3 would allow PSC to increase or decrease FTE positions subject to the availability of funds. |
| Rail rate complaint case loan | Section 4 would authorize PSC to obtain a loan from the Bank of North Dakota for costs associated with a rail complaint case. |
| Railroad safety project | Section 5 would amend Section 57-43.2-19 to increase the deposit from \$332,327 to \$358,040 per year from special fuel taxes into the rail safety fund. |
| Salary of commissioners | Section 6 would provide the statutory changes to increase the Public Service Commissioners' annual salaries from the current level of \$135,200 to \$140,608 on July 1, 2025, and to \$144,827 on July 1, 2026. |

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1008
(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, 2025 and ending June 30, 2027, as follows:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------------------|-------------------|--|----------------------|
| Salaries and Wages | \$ 11,026,304 | \$ 1,567,699 | \$ 12,594,003 |
| Operating Expenses | 2,205,487 | 492,167 | 2,697,654 |
| Capital Assets | 25,000 | 205,000 | 230,000 |
| 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 | 672,206 | 63,874 | 736,080 |
| Specialized Legal Services | <u>420,000</u> | <u>(19,834)</u> | <u>400,166</u> |
| Total All Funds | \$21,268,997 | \$2,308,906 | \$23,577,903 |
| Less Estimated Income | <u>13,779,645</u> | <u>542,304</u> | <u>14,321,949</u> |
| Total General Fund | \$ 7,489,352 | \$ 1,766,602 | \$ 9,255,954 |
| Full-Time Equivalent Positions | 45.00 | 0.00 | 45.00 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

| <u>One Time Funding Description</u> | <u>2023-25</u> | <u>2025-27</u> |
|-------------------------------------|----------------|------------------|
| Indirect Cost Recovery Shortfall | \$101,700 | \$0 |
| Drone | 20,000 | 0 |
| Weights and measures equipment | 70,000 | 0 |
| Copier | 10,000 | 0 |
| LIDAR technology equipment | <u>0</u> | <u>\$155,000</u> |
| Total All Funds | \$201,700 | \$155,000 |
| Total Special Funds | <u>18,200</u> | <u>149,420</u> |
| Total General Fund | \$ 183,500 | \$ 5,580 |

The 2025-27 biennium one-time funding amounts are not part of the entity's base budget for the 2027-29 biennium. The public service commission shall report to the appropriation's committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EXEMPTION – FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of the law, the public service commission may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The public service commission shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

SECTION 4. BANK OF NORTH DAKOTA – LINE OF CREDIT. The Bank of North Dakota shall extend a line of credit to the public service commission to provide funding to pay costs associated with a rail rate complaint case. The line of credit may not exceed \$900,000, and the interest rate associated with the line of credit must be the prevailing interest rate charged to the North Dakota governmental entities. The public service commission shall repay the line of credit from amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case. If the moneys available on June 30, 2027, are not sufficient to repay the line of credit, the public service commission shall request from the legislative assembly a deficiency appropriation to repay the line of credit.

SECTION 5. 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.

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 three hundred thirty-two thousand three hundred forty ~~three- fifty eight thousand three hundred- forty~~ 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.

SECTION 6. 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 thirty five thousand two hundred dollars through June 30, 2025, one hundred forty thousand six hundred eight dollars through June 30, 2026 and one hundred forty four thousand eight hundred twenty seven 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.



**REVISED EXECUTIVE BUDGET RECOMMENDATION
 2025-27 BIENNIUM**

Budget Summary

| | FTE Positions | General Fund | Other Funds | Total |
|--|----------------------|---------------------|---------------------|---------------------|
| Burgum budget recommendation | 45.00 | \$9,255,954 | \$14,321,949 | \$23,577,903 |
| Revisions - Increase (decrease) | 0.00 | (258,913) | (41,474) | (300,387) |
| Armstrong budget recommendation | 45.00 | \$8,997,041 | \$14,280,475 | \$23,277,516 |
| Base level | 45.00 | 7,489,352 | 13,779,645 | 21,268,997 |
| Increase (decrease) | 0.00 | \$1,507,689 | \$500,830 | \$2,008,519 |
| Percentage increase (decrease) | 0.0% | 20.1% | 3.6% | 9.4% |

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- **Salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace the 2023-25 biennium new and vacant FTE funding pool funding in the agency budget
- **Provides \$190,000 from the general fund for the Public Service Commission to intervene on federal litigation that may affect the state**
- **Increases funding for operating expenses by \$192,598, of which \$187,973 is from the general fund and \$4,625 is from federal funds, for increased costs for information technology (IT), fleet services, rent, and other expenses**
- Includes \$50,000 from the federal funds for capital assets purchases, including the purchase of a drone
- Adds \$155,000 of one-time funding from the general fund (\$5,580) and federal funds (\$149,420) for imaging technology for a drone

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

As of the date of this report, there is no major related legislation for this agency.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Public Service Commission - Budget No. 408
Agency Worksheet - House Bill No. 1008

| | Armstrong Executive Budget | | | |
|--|----------------------------|--------------------|---------------------|---------------------|
| | FTE Positions | General Fund | Other Funds | Total |
| 2025-27 Biennium Base Level | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 |
| 2025-27 Ongoing Funding Changes | | | | |
| Base budget reductions and adjustments | | | (\$282,673) | (\$282,673) |
| Cost to continue salary increases | | \$142,505 | 18,945 | 161,450 |
| Salary increase | | 274,922 | 185,662 | 460,584 |
| Health insurance increase | | 159,891 | 110,347 | 270,238 |
| Adds funding to restore 2023-25 new FTE funding pool | | 365,030 | 138,602 | 503,632 |
| Adds funding to restore 2023-25 vacant FTE funding | | 181,788 | 125,902 | 307,690 |
| IT costs | | 64,692 | | 64,692 |
| Federal intervention funding | | 190,000 | | 190,000 |
| Increased rent and operating expenses | | 123,281 | 4,625 | 127,906 |
| Capital assets purchases | | | 50,000 | 50,000 |
| Total ongoing funding changes | 0.00 | \$1,502,109 | \$351,410 | \$1,853,519 |
| One-Time Funding Items | | | | |
| LiDAR imaging system | | \$5,580 | \$149,420 | \$155,000 |
| Total one-time funding changes | 0.00 | \$5,580 | \$149,420 | \$155,000 |
| Total Changes to Base Level Funding | 0.00 | \$1,507,689 | \$500,830 | \$2,008,519 |
| 2025-27 Total Funding | 45.00 | \$8,997,041 | \$14,280,475 | \$23,277,516 |

Federal funds included in other funds

\$11,919,311

Total ongoing changes - Percentage of base level

0.0%

20.1%

2.6%

8.7%

Total changes - Percentage of base level

0.0%

20.1%

3.6%

9.4%

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB 1008
1/14/2025

To provide an appropriation for defraying the expenses of the public service commission; and to provide a loan authorization.

10:07 a.m. Chairman Monson opened the hearing.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representative Bosch, Representative Fischer, Representative Kempenich, Representative Meier, Representative Pyle

Discussion Topics:

- PSC Statutory Authority
- Economic Investments in ND
- Coal mining
- Sinkholes
- Call Before You Dig Program
- Weights and Measures Program
- Indirect Cost Recovery
- Drone Reclamation
- Abandon Mine Lands
- Rail Rate Complaint Case
- History of PSC
- Employment turnover
- Gallup Survey
- Budget requests
- Energy costs
- LiDAR Technology
- Self-Funding requirements

10:08 a.m. Randall Christmann, Chair, ND Public Service Commission, testified and submitted testimony in favor #28771.

10:59 a.m. Chairman Monson closed the hearing.

Madaline Cooper, Committee Clerk

House Bill 1008

Presented by: Randy Christmann, Chair
Public Service Commission

Before: House Appropriations Committee,
Government Operations Division
Dave Monson, Chairman

Date: January 14, 2025

TESTIMONY

Mr. Chair and members of the committee, I'm Commissioner Randy Christmann, Chair of the Public Service Commission, here to present our 2025-2027 biennial budget request. Commissioners Sheri Haugen-Hoffart and Jill Kringstad are also in attendance today and available for any questions you may have. Thank you for the opportunity to present our budget bill and explain why we feel it benefits the State of North Dakota. I look forward to answering any questions you may have at the end of my testimony.

Introductions and Responsibilities:

The Public Service Commission (PSC) is a constitutional agency with varying degrees of statutory authority over the following areas:

- Coal mining and reclamation;
- Abandoned mine lands;
- Siting of energy conversion, transmission and generation facilities;

- Regulation of electric, gas and telephone public utilities;
- Pipeline safety of intrastate natural gas pipelines;
- Damage prevention (enforcement of the One-Call Law);
- Commercial scales and measuring devices;
- Railroad safety.

Attachment A will provide you with a summary of each program, including citations to the applicable North Dakota Century Code chapter(s) associated with that program, major statutory responsibilities, and current biennium accomplishments.

The work at the Commission continues at a brisk pace. This biennium to date we have sited 339.4 miles of pipelines, 68.6 miles of electric transmission lines, and 462.26 MW of wind generation. This represents more than \$5.08 billion of economic investment in North Dakota. Biennium to date, the PSC has received four general utility rate cases, three of which have been completed. We also review on an annual basis rate riders where each of the electric Investor Owned Utilities (IOUs) recover expenses for transmission, generation and renewable resource investments.

The Reclamation Division currently has more than 137,000 acres permitted for mining activities. During the current biennium, more than 6,000 acres were added to existing permit areas. There are 6 active surface coal mining operations (4 lignite and 2 leonardite mines) and one coal mine in reclamation operating in the state. To date, approximately 18,860 acres have received final bond release and the Commission's jurisdiction has ended. The Abandoned Mine Lands

Program completed 8 projects, and 183 dangerous sinkholes were filled in the past two years in the following counties: Adams, Bowman, Golden Valley, McLean, Mercer, Morton, Stark, and Williams. Total cost for filling the sinkholes was more than \$137,000.

The PSC's coal regulatory and Abandoned Mine Lands programs continue to receive excellent annual evaluation reports from the federal Office of Surface Mining Reclamation and Enforcement (OSMRE), which concluded that no issues or concerns were raised. In their report they stated that the Reclamation Division "continues to implement the program in a professional, cooperative, and fair manner. The NDPSC has the necessary technical expertise for carrying out its functions to ensure that all requirements of SMCRA are met."

In their report of the AML Program, OSMRE stated that "the state administers an excellent program in full compliance with their approved plan." Additional statements included "The NDPSC continues to administer an efficient and successful AML program. These projects have reduced the likelihood of death or injury to property owners and the public."

Our Compliance Division continues to educate about the importance of Call Before You Dig and has received 47 complaints and processed 27 complaints for this biennium to date, which resulted in \$38,200 in fines which were deposited into the general fund. The Weights and Measures Program oversees more than 20,500 commercial weighing devices in the state. They have inspected over 4,600 devices and also verify the work of commercial testers. The Rail Safety Program fielded complaints and intervened on behalf of 23 communities and citizens on rail-related

issues this biennium to date. This biennium to date, rail safety inspectors have conducted more than 500 inspections.

The following information provides details regarding the PSC's budget priorities for the upcoming biennium and addresses the information requested in Legislative Council's letter dated December 19, 2024.

2021-23 Audit Findings:

The Commission's 2021-23 audit did not identify any areas of concern. This is the second consecutive audit with no findings.

Federal Recovery Funding:

The Commission did not receive any federal recovery funding from the November 2021 special legislative session.

One-Time Funding-Current Biennium:

Indirect Cost Recovery:

The PSC has an indirect cost agreement with the federal government that allows the agency to negotiate an indirect cost percentage and apply this percentage to federal salary and benefit costs involving the Reclamation, AML and Pipeline Safety programs. This indirect cost recovery is used to support employee salary costs for critical positions that support the entire agency, which

subsequently reduces the need for general funds. This indirect cost agreement is based on actual expenditures negotiated every two years.

Our indirect cost agreement in the 2023-25 budget had a 4% rate reduction due to staff turnover in the preceding biennium, which led to additional general fund needs of approximately \$101,700 to support base salaries of current staff. We are using this funding to support base payroll, especially in light of the underfunding and existence of the new/vacant FTE pool.

Drone for Reclamation and AML:

In the 23-25 budget we requested \$20,000 to purchase a drone that would be used by two divisions at the PSC: the Reclamation Division and the Abandoned Mine Lands Division. The Reclamation Division could use the drone when mine access is restricted or hazardous, to create timely aerial imagery when adding acres to a new or existing permit, at bond release, at end of the year, or for landowner complaints about land impacts. It would also be useful to create timely digital surface models (DSM)s to estimate mine reclamation progress, estimate earthwork volumes, identify surface water flow paths, identify surface water ponding, and find erosional features.

The Abandoned Mine Lands (AML) division would use the drone to inspect areas where access is limited or terrain presents challenges on foot. Images collected can be used to make maps, monitor progress and collaborate with other AML staff, contractors, landowners, other agencies, and the public. Autonomous flight missions would allow AML to create digital elevation models of existing

ground conditions much faster than traditional survey methods. This would help AML compute earthwork volumes more efficiently and accurately for reclamation projects.

When we began the procurement process to purchase a drone the federal government announced a new grant with additional federal funding through the Bipartisan Infrastructure Law (BIL). The BIL funds provide financial and technical assistance necessary to maximize data enhancements and use of the enhanced AML Inventory System. The amount allocated to North Dakota is just under \$300,000. As a result of this available funding, we re-evaluated and researched the equipment available. We did not use any of this funding; however, we are requesting additional equipment funding this biennium to use this federal grant. This is discussed in more detail later in this testimony.

Weights and Measures Equipment:

The Commission received \$70,000 to purchase a prover trailer to allow the PSC's Weights and Measures Program to test high-flow devices, verify the work of registered service companies or technicians who certify high-flow diesel dispensers, or respond to complaints on these devices. This equipment was purchased and delivered in Dec. 2024.

Copier Replacement:

The Commission replaced a copier purchased in June 2015. A new copier was purchased in 2023.

Major Funding Components in the Base Budget (2023-25):

The following line items make up the major components of our base level. These amounts are based on our original appropriation for the 23-25 biennium and do not include any appropriation adjustments for OMB equity, retirement contributions, or requests from the new/vacant FTE pool:

| Appropriation | General Funds | Federal Funds | Special Funds | TOTAL |
|-----------------------------|--------------------|---------------------|--------------------|---------------------|
| Salaries and Wages | \$5,832,193 | \$4,464,833 | \$625,000 | \$10,922,026 |
| Operating | \$1,578,717 | \$501,770 | \$125,000 | \$2,205,487 |
| Capital Assets | \$106,800 | 18,200 | | \$125,000 |
| Grants | | \$20,000 | | \$20,000 |
| AML Contractual | | \$6,000,000 | | \$6,000,000 |
| Rail Rate Complaint Case | | | \$900,000 | \$900,000 |
| Railroad Safety Program | | \$20,000 | \$649,318 | \$669,318 |
| Specialized Legal Services* | \$20,000 | \$400,000 | | \$420,000 |
| TOTAL | \$7,537,710 | \$11,424,803 | \$2,299,318 | \$21,261,831 |

*Federal funds are only available for rare and specific federal cases and must be approved by the applicable federal agency. As a result, the Commission relies on state general fund appropriation for this line item.

In the past decade, the PSC has undergone significant reorganization in order to meet the increasing demands of the industries we regulate. This includes the utility industries that are undergoing major transformations driven by new technology, aging infrastructure and policy changes, as well as the significant growth of North Dakota's oil and gas industry. Our agency has worked hard to meet these needs by restructuring staff, increasing the use of technology, and improving administrative efficiencies.

We consolidated weights and measures, rail safety, pipeline safety, damage prevention and risk management under one Compliance Division, which allows for a more efficient and effective approach to regulatory enforcement and compliance with these programs. In addition, the director of economic regulation position was eliminated and we organized our Public Utilities Division under one director. We have also streamlined our administrative group to better align and serve our newly organized divisions.

Our licensing jurisdiction has also seen significant changes with the grain licensing program moving to the Dept. of Agriculture and the auctioneer/auction clerks licensing program deregulating and now registering with the Secretary of State's Office.

As we look forward, the state is projecting to have historic turnover in the next five years, resulting in loss of efficiency and critical institutional knowledge. However, due to numerous retirements of long-term employees, the PSC is already ahead of this turnover trend. Since Jan. 2019, 85 percent of PSC employees are new or have been hired into a new or expanded role. It has been a challenge to manage this turnover while maintaining the level of service expected throughout all our programs and finding a way to effectively pass on institutional knowledge. This places an increased burden on experienced staff who spend a large portion of their time training and mentoring new employees while still performing their full-time job duties. Sadly, there are limited ways to recognize and compensate veteran employees for their increased workload.

Recruitment has also been a tremendous challenge as current state compensation levels are drastically behind the private sector. This is compounded due to the energy industry interacting with and competing for many of our people. Many positions at the Commission are extremely technical and specialized with a limited applicant pool to draw from. Fortunately, our current employees have been strong advocates for our agency and have helped us recruit a number of key individuals to fill our vacant positions. However, often we have had to provide new hires the same or higher compensation as current employees. This has led to several equity problems throughout our agency. The equity package provided by the Legislature last session resolved some of these issues, but we are still experiencing inequity in hard-to-fill/hard-to-retain positions at our agency.

We've been fortunate to have hired excellent recruits and built a positive agency culture. New staff's limited experience will require extensive training to be as effective and efficient as previous employees with many years of experience. We are grateful that the Legislature has recognized the importance of professional development for staff by providing funding for training now and in the future.

The PSC hit a significant milestone in April 2024 when we achieved full employment. With limited vacancies currently at our agency, we anticipate minimal salary savings and turn back in the future. This makes the existence and underfunding of the new/vacant FTE pool especially concerning to our agency. We take great pride in managing our budget responsibly and have serious concerns about the public perception of a deficiency appropriation that leaves the impression the Commission overspent their budget.

One of the challenges of having a fully staffed agency with many new employees is building a positive and impactful culture. We were very pleased with the results of the 2023 Gallup employee engagement survey, which showed our agency scored well over the average mean for employee satisfaction. Information about those results is included as an attachment on page 26.

Maintaining professional, trained staff and minimizing turnover whenever possible is critical to the smooth functioning of our agency. Competitive salary and benefit packages are a key part of recruitment and retention. The Commission is supportive of Governor Burgum's proposed compensation increases for employees and would encourage the Legislature to consider even higher salary increases to keep up with inflation.

New Positions/Employee Turnover/Vacant Positions

New Positions:

The 68th Legislative Assembly provided our agency with two additional FTE positions. Both positions are highly technical and required multiple job postings (two for the electrical engineer and six for the environmental scientist specializing in range/cropland) before we were able to fill the positions. Our persistence and patience paid off and both positions are currently filled by highly-skilled individuals. Unfortunately, due to the new/vacant FTE pool, we have no funding for these employees moving forward even though they were approved by the 68th Legislative Assembly. The two positions are listed for you on the top of the next page.

| Position | Hire Date | Funding Appropriated | FTE Pool Transfer | Est. Cost for 23-25 Biennium |
|---------------------|-----------|----------------------|-------------------|------------------------------|
| Electrical Engineer | 11/8/2023 | \$287,068 | \$239,582 | \$239,582 |
| Environ. Scientist | 2/12/2024 | \$216,564 | \$175,091 | \$175,091 |

Agency Vacancy Savings (as of Nov. 30, 2024)

A spreadsheet showing our agency’s vacancy savings is included as an attachment on page 25.

Requested Enhancements to Legislative Base Budget:

Adjustments to Match OMB Base Budget:

We request the same base budget adjustments as recommended in Governor Burgum’s budget, including restoring the full amount reduced from agency budgets for the new/vacant FTE pool and additions for NDIT rate increases.

The 68th Legislative Assembly approved two new FTEs for our agency. These positions have been filled, but due to the new/vacant FTE pool we have no ongoing funding for them. As previously discussed, we anticipate minimal vacant positions moving forward and therefore will need full funding to support our ongoing salaries.

We are also requesting funding for NDIT rate increases included in the OMB base budget. The total NDIT increases for our agency are approximately 29.5 percent. OMB included about 60% of the increased cost in Governor Burgum’s base budget. The PSC is requesting the remaining 40% of increased costs in another decision package.

Cost to Continue Salary Increases:

During the 68th Legislative Assembly, intentional steps were taken to better align state employee compensation with private industry to make state employment more competitive. This included equity increases and compensation increases. However, this progress was significantly eroded by the creation of the new/vacant FTE pool. We recognize that Governor Burgum's Recommendation did its best to make agencies whole by restoring the full amount that was removed from agency budgets for the new/vacant FTE pool and including equity funding in the base budget calculation. However, the Commission believes without the costs to continue salary increases also being included in the agency base budget, this progress has been eroded. As a small agency at full employment with a very lean budget, we do not have the ability to reallocate resources biennium after biennium to cover costs to continue in base salary.

Failure to adequately fund salaries may inhibit the Commission's ability to retain essential staff. This will negatively impact economic development, energy growth, rate payers, public safety, and North Dakota's environment.

Federal Intervention Funding:

The Commission continues to see overreach from federal agencies such as the Federal Energy Regulatory Commission (FERC), the federal Environmental Protection Agency (EPA), and Department of Interior. The Commission continues to increase engagement on rulemaking and litigation with federal agencies to ensure reliable, safe, secure, and efficient economical energy for consumers at a

reasonable cost. We need to ensure we have adequate resources to review and identify the critical issues negatively impacting North Dakota and actively engage in protecting North Dakota from federal agency overreach. This is essential and requires early and aggressive intervention, comments, and litigation under extremely short time constraints. State Utility Commissions have a special standing during FERC proceedings.

It is essential the Commission intervene on federal litigation to ensure North Dakota's interests and voices are being heard in the discussions on energy generation mix, resource planning and pricing, and grid reliability. In order to make a convincing legal case, we need the resources to hire consultants and legal contractors with subject matter expertise.

Last biennium, the Legislative Assembly supported our efforts to engage at FERC by providing money to hire a contractor. We expect to expend all of the money allocated by the Legislature on two cases. We are requesting to expand the use of the current funding for other federal interventions in addition to FERC, as well as requesting additional funding.

Professional Development for Staff:

We are requesting additional funding for professional development and travel costs associated with professional development for our staff. The agency has reached full employment and 83% of the agency have less than 10 years of experience. The Commission is comprised of highly technical and hard-to-fill

positions such as economists, engineers, scientists, accountants and attorneys. We need adequate resources to train and retain our current staff.

Targeted Equity:

The Commission received some equity funding in the 23-25 biennium that was distributed and solved most of the equity issues in the agency. However, we still have a few areas of hard-to-fill, hard-to-retain positions which require equity. These employees were not eligible for the prior equity allocation from the Legislature due to their probationary status as a new employee. In the past, we could have addressed these issues through normal agency salary administration if we were not underfunded due to the new/vacant FTE pool. The loss of agency flexibility to appropriately manage our salary funding has had a negative impact on our staff.

Cost to Continue State Provided Services:

This includes costs to cover increases for services from other state agencies including NDIT, DOT motor pool, and OMB facilities rent.

- NDIT Increases: Costs to cover the projected NDIT rate increases not covered in the OMB base budget.
- DOT Motor Pool: Costs to cover the projected state fleet increases related to our Weights and Measures Program.
- OMB Facilities Rent: Costs to cover the projected rent increases at the state capitol complex. This includes a 5% increase in office space

rental and 46% increase in storage space rental. (The amount of space we are renting has not increased.)

The PSC has numerous inspectors who frequently travel across the state performing testing, inspection, quality assurance and enforcement duties. The travel costs in these program areas are higher due to the overnight lodging, meals and state fleet costs. The Commission has done their best to absorb inflationary increases associated with travel in their budget and has not submitted a budget request since the oil boom in the 2015-17 biennium. We are at full employment in our inspection programs and are requesting inflationary increases for costs associated with inspector travel including lodging and per diem.

There are also anticipated increases for postage and OMB Central Supply; however, the Commission will absorb those costs and is not requesting additional funding for those services.

Capital Assets:

The Commission currently has no base funding to purchase federal capital assets. This means if we receive funding through our existing federal grant programs, we are unable to purchase any equipment. This appropriation would give us the ability to use federal grant funding to purchase equipment for federal programs in a more timely and cost effective manner.

As previously mentioned, our initial purchase would be a drone that would be beneficial to two divisions at the PSC. The Reclamation division could use the drone when mine access is restricted or hazardous, to create timely aerial imagery

when adding acres to a new or existing permit, at bond release, at end of the year, and for landowner complaints about land impacts. It can also be used to create timely digital surface models (DSMs) to estimate mine reclamation progress, estimate earthwork volumes, identify surface water flow paths, identify surface water ponding, and find erosional features.

The Abandoned Mine Lands (AML) division would use the drone to inspect areas where access is limited, or terrain presents challenges on foot. Images collected can be used to make maps, monitor progress and collaborate with other AML staff, contractors, landowners and the public. Autonomous flight missions would allow AML to create digital elevation models of existing ground conditions much faster than traditional survey methods. This would help AML compute earthwork volumes more efficiently and accurately for reclamation projects.

The model of drone will need to be a U.S. Department of Defense cleared drone. The Commission explored the option of a cooperative purchase; however, due to federal grant requirements, we are prohibited from sharing with other agencies as it must be used for a specific federal program.

Weights and Measures Large-Scale Inspector:

Currently, the Commission has one large-scale inspector in the Weights and Measures Program to provide quality assurance on large scales (i.e. truck scales, large platform scales, livestock scales, hopper scales) in the entire state. If the large-scale inspector position is vacant, we are 0% effective and cannot respond to complaints. This position is hard to fill as it requires a CDL license. The average

growth of large-scale devices in the state is approximately 6% per biennium over the last decade. As the number of large-scale devices continues to grow, we are capped at the number of large scales we can test due to drive time and only one inspector.

This position would allow more comprehensive oversight of scales certified by private service providers to ensure scales used for commerce are fair and accurate to the consumer and business, as well as being useful in interstate commerce.

We are requesting one FTE, salary and benefit costs, plus operating funding for lodging, per diem, DOT motor pool costs, training, uniforms, and metrology certification of equipment. NDDOT would also be responsible for providing a vehicle for this inspector. The costs from NDDOT's perspective are not reflected in the budget estimate.

One-Time Funding Requests:

LiDAR Technology:

In December 2023, the Office of Surface Mining Reclamation and Enforcement (OSMRE) issued a notice of funding opportunity for federal grant money to provide states with financial and technical assistance necessary to maximize data enhancements and the use of the enhanced Abandoned Mine Lands Inventory System. The intention is to improve overall engineering and survey collection processes, site integrity, accuracy and reliability in the system and to address anticipated growth of the inventory, field reconnaissance activities

and the use of technologies to efficiently collect site detail. The Commission is proposing to purchase a drone and LiDAR imaging technology. This is one-time funding to purchase the imaging technology to be carried by the drone discussed in the federal capital asset funding requested.

**Current Biennium Appropriation
Compared to Next Biennium Governor Burgum’s
Recommendation**

| Appropriation | Current 2023-25 Biennium Appropriation | 2025-27 Governor Burgum’s Recommendation |
|-------------------------------------|---|--|
| Salaries and Wages | \$11,796,655.96 | \$12,594,003 |
| Operating Expenses | \$2,205,487 | \$2,697,654 |
| Capital Assets | \$125,000 | \$230,000 |
| Grants | \$20,000 | \$20,000 |
| Abandoned Mine Lands Contractual | \$6,000,000 | \$6,000,000 |
| Rail Rate Complaint Case | \$900,000 | \$900,000 |
| Railroad Safety Program | \$672,206 | \$736,080 |
| Specialized Legal Services | \$420,000 | \$400,166 |
| FTEs | 45 | 45 |
| General Funds | \$8,128,631 | \$9,255,954 |

*Note: Current Biennium Appropriations include 7 adjustments from the original appropriation

Comparison of Major Budget Requests to Governor

Burgum's Recommendation (one-pager)

| Description | Governor Burgum's Executive Recommendation | Comments |
|--|--|---|
| Cost to Continue Salary Increases | Included | Costs to continue salary increases provided by the 68 th Legislative Assembly |
| Federal Intervention Funding | Included | Amount was rounded down from \$380,000 to \$300,000 |
| Professional Development for Staff | Included | Training to further ND's interests and development of new staff |
| Targeted Equity | Not Included | Hard-to-fill, hard-to-retain positions which require equity |
| Cost to Continue State Provided Services | Included | Costs to cover increases for services from other state agencies, including NDIT, DOT motor pool and OMB facilities rent |
| Capital Assets | Included | Appropriation authority to purchase federal equipment |
| LiDAR Technology | Included | One-time funding to purchase federal equipment |
| Weights and Measures Large-Scale Inspector | Not Included | Funding for additional Weights and Measures inspector, including travel costs |

Requested Changes to Governor Burgum's Recommendation

(one-pager)

The Commission requests the following changes to Governor Burgum's

Executive Recommendation:

- Additional \$80,000 for federal intervention funding
- Targeted equity
- Weights and Measures Large-Scale Inspector

Agency Collections:

General Fund Collections:

- Various fines – The Commission has the authority to assess fines for noncompliance with laws and rules. No anticipated changes in 2023-25 biennium or upcoming 2025-27 biennium.
- Fees assessed for new coal mining permits – No anticipated changes in the current or upcoming biennium.

Other Sections to be Included in Appropriation Bill:

None

Self-Funding

During the 2021-23 biennium, the Legislature implemented a self-funding model at our agency to self-fund a portion of our Public Utility and Weights and Measures Divisions. The total amount budgeted to be self-funded is \$625,000 and is made up of fixed and variable funding sources. Last biennium, the Legislature (spearheaded by this Committee) modified the requirements for the siting administration fee by doubling the fee per \$1 million of investment and doubling the maximum cap to \$50,000. The Legislature also allowed us to keep \$60,000 in turn back and transfer it into our self-funding. As you can see from the following report, these changes implemented by the Legislature were very helpful.

Variable Funding Sources (as of Nov. 30, 2024):

| | 23-25 Revenue as of Nov. 30, 2024 | 23-25 Biennium to Date Budget | Difference | Total Budget |
|------------------------------------|--|----------------------------------|------------|-----------------|
| Interest | 910 | | | |
| W&M - Scale Inspection Fees | 110,753 | | | |
| W&M - Registered Service Companies | 22,050 | | | |
| Total W&M | 132,803 | 123,958 | 8,845 | 175,000 |
| Siting Admin. Fee | 242,313 | 106,250 | 136,063 | 150,000 |

Fixed Funding Sources:

The PSC will receive \$300,000 per biennium from an economic regulation assessment that is proportionally assessed based on each electric and gas utility's respective gross operating revenues from the retail sale of gas and electric service within the state.

Self-Funding Status (as of Nov. 30, 2024)

| | |
|-------------------------------|-----------|
| Funds collected this biennium | \$601,025 |
| Self-Funding budget | \$625,000 |

Siting Administration Fee Revenue (as of Nov. 30, 2024):

| Siting Admin. Revenue | | |
|---|-----------|------------------|
| Project | Case | Amount Collected |
| Wildrose Pipeline Co/Hawthorn Oil Transfer | PU-23-287 | 600 |
| 200 MW Oliver Wind IV Energy | PU-23-317 | 50,000 |
| Cerilon GTL ND | PU-23-325 | 50,000 |
| Oliver Wind 345kv Trans. Line - Oliver/Mercer | PU-23-318 | 9,000 |
| Basin Electric 345kv Trans. Line - Williams Co | PU-23-338 | 6,200 |
| DGC Transfer - Corridor #223, Route #233 | PU-23-347 | 5,000 |
| Basin Electric 345kv Trans-Dunn/McKenzie | PU-23-361 | 14,800 |
| Caliber ND LLC - Transfer Certs & Permits | PU-24-79 | 1,513 |
| Thunder Butte Pipeline | PU-24-86 | 3,920 |
| Missouri River Pipeline Crossing-Williams/McKenzie | PU-24-311 | 640 |
| Milton R. Young Transmission Line Reroute - Oliver | PU-24-321 | 640 |
| Flickertail Solar Project | PU-24-351 | 50,000 |
| Basin 345kv Mercer-McLean-Ward-Mountrail-Williams Cty | PU-24-361 | 50,000 |
| | | 242,313 |

SUMMARY:

The Commission has been able to operate a very lean and effective budget for the current biennium during a time of ongoing and in many ways unprecedented change locally, regionally and nationally in the industries we regulate. Challenges in the oil and gas and coal mining and reclamation industry are constant. That, combined with the revolution occurring in the electric industry of differing generation resources and increasing power needs, demands that we have a strong and able staff. We need staff who are high-quality professionals who can be full players advocating in multistate and federal arenas for the interests of North Dakota citizens and rate payers.

We strive for continual improvement and innovation in our agency. We embrace technology and are constantly seeking ways to be more responsive to the public and the industries we regulate, to recognize the burden we place on business and reduce unnecessary red tape, while also recognizing the important oversight role North Dakota citizens count on us to fulfill.

This budget proposal continues our tradition of operating efficiently while offering innovative solutions to the constant challenges we face. We stand ready to work with you in the coming weeks and months to design the best possible budget solution for the Public Service Commission. Thank you Mr. Chair and I look forward to answering questions from you and your committee.

Agency Vacancy Saving Worksheet

Business Unit number: 40800

Business Unit name: Public Service Commission

Reporting Period: July 23 - Nov 24

| | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Cumulative Total | |
|--|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Est. Vacancy Savings | 54,637 | 48,498 | 41,494 | 27,893 | 29,581 | 24,854 | 30,435 | 26,212 | 20,372 | 10,098 | 426 | 426 | 426 | 426 | 426 | 426 | 426 | 426 | 317,058 |
| Use of vacant position savings: | | | | | | | | | | | | | | | | | | | |
| Accrued Leave Payouts | 7,006 | | | 15,814 | | | | | | | | | | | | | | | 22,820 |
| Extra Salary Increases | | | | | | | | | | | | | | | | | | | - |
| Bonuses | | | | | | | | | | | | | | | | | | | - |
| Incentive/location Pay | | | | | | | | | | | | | | | | | | | - |
| Reclassifications | | | | | | | | | | | | | | | | | | | - |
| Extra Temporary salary Funding | 3,979 | 14,665 | 13,594 | 1,800 | 1,895 | | 6,548 | 4,822 | 4,385 | 3,698 | 3,200 | 9,283 | 6,349 | 8,643 | 7,778 | 8,396 | 6,293 | 105,327 | |
| Extra Overtime Funding | | | | | | | | | | | | | | | | | | | - |
| Other (identify) | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 8,160 |
| Total | 43,173 | 33,352 | 27,420 | 9,800 | 27,207 | 24,374 | 23,407 | 20,911 | 15,508 | 5,920 | (3,254) | (9,337) | (6,403) | (8,697) | (7,832) | (8,450) | (6,347) | | 180,752 |
| Vacant Positions: | 6 | 5 | 4 | 3 | 3 | 2 | 3 | 2 | 2 | - | - | - | - | - | - | - | - | - | - |

DO NOT MODIFY WORKSHEET FORMAT

October 2023 Gallup Engagement Survey

| Agency Name | Total Respondents | Q12 Mean | Q00: Overall Satisfaction |
|--------------------------------|-------------------|----------|---------------------------|
| Aeronautics Commission | 5 | 4.73 | 5.00 |
| Governor's Office | 17 | 4.70 | 4.76 |
| Veterans Affair Department | 7 | 4.54 | 4.71 |
| Securities Commissioner | 7 | 4.80 | 4.71 |
| State Treasurer | 5 | 4.75 | 4.60 |
| Retirement & Investment Office | 22 | 4.55 | 4.59 |
| Public Service Commission | 29 | 4.22 | 4.55 |
| School for the Blind | 18 | 4.35 | 4.50 |
| Labor Commissioner | 10 | 4.35 | 4.50 |
| Workforce Safety & Insurance | 235 | 4.32 | 4.41 |
| State Auditor | 20 | 4.30 | 4.40 |
| Bank of North Dakota | 130 | 4.19 | 4.35 |
| Insurance Department | 41 | 4.13 | 4.29 |
| ND Public Retirement System | 32 | 4.05 | 4.25 |
| Game and Fish Department | 158 | 3.94 | 4.20 |
| Office of Mgmt & Budget | 89 | 4.14 | 4.18 |
| School for the Deaf | 6 | 4.13 | 4.17 |
| Job Service ND | 120 | 4.22 | 4.16 |
| Public Instruction | 74 | 4.25 | 4.15 |
| Department of Commerce | 58 | 4.05 | 4.10 |
| Dept of Financial Institutions | 24 | 4.10 | 4.08 |
| Housing Finance Agency | 42 | 4.00 | 4.07 |
| ND Department of Trust Lands | 24 | 4.10 | 4.04 |
| Historical Society | 69 | 3.96 | 4.00 |
| Adjutant General | 58 | 4.20 | 3.98 |
| Protection and Advocacy | 17 | 3.84 | 3.94 |
| Secretary of State | 27 | 4.01 | 3.93 |
| Highway Patrol | 162 | 3.87 | 3.93 |
| Information Technology Dept | 398 | 3.99 | 3.92 |
| Environmental Quality | 130 | 3.96 | 3.89 |
| Overall | 5486 | 3.94 | 3.88 |
| Attorney General | 91 | 3.87 | 3.82 |
| State Tax Commissioner | 85 | 3.92 | 3.82 |
| Dept. Of Mineral Resources | 60 | 3.76 | 3.81 |
| Department of Transportation | 690 | 3.80 | 3.81 |
| Department of Agriculture | 13 | 3.75 | 3.77 |
| ND Health and Human Services | 1694 | 3.91 | 3.76 |
| ND Parks & Recreation Dept | 57 | 3.86 | 3.70 |
| Department of Water Resources | 72 | 4.02 | 3.64 |
| Career and Technical Education | 21 | 3.88 | 3.62 |
| Seed Department | 5 | 3.54 | 3.60 |
| Corrections & Rehab | 547 | 3.70 | 3.57 |
| Council on the Arts | 5 | 3.43 | 3.50 |
| Legal Counsel for Indigents | 21 | 3.49 | 3.43 |
| State Library | 23 | 3.62 | 3.43 |
| Veterans' Home | 25 | 3.25 | 3.00 |
| Center For Distance Education | 23 | 3.36 | 2.57 |

Department Overview

Reclamation Division (64% Federal Funds plus Indirect Cost Reimbursement)

The Reclamation Division of the Public Service Commission is responsible for administering and enforcing the state's reclamation law for minimizing the environmental effects of surface coal mining and ensuring mined lands are properly reclaimed. Under N.D.C.C § 38-14-1, the PSC administers a comprehensive program that consists of permitting and inspection and enforcement responsibilities. There are 6 active surface coal mining operations (4 lignite and 2 leonardite mines) and 1 coal mine in reclamation operating in ND.

- Approximately 137,690 acres are currently permitted for mining activities under 22 mine permits.
- During the current biennium, approximately 6,021 acres were added to existing permit areas by the Reclamation Division.
- To date, approximately 18,860 acres have received final bond release (met all the requirements of the reclamation law) and Commission jurisdiction has ended.
- A formal hearing was held for a surface owner objection to the approval of a renewal and corresponding revision applications for the Coyote Creek Mine in 2024.
- A formal hearing was held for a surface owner objection to approved grade approvals for the Coyote Creek Mine in 2023.

Attachment A – Department Overview

- An informal conference was held for surface owners with concerns related to a revision application that added 2,661 acres to an existing permit area at the Center Mine operated by BNI Coal, Ltd.
- An informal conference was held at the request of Westmoreland Beulah Mining, LLC, in response to a notice of violation issued by the Reclamation Division.
- The Reclamation Division lost over 100 years of experience in 2021 due to retirements. The division became fully staffed again on February 1, 2022, and we are currently in the process of training the entire division as each employee is either newly hired or in a new position since the end of 2019 (with the exception of one employee who has twenty-seven years of experience).
- The PSC's coal regulatory and Abandoned Mine Lands programs continue to receive excellent annual evaluation reports from the federal Office of Surface Mining Reclamation and Enforcement (OSMRE), which concluded that no issues or concerns were raised. In their report they stated that the Reclamation Division "continues to implement the program in a professional, cooperative, and fair manner. The NDPSC has the necessary technical expertise for carrying out its functions to ensure that all requirements of SMCRA are met." In their report of the AML Program, OSMRE stated that "the state administers an excellent program in full compliance with their approved plan." Additional statements included "The NDPSC continues to administer an efficient and successful AML program.

Attachment A – Department Overview

These projects have reduced the likelihood of death or injury to property owners and the public.”

Abandoned Mine Lands (100% Federal Funds plus Indirect Cost Reimbursement)

The goal of the Abandoned Mine Lands (AML) Program is to eliminate hazards related to coal mining that occurred prior to the enactment of the 1977 Surface Mining Control and Reclamation Act (SMCRA). Under N.D.C.C. § 38-14.2, the PSC is authorized to develop and administer an abandoned mine reclamation plan on lands adversely affected by pre-SMCRA mining. N.D.C.C. § 38-14.2 also created a state abandoned mine reclamation fund to collect funds pursuant to title IV of Public Law 95-87 [91 Stat. 456; 30 U.S.C.1231 et seq.] and to disburse funds for the reclamation and restoration of land and water resources adversely affected by past mining as defined by section 38-14.2-06. PSC staff in the AML Program design and manage the reclamation projects. Private contractors, selected by competitive bidding, conduct the construction work. A federal fee assessed on coal production funds the AML Program. These funds are distributed as federal grants to AML programs in 28 states and tribes, including North Dakota. North Dakota typically receives about \$3 million annually.

The Office of Surface Mining Reclamation and Enforcement’s AML fee collection authority was extended through September 30, 2034, as part of the Infrastructure Investment and Jobs Act, commonly known as the Bipartisan Infrastructure Law (BIL), that was signed into law on November 15, 2021. The BIL

Attachment A – Department Overview

reduced the reclamation fee rate for lignite coal from eight cents per ton to 6.4 cents per ton and extended the annual AML grant distributions to eligible states and tribes by 13 years. In addition to the extension of AML fee collections and mandatory AML grant distributions, \$11.293 billion in new funding was authorized to expand investment in the AML program over a 15-year period. North Dakota will receive \$3,101,700 in annual BIL grant distributions.

- In the current biennium, 8 abandoned mine land reclamation projects were completed.
- About 190 dangerous sinkholes caused by the collapse of underground mine workings were filled in the past two years.
- Since 1982, 200 primary reclamation projects and 36 emergency projects have been conducted to eliminate hazardous conditions, totaling approximately \$67 million.
- More than 40 miles of dangerous surface mine highwalls have been eliminated and over 1,500 acres of subsidence issues have been addressed since the AML reclamation program began.
- We have records of more than 1,500 abandoned coal mine sites in North Dakota. We estimate it will cost more than \$33.5 million to address the highest priority AML problems in our state based on OSMRE's eAMLIS database.

Regulation of electric, natural gas, and telephone utilities

Telecommunications: The Commission continued and refocused its efforts on telecommunications regulation. During the past biennium, the Commission collaborated with telecommunications companies operating in North Dakota and regulators in other states in our efforts to save numbering resources in our lone area code of 701.

As many may not be aware, North Dakota is one of a small number of states who retain a single area code across the entire state. However, this will not be the case in perpetuity. At present we are forecasted to exhaust the available numbers in the 701 area code by the second quarter of 2032. Absent the Commission's efforts to utilize phone numbers more efficiently and sparingly, we would already be looking to add another area code to our state. While the exhaust date does fluctuate over time, during the past biennium, we managed to push the exhaust date from 2028 to 2032.

During the past biennium we joined other states such as Maine, New Hampshire and Montana in filings before the Federal Communications Commission that would permit us to grant numbering resources to telecommunications companies in smaller blocks, thereby pushing our exhaust date out by many years.

Electric and Natural Gas: North Dakota continues to have among the lowest residential electric and natural gas utility rates in the nation, as shown in the charts on page A8 and A9. Biennium to date, the PSC has received four general rate

Attachment A – Department Overview

cases for Montana-Dakota Utilities Co.'s natural gas operations, Otter Tail Power Company's electric operations, Northern States Power Company's natural gas operations, and the final for Northern States Power Company's electric operations.

Consistent with the Commission's least-cost standard, the PSC has made one advanced determination of prudence concerning the addition of a fuel inventory system to be added to Otter Tail Power Company's Astoria natural gas generation station. In accordance with N.D.C.C. § 49-05-16, the investor-owned electric utilities operating in North Dakota may request an advance determination of prudence for certain major capital investments.

The Commission continues to participate as a member of the organization of MISO States and Southwest Power Pool (SPP), which are both Regional Transmission Organizations (RTOs). MISO began operating a regional energy market in 2005 that continues to serve the loads of all MISO participants, including the three jurisdictional investor-owned electric utilities providing service in North Dakota: Montana-Dakota Utilities Co, Northern States Power Company (Xcel Energy), and Otter Tail Power Company. The SPP operates a similar regional energy market that serves Basin Electric Power Cooperative and its member Cooperatives. Both provide a centralized generating unit dispatch procedure that co-optimizes the energy and ancillary services markets to ensure that the lowest-cost generators are always being used throughout the regions regardless of utility control area boundaries. The markets establish Locational Marginal Prices (LMP's) for electric energy at specific local pricing nodes. All energy must be provided through the markets. Producers are paid the LMP for their energy at the time and

Attachment A – Department Overview

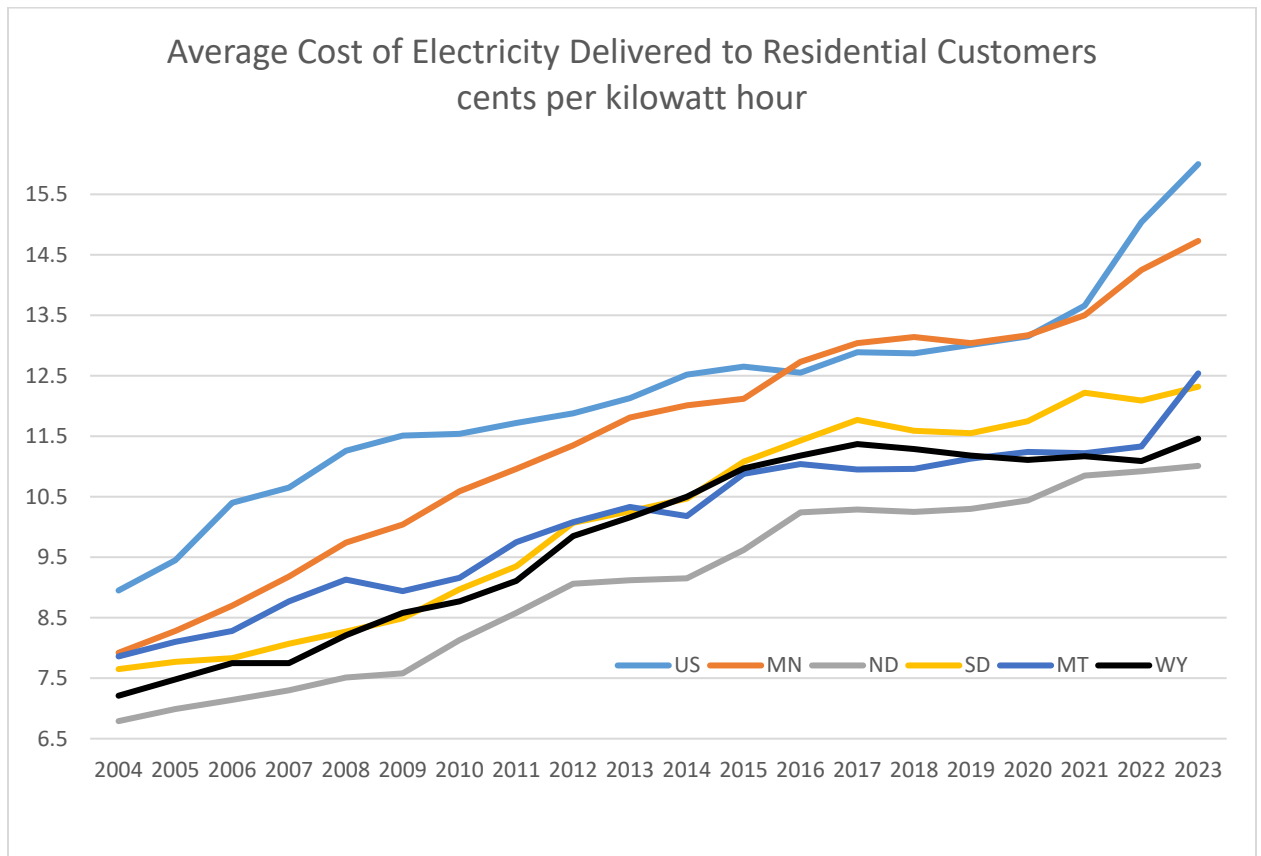
node where it enters the market. The load pays the LMP at the time and node where the energy is delivered.

Collaborating with MISO and SPP while representing North Dakota's interests in addressing gaps in an electric resource's ability to show up during times of need and to properly incentivize those resources for doing so will be increasingly important for a fleet undergoing significant change. Continuing to work with MISO and SPP to balance the cost and need for interstate transmission lines under federal jurisdiction with the cost and need for resources under local jurisdiction is critical to ensuring ratepayers are served with affordable and reliable electricity. Such transmission investments are forecasted to be significant, and the Commission must ensure both local and regional industries are working to advance ratepayers interests. Becoming more and more involved and keeping up with this complex system takes increased staff time and specific staff expertise.

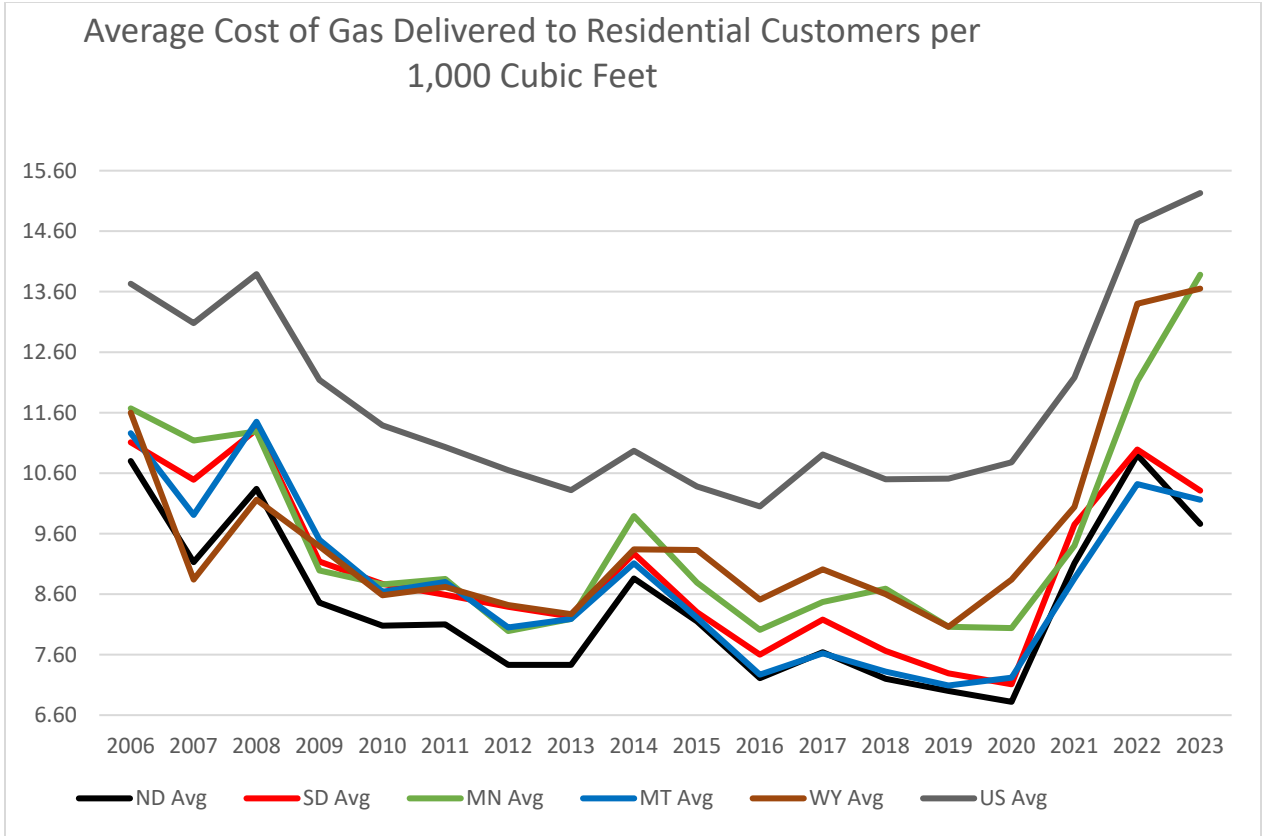
Participation in these regional groups is becoming more important as decisions they make impact all North Dakota utilities. States are ultimately responsible for resource adequacy. However, due to the interconnected nature of the power grid, steps that North Dakota takes to ensure its own reliability will not be considered when the entire grid is in need (just as we saw with winter storm Uri in February 2021). The Commission is involved in leadership roles within these organizations, but having adequate staffing to become more involved and keeping up with this complex system is necessary to ensure North Dakota has a voice in our long-term reliability and affordability of energy.

Attachment A – Department Overview

In addition to the RTOs, another critical area for North Dakota is the Federal Energy Regulatory Commission (FERC). Just as we are seeing RTOs develop regional energy and transmission policies that have an impact on North Dakota, FERC is taking up many topics that will have an impact on North Dakota. Therefore, engaging in FERC cases and filing impactful comments is necessary to ensure that our voice is heard, and our citizens are protected from the added costs and reduced reliability that will result from the absence of our engagement. FERC cases are numerous, as are the filings within them. We must ensure we have adequate staff to review FERC cases and filings, make recommendations for comments, and take the appropriate steps to file comments.



Attachment A – Department Overview



Siting (current biennium) – N.D.C.C. § 49-22 and 49-22.1

Pipelines

| Description | Miles | County | Est. Project Cost |
|---|-------|--|-------------------|
| SCS Carbon Transport LLC | 332 | Burleigh, Cass, Dickey, Emmons, Logan, McIntosh, Moron, Oliver, Richland & Sargent | 898,000,000 |
| ONEOK Rockies Midstream, LLC | 4 | McKenzie | 12,000,000 |
| Tesoro Great Plains Gathering and Marketing LLC | 2.4 | Stark | 4,000,000 |
| Total | 338.4 | | 914,000,000 |

Attachment A – Department Overview

Electric Transmission

| Description | Miles | County | Est. Project Cost |
|----------------------------------|-------|-----------------|-------------------|
| Oliver Wind IV, LLC | 19.5 | Oliver & Mercer | 43,000,000 |
| Basin Electric Power Cooperative | 14.6 | Williams | 31,000,000 |
| Basin Electric Power Cooperative | 32.5 | Dunn & McKenzie | 74,000,000 |
| Basin Electric Power Cooperative | 1 | Williams | 32,000,000 |
| Minnkota Power Cooperative, Inc. | 1 | Oliver | 3,200,000 |
| Total | 68.6 | | 183,200,000 |

Wind Generation

| Description | MW | County | Est. Project Cost |
|---------------------|--------|------------------|-------------------|
| Oliver Wind IV, LLC | 200 | Oliver | 316,000,000 |
| Badger Wind, LLC | 262.26 | Logan & McIntosh | 472,000,000 |
| Total | 462.26 | | 788,000,000 |

Note: 4,249 MW of total wind generation in service as of December 20, 2024.

Other Generation/Refining

| Description | MW | MMcf | County | Est. Project Cost |
|---------------------|-----|------|----------|-------------------|
| Cerilon GTL ND Inc. | 162 | 580 | Williams | 3,200,000,000 |
| Total | 162 | 580 | | 3,200,000,000 |

These tables represent completion of the complex siting process of 338.4 miles of pipelines, 68.6 miles of electric transmission line, and 462.26 MW of wind generation. It represents over \$5.08 billion of economic investment in North Dakota.

North Dakota Generation Capacity and Output

| Type | MW | 2023 Energy Output (thousands of megawatt hours) |
|---------------|------|--|
| Coal | 3832 | 22,525 |
| Hydroelectric | 510 | 2,119 |
| Natural Gas | 657 | 2,833 |
| Wind | 4250 | 14,477 |
| Total | 9249 | 41,954 |

Auctioneer and Auction Clerk Licensing

During the 68th Legislative Assembly, House Bill No. 1191 (H.B. 1191) amended North Dakota Century Code Chapter 51-05.1 which deals with the licensing of auctioneers and auction clerks. In addition to other changes, H.B. 1191 removed the auctioneer and auction clerk licensing requirement with the Commission and replaced it with a registration requirement with the North Dakota Secretary of State. This change became effective on January 1, 2024. Prior to January 1, 2024, the Commission licensed auctioneers and auction clerks and maintained regulatory authority over these individuals and entities.

Prior to January 1, 2024, applicable N.D.C.C. Chapters included 3-05, 9-06, and 51-05.1. and Commission statutory responsibilities included:

- Issuing and renewing auctioneer, auction clerk, and bank auction clerk licenses.
- Investigation of auction related complaints.

As of December 31, 2023, the Commission licensed 274 auctioneers and 134 clerks.

Weights and Measures

Applicable North Dakota Century Code Chapters include 64-01, 64-02, 64-03, and 64-04.

The Weights and Measures Program, comprised of three full-time inspectors, is designed to meet the needs of both the buyer and seller in the commercial marketplace. This is accomplished through the enforcement of the

Attachment A – Department Overview

state's weights and measures laws by the inspection and testing of commercial weighing and measuring devices such as supermarket scales, grain elevator truck scales, dockage scales, livestock scales, gas station pumps, liquified petroleum gas meters, bulk fuel and lubricant delivery trucks, and medical marijuana packaging scales, to name a few. Some of the accomplishments and work of the program include:

- Testing and inspecting 4,672 commercial devices from July 1, 2023, through June 30, 2024, by PSC inspectors.
- Conducting quality control testing and monitoring the inspection, testing, and documentation of 20,525 weighing or measuring devices installed or serviced by registered service companies from July 1, 2023, through June 30, 2024.
- Using one-time funding appropriated by the 68th Legislative Assembly to purchase a new fuel pump inspection trailer which will enable the Commission to test, inspect, and conduct quality assurance and complaint inspections on high-flow retail fuel dispensers. This trailer was just received by the Commission at the end of November 2024 with the goal of being placed into service in early 2025.

Additionally, the Commission is continuing work on the heavy-scale quality assurance program. This program has allowed the PSC to review the work of registered service companies and addresses concerns with their operations along with responding to heavy-scale complaints. In July 2023, the Commission hired a

Attachment A – Department Overview

new heavy-scale inspector to replace the inspector that transitioned into a new state inspector position. From July 1, 2023, through June 30, 2024, the PSC conducted quality assurance inspections on 242 heavy scales, of which 37 failed the inspection.

The Weights and Measures Program is minimally staffed with much of the work being completed by private contractors under the oversight of the state weights & measures inspectors. The workload requirements for light duty inspectors do not allow for much, if any, quality assurance inspections on light duty devices (gas pumps, grocery store scales, etc.). Additional staffing would allow for increased quality assurance inspections in addition to being able to take on more testing and inspection service of commercial devices.

Railroad Safety and Regulation

Applicable North Dakota Century Code Chapters include 24-09, 49-01, 49-02, 49-09, 49-09.1, 49-10.1, 49-11, 49-16, 49-17.1, and 60-06.

The Commission is the clearinghouse for rail service and safety issues statewide. As part of public engagement and outreach, the Commission hosts an annual meeting on service and safety for all the statewide stakeholders including ag producers, grain marketers, emergency responders, county, and city leaders to address issues with railroad representatives. This biennium to date, the PSC fielded complaints and intervened on behalf of 23 communities and citizens on rail-related issues.

Attachment A – Department Overview

Funding for the state Rail Safety Program comes not from the general fund, but from existing diesel fuel tax the railroads pay, a portion of which is dedicated for safety improvements. The goal of the program is to reduce the number of accidents, derailments and other equipment failures in order to reduce fatalities, injuries, economic losses and environmental impacts.

The Commission employs two certified inspectors, one of which is dual certified, meaning they can inspect in two out of the six Federal Railroad Administration (FRA) inspection disciplines. The three inspection disciplines the Commission inspectors are certified in are: (1) Track; (2) Motor Power & Equipment (Mechanical); and (3) Hazardous Materials (HAZMAT). The remaining three FRA inspection disciplines are Operating Practices; Signal and Train Control; and Grade Crossing Safety and Trespasser Prevention. The state inspectors coordinate with and complement the federal inspectors to maximize coverage, but are autonomous and entirely accountable to the Commission.

This biennium to date, the track inspector has conducted 244 inspections, noting 1,337 defects, and has issued 9 violations. The mechanical inspector has conducted 213 inspections, noting 1,371 defects, and has issued 4 violations in addition to 67 HAZMAT inspections, noting 33 defects, and has issued 1 violation.

Gas Pipeline Safety (Approx. 50% Federal Funds plus Indirect Cost Reimbursement)

Applicable North Dakota Century Code Chapters include 49-02 and 49-07.

Attachment A – Department Overview

On behalf of the Pipeline and Hazardous Materials Safety Administration (PHMSA), the Commission conducts a Pipeline Safety Program in North Dakota covering intrastate natural gas transmission, gathering, and distribution systems, intrastate liquified natural gas (LNG) facilities, and a propane distribution system.

In November 2021, PHMSA published a final rule bringing previously unregulated natural gas gathering systems under the jurisdiction of PHMSA and thereby the Commission. This rule added seven new operators, bringing the total number of regulated operators to 30. Additionally, this rule added approximately 2,300 miles of pipeline, bringing the total number of regulated natural gas pipeline miles to over 9,900.

The goal of the program is to enhance public safety by enforcing state laws governing gas pipeline safety through inspections and enforcement regarding qualification of pipeline personnel, pipeline components, design, construction, integrity management, operations, maintenance, public awareness, damage prevention programs, and emergency response.

Commission inspectors perform inspections of four natural gas distribution system operators, 11 transmission system operators, and 15 gathering system operators.

Gas pipeline safety inspectors conduct inspections dealing with records audits, compliance follow-up, design/testing and construction, gas incidents, on-site operator training, operator qualifications, control-room management, drug and alcohol testing, damage prevention, public awareness, operations and maintenance, and integrity management.

Attachment A – Department Overview

Staff for the program includes one program manager/inspector and two full-time inspectors. In calendar year 2024, Gas Pipeline Safety Inspectors completed a total of 352 inspection days.

Damage Prevention

Applicable North Dakota Century Code Chapter includes 49-23.

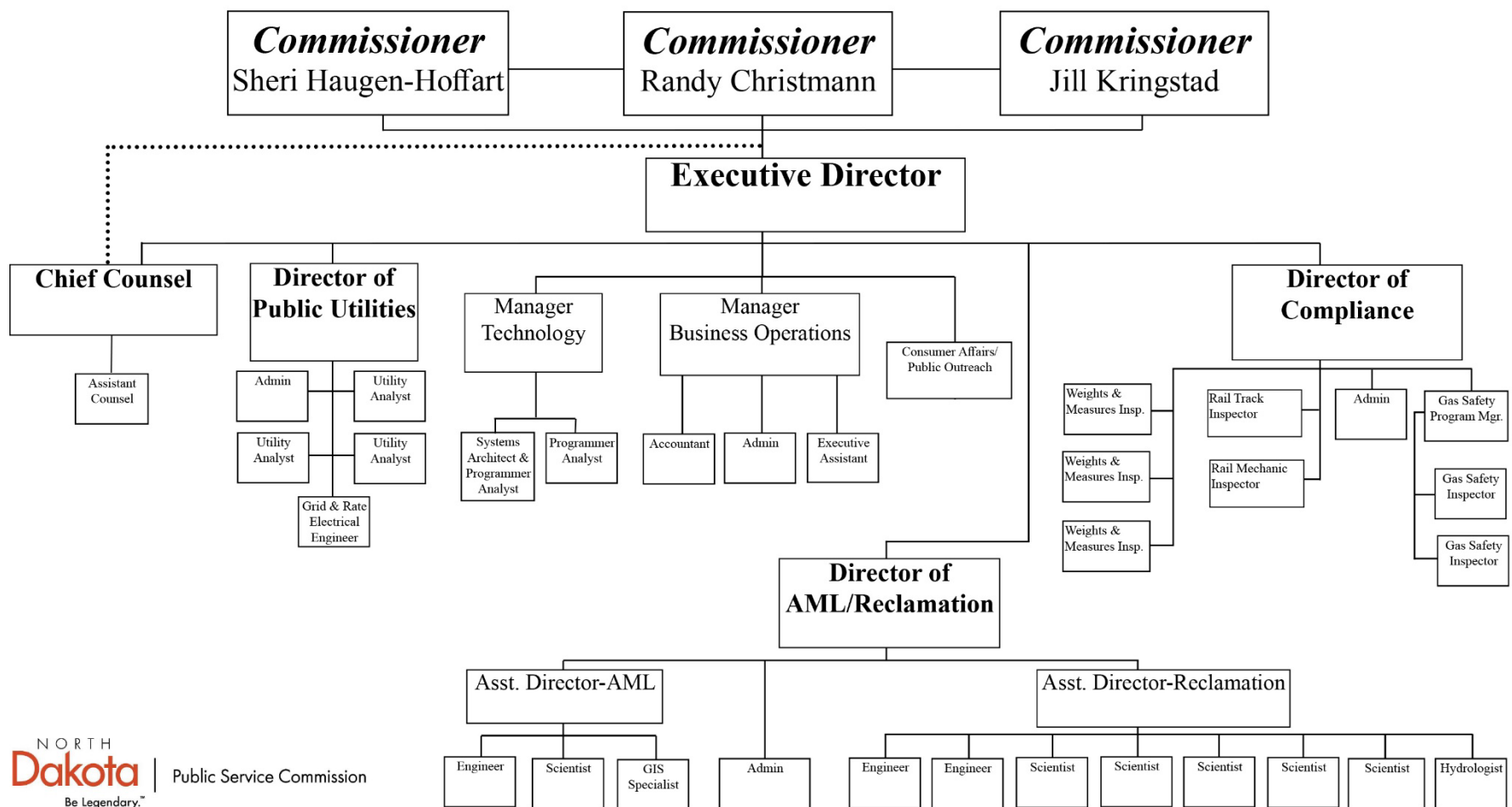
The Commission is charged with enforcement of the state’s One-Call Excavation Notice System law, also known as 811 or Call Before You Dig.

The goal of the program is to require excavators to identify where they need to dig in order for underground facility operators to locate their facilities to prevent damage to the underground infrastructure. This biennium to date, the Commission investigated and processed 27 complaints regarding alleged violations of the One-Call law. As a result of these proceedings, the Commission levied fines totaling \$38,200. The fines are deposited into the general fund.

| 5 Biennium Damage Prevention Case Processing Trend | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| 2015 - 2017 | 2017 - 2019 | 2019 - 2021 | 2021 - 2023 | 2023 - 2025 |
| 52 | 64 | 51 | 58 | 27 to date |

Since the beginning of the program in 2009, the Commission has levied 198 fines totaling \$440,450. Since inception, the Commission has not been given any additional resources to process these cases. This workload has fallen to existing staff.

North Dakota Public Service Commission 2025



2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB 1008
1/21/2025

| |
|---|
| A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; and to provide loan authorization. |
|---|

2:03 p.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives: Bosch, Fischer, Kempenich, Meier, Pyle.

Discussion Topics:

- PSC Federal Intervention Funding
- PSC Staff Professional Development
- LiDAR imaging system funding
- PSC operating costs
- In-state hearings funds
- PSC IT Costs
- PSC Compression of wages
- PSC targeted equity
- PSC road inspectors
- PSC weights and measures
- PSC rail inspector costs

2:03 p.m. Randall Christmann, Chair, ND Public Service Commission, testified and continued with testimony in favor #28771 from meeting on Jan. 13th 2025.

Additional written testimony:

Grant Gader, Fiscal Analyst, Legislative Council, submitted neutral testimony #30559.

3:30 p.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk



Public Service Commission - Budget No. 408
Agency Worksheet - House Bill No. 1008

| | Burgum Budget | | | | Armstrong Budget | | | | Armstrong Budget Compared to Burgum Budget | | | |
|---|---------------|--------------------|---------------------|---------------------|------------------|--------------------|---------------------|---------------------|--|--------------------|-------------------|--------------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total | Increase (Decrease) | | | |
| | | | | | | | | | FTE Positions | General Fund | Other Funds | Total |
| 2025-27 Biennium Base Level | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 0.00 | \$0 | \$0 | \$0 |
| 2025-27 Ongoing Funding Changes | | | | | | | | | | | | |
| Base budget reductions and adjustments | | | (\$282,673) | (\$282,673) | | | (\$282,673) | (\$282,673) | | | | \$0 |
| Cost to continue salary increases | | \$142,505 | 18,945 | 161,450 | | \$142,505 | 18,945 | 161,450 | | | | 0 |
| Salary increase | | 336,293 | 227,136 | 563,429 | | 274,922 | 185,662 | 460,584 | | (\$61,371) | (\$41,474) | (102,845) |
| Health insurance increase | | 159,891 | 110,347 | 270,238 | | 159,891 | 110,347 | 270,238 | | | | 0 |
| Add funding to restore 2023-25 new FTE funding | | 365,030 | 138,602 | 503,632 | | 365,030 | 138,602 | 503,632 | | | | 0 |
| Add funding to restore 2023-25 vacant FTE funding pool | | 181,788 | 125,902 | 307,690 | | 181,788 | 125,902 | 307,690 | | | | 0 |
| Information technology costs | | 64,692 | | 64,692 | | 64,692 | | 64,692 | | | | 0 |
| Federal intervention funding | | 300,000 | | 300,000 | | 190,000 | | 190,000 | | (110,000) | | (110,000) |
| Staff professional development | | 25,000 | | 25,000 | | | | 0 | | (25,000) | | (25,000) |
| Increased rent and operating expenses | | 185,823 | 4,625 | 190,448 | | 123,281 | 4,625 | 127,906 | | (62,542) | | (62,542) |
| Capital assets purchases | | | 50,000 | 50,000 | | | 50,000 | 50,000 | | | | 0 |
| Total ongoing funding changes | 0.00 | \$1,761,022 | \$392,884 | \$2,153,906 | 0.00 | \$1,502,109 | \$351,410 | \$1,853,519 | 0.00 | (\$258,913) | (\$41,474) | (\$300,387) |
| One-Time Funding Items | | | | | | | | | | | | |
| LiDAR imaging system | | \$5,580 | \$149,420 | \$155,000 | | \$5,580 | \$149,420 | \$155,000 | | | | \$0 |
| Total one-time funding changes | 0.00 | \$5,580 | \$149,420 | \$155,000 | 0.00 | \$5,580 | \$149,420 | \$155,000 | 0.00 | \$0 | \$0 | \$0 |
| Total Changes to Base Level Funding | 0.00 | \$1,766,602 | \$542,304 | \$2,308,906 | 0.00 | \$1,507,689 | \$500,830 | \$2,008,519 | 0.00 | (\$258,913) | (\$41,474) | (\$300,387) |
| 2025-27 Total Funding | 45.00 | \$9,255,954 | \$14,321,949 | \$23,577,903 | 45.00 | \$8,997,041 | \$14,280,475 | \$23,277,516 | 0.00 | (\$258,913) | (\$41,474) | (\$300,387) |
| <i>Federal funds included in other funds</i> | | | \$11,955,869 | | | | \$11,919,311 | | | | | (\$36,558) |
| <i>Total ongoing changes - Percentage of base level</i> | 0.0% | 23.5% | 2.9% | 10.1% | 0.0% | 20.1% | 2.6% | 8.7% | N/A | N/A | N/A | N/A |
| <i>Total changes - Percentage of base level</i> | 0.0% | 23.6% | 3.9% | 10.9% | 0.0% | 20.1% | 3.6% | 9.4% | N/A | N/A | N/A | N/A |

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB 1008
1/27/2025

| |
|---|
| A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; and to provide loan authorization. |
|---|

3:31 p.m. Chairman Monson opened the hearing.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives: Bosch, Fischer, Kempenich, Pyle.

Members Absent: Representative Meier

Discussion Topics:

- Weight of Semi-trucks
- Coal Plants
- Federal Energy Regulatory Commission (FERC)
- Staff Professional Development funding
- LiDAR imaging
- Rent and operating expenses

3:33 p.m. Randall Christmann, Chair, ND Public Service Commission, testified in favor.

Additional written testimony:

Brady Larson, Fiscal Analyst, Legislative Council, submitted neutral testimony #31902.

4:45 p.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk



Public Service Commission - Budget No. 408
Agency Worksheet - House Bill No. 1008

| | Armstrong Executive Budget | | | | House Version | | | |
|---|----------------------------|--------------------|---------------------|---------------------|---------------|--------------------|---------------------|---------------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total |
| 2025-27 Biennium Base Level | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 |
| 2025-27 Ongoing Funding Changes | | | | | | | | |
| Base budget reductions and adjustments | | | (\$282,673) | (\$282,673) | | | | \$0 |
| Cost to continue salary increases | | \$142,505 | 18,945 | 161,450 | | | | 0 |
| Salary increase | | 274,922 | 185,662 | 460,584 | | | | 0 |
| Health insurance increase | | 159,891 | 110,347 | 270,238 | | | | 0 |
| Add funding to restore 2023-25 new FTE funding pool | | 365,030 | 138,602 | 503,632 | | | | 0 |
| Add funding to restore 2023-25 vacant FTE funding | | 181,788 | 125,902 | 307,690 | | | | 0 |
| Information technology costs | | 64,692 | | 64,692 | | | | 0 |
| Federal intervention funding | | 190,000 | | 190,000 | | | | 0 |
| Increased rent and operating expenses | | 123,281 | 4,625 | 127,906 | | | | 0 |
| Capital assets purchases | | | 50,000 | 50,000 | | | | 0 |
| Total ongoing funding changes | 0.00 | \$1,502,109 | \$351,410 | \$1,853,519 | 0.00 | \$0 | \$0 | \$0 |
| One-Time Funding Items | | | | | | | | |
| LiDAR imaging system | | \$5,580 | \$149,420 | \$155,000 | | | | \$0 |
| Total one-time funding changes | 0.00 | \$5,580 | \$149,420 | \$155,000 | 0.00 | \$0 | \$0 | \$0 |
| Total Changes to Base Level Funding | 0.00 | \$1,507,689 | \$500,830 | \$2,008,519 | 0.00 | \$0 | \$0 | \$0 |
| 2025-27 Total Funding | 45.00 | \$8,997,041 | \$14,280,475 | \$23,277,516 | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 |
| <i>Federal funds included in other funds</i> | | | \$11,919,311 | | | | \$11,477,439 | |
| <i>Total ongoing changes - Percentage of base level</i> | 0.0% | 20.1% | 2.6% | 8.7% | 0.0% | 0.0% | 0.0% | 0.0% |
| <i>Total changes - Percentage of base level</i> | 0.0% | 20.1% | 3.6% | 9.4% | 0.0% | 0.0% | 0.0% | 0.0% |

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB 1008
2/4/2025

| |
|--|
| A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission: relating to the salaries of the public service commissioners and deposits of special fuels excise taxes; and to provide loan authorization. |
|--|

8:32a.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives: Bosch, Fischer, Kempenich, Meier, Pyle.

Discussion Topics:

- Federal Intervention Funding
- Staff Professional Development funding
- Carry over fund authority
- PSC Vacant positions
- NDDOT rates

8:37 a.m. Randall Christmann, Chair, ND Public Service Commission, testified in favor.

Additional written testimony:

Brady Larson, Fiscal Analyst, Legislative Council, submitted neutral testimony #34420.

9:04 a.m. Chairman Monson closed the meeting.

Madaline Cooper, Committee Clerk



Public Service Commission - Budget No. 408
Agency Worksheet - House Bill No. 1008

| | Armstrong Executive Budget | | | | House Version | | | | House Compared to Executive Budget | | | |
|---|----------------------------|--------------------|---------------------|---------------------|---------------|--------------------|---------------------|---------------------|------------------------------------|-----------------|-------------------|-------------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total | Increase (Decrease) | | | |
| | | | | | | | | | FTE Positions | General Fund | Other Funds | Total |
| 2025-27 Biennium Base Level | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 0.00 | \$0 | \$0 | \$0 |
| 2025-27 Ongoing Funding Changes | | | | | | | | | | | | |
| Base budget reductions and adjustments | | | (\$282,673) | (\$282,673) | | | (\$282,673) | (\$282,673) | | | | \$0 |
| Cost to continue salary increases | | \$142,505 | 18,945 | 161,450 | | \$142,505 | 18,945 | 161,450 | | | | 0 |
| Salary increase | | 274,922 | 185,662 | 460,584 | | 274,922 | 185,662 | 460,584 | | | | 0 |
| Health insurance increase | | 159,891 | 110,347 | 270,238 | | 159,891 | 110,347 | 270,238 | | | | 0 |
| Adds funding to restore 2023-25 new FTE funding pool | | 365,030 | 138,602 | 503,632 | | 365,030 | 138,602 | 503,632 | | | | 0 |
| Adds funding to restore 2023-25 vacant FTE funding | | 181,788 | 125,902 | 307,690 | | 181,788 | 125,902 | 307,690 | | | | 0 |
| Transfer funding for 2025-27 FTE pool | | | | 0 | | (67,879) | (46,007) | (113,886) | | (\$67,879) | (\$46,007) | (113,886) |
| IT costs | | 64,692 | | 64,692 | | 64,692 | | 64,692 | | | | 0 |
| Federal intervention funding | | 190,000 | | 190,000 | | 250,000 | | 250,000 | | 60,000 | | 60,000 |
| Staff professional development | | | | 0 | | 25,000 | | 25,000 | | 25,000 | | 25,000 |
| Increased rent and operating expenses | | 123,281 | 4,625 | 127,906 | | 123,281 | 4,625 | 127,906 | | | | 0 |
| Capital assets purchases | | | 50,000 | 50,000 | | | 50,000 | 50,000 | | | | 0 |
| Total ongoing funding changes | 0.00 | \$1,502,109 | \$351,410 | \$1,853,519 | 0.00 | \$1,519,230 | \$305,403 | \$1,824,633 | 0.00 | \$17,121 | (\$46,007) | (\$28,886) |
| One-Time Funding Items | | | | | | | | | | | | |
| LiDAR imaging system | | \$5,580 | \$149,420 | \$155,000 | | \$5,580 | \$149,420 | \$155,000 | | | | \$0 |
| Total one-time funding changes | 0.00 | \$5,580 | \$149,420 | \$155,000 | 0.00 | \$5,580 | \$149,420 | \$155,000 | 0.00 | \$0 | \$0 | \$0 |
| Total Changes to Base Level Funding | 0.00 | \$1,507,689 | \$500,830 | \$2,008,519 | 0.00 | \$1,524,810 | \$454,823 | \$1,979,633 | 0.00 | \$17,121 | (\$46,007) | (\$28,886) |
| 2025-27 Total Funding | 45.00 | \$8,997,041 | \$14,280,475 | \$23,277,516 | 45.00 | \$9,014,162 | \$14,234,468 | \$23,248,630 | 0.00 | \$17,121 | (\$46,007) | (\$28,886) |
| <i>Federal funds included in other funds</i> | | | \$11,919,311 | | | \$11,878,684 | | | | | (\$40,627) | |
| <i>Total ongoing changes - Percentage of base level</i> | 0.0% | 20.1% | 2.6% | 8.7% | 0.0% | 20.3% | 2.2% | 8.6% | N/A | N/A | N/A | N/A |
| <i>Total changes - Percentage of base level</i> | 0.0% | 20.1% | 3.6% | 9.4% | 0.0% | 20.4% | 3.3% | 9.3% | N/A | N/A | N/A | N/A |

Other Sections in Public Service Commission - Budget No. 408

| Section Description | Armstrong Executive Budget | House Version |
|-------------------------------|--------------------------------|--|
| New and vacant FTE pool | Other sections not identified. | Section 3 provides guidelines regarding the use of funding in the new and vacant FTE pool line item. |
| Rail rate complaint case loan | | Section 4 authorizes the PSC to obtain a loan from the Bank of North Dakota for costs associated with a rail complaint case. |
| Railroad safety program | | Section 5 amends Section 57-43.2-19 to adjust the amount of special fuels taxes deposited into the rail safety fund. |
| Salary of commissioners | | Section 6 provides the statutory changes to increase the Public Service Commissioners' annual salaries by 3 percent on July 1, 2025, and July 1, 2026. |

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB 1008
2/10/2025

| |
|---|
| A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; and to provide loan authorization. |
|---|

10:24 a.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives Bosch, Fisher, Kempenich, Meier, Pyle

Discussion Topics:

- North Dakota Salary Increases
- Operating Expenses
- Public Service Commission

10:26 a.m. Chairman Monson opened the hearing.

10:29 a.m. Representative Pyle referenced the long sheet #36654.

10:42 a.m. Representative Pyle motioned to adopt Amendment LC #25.0152.01001, #36670.

10:43 a.m. Representative Bosch seconded the motion.

10:43 a.m. Roll Call Vote

| Representatives | Vote |
|---------------------------------|------|
| Representative David Monson | Y |
| Representative Mike Brandenburg | Y |
| Representative Glenn Bosch | Y |
| Representative Jay Fisher | Y |
| Representative Keith Kempenich | Y |
| Representative Lisa Meier | Y |
| Representative Brandy L. Pyle | Y |

10:43 a.m. Motion passed 7-0-0.

10:44 a.m. Representative Pyle motioned a Do Pass as Amended.

10:44 a.m. Representative Meier seconded.

10:44 a.m. Roll Call Vote.

| Representatives | Vote |
|-----------------------------|------|
| Representative David Monson | Y |

| | |
|---------------------------------|---|
| Representative Mike Brandenburg | Y |
| Representative Glenn Bosch | Y |
| Representative Jay Fisher | Y |
| Representative Keith Kempenich | Y |
| Representative Lisa Meier | Y |
| Representative Brandy L. Pyle | Y |

10:44 a.m. Motion Passed 7-0-0.

Additional written testimony:

Brady Larson, Fiscal Analyst, Legislative Council, submitted neutral testimony #36670 and #36654.

10:45 a.m. Chairman Monson closed the meeting.

Sierra Schartz Committee Clerk for Madaline Cooper, Committee Clerk



Public Service Commission - Budget No. 408
Agency Worksheet - House Bill No. 1008

| | Armstrong Executive Budget | | | | House Version | | | | House Compared to Armstrong Executive Budget | | | |
|---|----------------------------|--------------------|---------------------|---------------------|---------------|--------------------|---------------------|---------------------|--|--------------------|-------------------|--------------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total | Increase (Decrease) | | | |
| | | | | | | | | | FTE Positions | General Fund | Other Funds | Total |
| 2025-27 Biennium Base Level | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 0.00 | \$0 | \$0 | \$0 |
| 2025-27 Ongoing Funding Changes | | | | | | | | | | | | |
| Base budget reductions and adjustments | | | (\$282,673) | (\$282,673) | | | (\$282,673) | (\$282,673) | | | | \$0 |
| Cost to continue salary increases | | \$142,505 | 18,945 | 161,450 | | \$142,505 | 18,945 | 161,450 | | | | 0 |
| Salary increase | | 274,922 | 185,662 | 460,584 | | 274,922 | 185,662 | 460,584 | | | | 0 |
| Health insurance increase | | 159,891 | 110,347 | 270,238 | | 159,891 | 110,347 | 270,238 | | | | 0 |
| Adds funding to restore 2023-25 new FTE funding pool | | 365,030 | 138,602 | 503,632 | | 365,030 | 138,602 | 503,632 | | | | 0 |
| Adds funding to restore 2023-25 vacant FTE funding | | 181,788 | 125,902 | 307,690 | | 181,788 | 125,902 | 307,690 | | | | 0 |
| Transfer funding for 2025-27 FTE pool | | | | 0 | | (67,879) | (46,007) | (113,886) | | (\$67,879) | (\$46,007) | (113,886) |
| IT costs | | 64,692 | | 64,692 | | 64,692 | | 64,692 | | | | 0 |
| Federal intervention funding | | 190,000 | | 190,000 | | | | | | (190,000) | | (190,000) |
| Staff professional development | | | | 0 | | | | 0 | | | | 0 |
| Increased rent and operating expenses | | 123,281 | 4,625 | 127,906 | | 185,823 | 4,625 | 190,448 | | 62,542 | | 62,542 |
| Capital assets purchases | | | 50,000 | 50,000 | | | 50,000 | 50,000 | | | | 0 |
| Total ongoing funding changes | 0.00 | \$1,502,109 | \$351,410 | \$1,853,519 | 0.00 | \$1,306,772 | \$305,403 | \$1,612,175 | 0.00 | (\$195,337) | (\$46,007) | (\$241,344) |
| One-Time Funding Items | | | | | | | | | | | | |
| LiDAR imaging system | | \$5,580 | \$149,420 | \$155,000 | | \$5,580 | \$149,420 | \$155,000 | | | | \$0 |
| Federal intervention funding | | | | 0 | | 250,000 | | 250,000 | | \$250,000 | | 250,000 |
| Total one-time funding changes | 0.00 | \$5,580 | \$149,420 | \$155,000 | 0.00 | \$255,580 | \$149,420 | \$405,000 | 0.00 | \$250,000 | \$0 | \$250,000 |
| Total Changes to Base Level Funding | 0.00 | \$1,507,689 | \$500,830 | \$2,008,519 | 0.00 | \$1,562,352 | \$454,823 | \$2,017,175 | 0.00 | \$54,663 | (\$46,007) | \$8,656 |
| 2025-27 Total Funding | 45.00 | \$8,997,041 | \$14,280,475 | \$23,277,516 | 45.00 | \$9,051,704 | \$14,234,468 | \$23,286,172 | 0.00 | \$54,663 | (\$46,007) | \$8,656 |
| <i>Federal funds included in other funds</i> | | | \$11,919,311 | | | | \$11,878,684 | | | | (\$40,627) | |
| <i>Total ongoing changes - Percentage of base level</i> | 0.0% | 20.1% | 2.6% | 8.7% | 0.0% | 17.4% | 2.2% | 7.6% | N/A | N/A | N/A | N/A |
| <i>Total changes - Percentage of base level</i> | 0.0% | 20.1% | 3.6% | 9.4% | 0.0% | 20.9% | 3.3% | 9.5% | N/A | N/A | N/A | N/A |

Other Sections in Public Service Commission - Budget No. 408

| Section Description | Armstrong Executive Budget | House Version |
|-------------------------------|--------------------------------|--|
| New and vacant FTE pool | Other sections not identified. | Section 3 provides guidelines regarding the use of funding in the new and vacant FTE pool line item. |
| Rail rate complaint case loan | | Section 4 authorizes the PSC to obtain a loan from the Bank of North Dakota for costs associated with a rail complaint case. |
| Railroad safety program | | Section 5 amends Section 57-43.2-19 to adjust the amount of special fuels taxes deposited into the rail safety fund. |

Other Sections in Public Service Commission - Budget No. 408

| Section Description | Armstrong Executive Budget | House Version | |
|-------------------------|----------------------------|--|--|
| Salary of commissioners | | Section 6 provides the statutory changes to increase the Public Service Commissioners' annual salaries by 3 percent on July 1, 2025, and July 1, 2026. | |

25.0152.01001
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

February 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1008

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public service
2 commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota
3 Century Code, relating to the salaries of the public service commissioners and deposits of
4 special fuels excise taxes; and to provide loan authorization.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the public service commission for the purpose of defraying the expenses of the
10 public service commission, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------------|-------------------|--|----------------------|
| 14 Salaries and wages | \$11,026,304 | \$0 | \$11,026,304 |
| 15 Operating expenses | 2,205,487 | 0 | 2,205,487 |
| 16 Capital assets | 25,000 | 0 | 25,000 |
| 17 Grants | 20,000 | 0 | 20,000 |
| 18 Abandoned mined lands contractual | 6,000,000 | 0 | 6,000,000 |
| 19 services | | | |

Sixty-ninth
Legislative Assembly

| | | | | |
|----|-----------------------------------|--------------|-------------|--------------|
| 1 | Rail rate complaint case | 900,000 | 0 | 900,000 |
| 2 | Railroad safety program | 672,206 | 0 | 672,206 |
| 3 | Specialized legal services | 420,000 | 0 | 420,000 |
| 4 | Total all funds | \$21,268,997 | \$0 | \$21,268,997 |
| 5 | Less other funds | 13,779,645 | 0 | 13,779,645 |
| 6 | Total general fund | \$7,489,352 | \$0 | \$7,489,352 |
| 7 | Full-time equivalent positions | 45.00 | 0.00 | 45.00 |
| 8 | Salaries and wages | \$11,026,304 | \$1,108,083 | \$12,134,387 |
| 9 | New and vacant FTE pool | 0 | 265,735 | 265,735 |
| 10 | Operating expenses | 2,205,487 | 417,167 | 2,622,654 |
| 11 | Capital assets | 25,000 | 205,000 | 230,000 |
| 12 | Grants | 20,000 | 0 | 20,000 |
| 13 | Abandoned mined lands contractual | 6,000,000 | 0 | 6,000,000 |
| 14 | services | | | |
| 15 | Rail rate complaint case | 900,000 | 0 | 900,000 |
| 16 | Railroad safety program | 672,206 | 41,024 | 713,230 |
| 17 | Specialized legal services | 420,000 | (19,834) | 400,166 |
| 18 | Total all funds | \$21,268,997 | \$2,017,175 | \$23,286,172 |
| 19 | Less other funds | 13,779,645 | 454,823 | 14,234,468 |
| 20 | Total general fund | \$7,489,352 | \$1,562,352 | \$9,051,704 |
| 21 | Full-time equivalent positions | 45.00 | 0.00 | 45.00 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

| One-Time Funding Description | General Fund | Other Funds | Total |
|------------------------------|--------------|-------------|-----------|
| Drone imaging technology | \$5,580 | \$149,420 | \$155,000 |
| Federal intervention funding | 250,000 | 0 | 250,000 |
| Total | \$255,580 | \$149,420 | \$405,000 |

1 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
2 public service commission may not spend funds appropriated in the new and vacant FTE pool
3 line item in section 1 of this Act, but may request the office of management and budget to
4 transfer funds from the new and vacant FTE pool line item to the salaries and wages and
5 railroad safety program line items in accordance with the guidelines and reporting provisions
6 included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

7 **SECTION 4. RAIL RATE COMPLAINT CASE - LOAN AUTHORIZATION.** The public
8 service commission may obtain a loan from the Bank of North Dakota for costs associated with
9 a rail rate complaint case. The loan may not exceed \$900,000, and the interest rate associated
10 with the loan must be the prevailing interest rate charged to North Dakota governmental
11 entities. The public service commission shall repay the loan from amounts available from
12 damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint
13 case. If moneys anticipated to be available on June 30, 2027, are not sufficient to repay the
14 loan, the public service commission may request a deficiency appropriation from the legislative
15 assembly to repay the loan.

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

18 **49-01-05. Salary of commissioners.**

19 The annual salary of a commissioner is ~~one hundred thirty thousand dollars through~~
20 ~~June 30, 2024, and one hundred thirty five thousand two hundred one hundred thirty-nine~~
21 ~~thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three~~
22 ~~thousand four hundred thirty-four dollars thereafter.~~ All fees received or charged by any
23 commissioner for any act or service rendered in any official capacity must be accounted for and
24 paid over by the commissioner monthly to the state treasurer and must be credited to the
25 general fund of the state.

26 **SECTION 6. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-43.2-19. Transfer, deposit, and distribution of funds.**

29 All taxes, license fees, penalties, and interest collected under this chapter must be
30 transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund,
31 except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section

Sixty-ninth
Legislative Assembly

1 | 57-43.2-03 of up to three hundred thirty-two thousand three hundred twenty-seven
2 | hundred fifty-two thousand eight hundred ninety-two dollars per year must be transferred to the
3 | state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution
4 | fund must be distributed in the manner as prescribed by section 54-27-19.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Public Service Commission - House Action

| | Base Budget | House Changes | House Version |
|-----------------------------------|---------------------|--------------------|---------------------|
| Salaries and wages | \$11,026,304 | \$1,108,083 | \$12,134,387 |
| New and vacant FTE pool | | 265,735 | 265,735 |
| Operating expenses | 2,205,487 | 417,167 | 2,622,654 |
| Capital assets | 25,000 | 205,000 | 230,000 |
| Grants | 20,000 | | 20,000 |
| Abandoned mined lands contractual | 6,000,000 | | 6,000,000 |
| Rail rate complaint case | 900,000 | | 900,000 |
| Railroad safety program | 672,206 | 41,024 | 713,230 |
| Specialized legal services | 420,000 | (19,834) | 400,166 |
| Total all funds | \$21,268,997 | \$2,017,175 | \$23,286,172 |
| Less estimated income | 13,779,645 | 454,823 | 14,234,468 |
| General fund | \$7,489,352 | \$1,562,352 | \$9,051,704 |
| FTE | 45.00 | 0.00 | 45.00 |

Department 408 - Public Service Commission - Detail of House Changes

| | Adjusts Base Budget Funding ¹ | Adds Funding for Cost to Continue Salaries ² | Adds Funding for Salary and Benefit Increases ³ | Adds Funding to Replace 2023-25 New and Vacant FTE Pool ⁴ | Transfers Funding for 2025-27 New and Vacant FTE Pool ⁵ | Adds Funding for Operating Costs ⁶ |
|-----------------------------------|--|---|--|--|--|---|
| Salaries and wages | (\$174,866) | \$151,844 | \$696,806 | \$795,986 | (\$361,687) | |
| New and vacant FTE pool | | | | | 265,735 | |
| Operating expenses | (87,973) | | | | | \$255,140 |
| Capital assets | | | | | | |
| Grants | | | | | | |
| Abandoned mined lands contractual | | | | | | |
| Rail rate complaint case | | | | | | |
| Railroad safety program | | 9,606 | 34,016 | 15,336 | (17,934) | |
| Specialized legal services | (19,834) | | | | | |
| Total all funds | (\$282,673) | \$161,450 | \$730,822 | \$811,322 | (\$113,886) | \$255,140 |
| Less estimated income | (282,673) | 18,945 | 296,009 | 264,504 | (46,007) | 4,625 |
| General fund | \$0 | \$142,505 | \$434,813 | \$546,818 | (\$67,879) | \$250,515 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds Federal Funding for Drone Purchase ⁷ | Adds One-Time Funding ⁸ | Total House Changes |
|-----------------------------------|--|------------------------------------|---------------------|
| Salaries and wages | | | \$1,108,083 |
| New and vacant FTE pool | | | 265,735 |
| Operating expenses | | \$250,000 | 417,167 |
| Capital assets | \$50,000 | 155,000 | 205,000 |
| Grants | | | |
| Abandoned mined lands contractual | | | |
| Rail rate complaint case | | | |
| Railroad safety program | | | 41,024 |
| Specialized legal services | | | (19,834) |
| Total all funds | \$50,000 | \$405,000 | \$2,017,175 |
| Less estimated income | 50,000 | 149,420 | 454,823 |
| General fund | \$0 | \$255,580 | \$1,562,352 |
| FTE | 0.00 | 0.00 | 0.00 |

¹ Funding is adjusted for estimated changes in federal funds and other budget adjustments.

² Funding is added for cost to continue 2023-25 biennium salary increases.

³ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|---------------------------|-------------------------|------------------------|----------------|
| Salary increase | \$274,922 | \$185,662 | \$460,584 |
| Health insurance increase | <u>159,891</u> | <u>110,347</u> | <u>270,238</u> |
| Total | \$434,813 | \$296,009 | \$730,822 |

⁴ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|----------------------|-------------------------|------------------------|----------------|
| Vacant FTE positions | \$181,788 | \$125,902 | \$307,690 |
| New FTE positions | <u>365,030</u> | <u>138,602</u> | <u>503,632</u> |
| Total | \$546,818 | \$264,504 | \$811,322 |

⁵ Funding of \$379,621 is removed for estimated savings from vacant 2025-27 FTE positions and \$265,735 is added for a new and vacant FTE pool line item resulting in net savings of \$113,886.

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|------------------------|-------------------------|------------------------|----------------|
| Vacant FTE positions | (\$226,262) | (\$153,359) | (\$379,621) |
| Funding pool line item | <u>158,383</u> | <u>107,352</u> | <u>265,735</u> |
| Net savings | (\$67,879) | (\$46,007) | (\$113,886) |

⁶ Funding is added for the following operating costs:

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|------------------------------------|-------------------------|------------------------|----------------|
| Information technology costs | \$64,692 | \$0 | \$64,692 |
| Increased rent and operating costs | <u>185,823</u> | <u>4,625</u> | <u>190,448</u> |
| Total | \$250,515 | \$4,625 | \$255,140 |

⁷ Federal capital assets funding is added for the purchase of a drone.

⁸ One-time funding is added for the following items:

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|---------------------------------|-------------------------|------------------------|----------------|
| Drone remote sensing technology | \$5,580 | \$149,420 | \$155,000 |
| Federal intervention funding | <u>250,000</u> | <u>0</u> | <u>250,000</u> |
| Total | \$255,580 | \$149,420 | \$405,000 |

House Bill No. 1008 - Other Changes - House Action

This amendment also:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item.
- Amends Section 49-01-05 providing 3 percent annual salary increases for the Public Service Commissioners.
- Amends Section 57-43.2-19 increasing the amount of special fuels excise taxes deposited in the rail safety fund.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1008
2/10/2025

| |
|---|
| A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; and to provide loan authorization. |
|---|

5:12 p.m. Chairman Vigesaa called the meeting to order.

Members Present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Members Absent: Representatives Anderson, Mitskog

Discussion Topics:

- Federal Operations
- Committee Voting
- Public Services

5:13 p.m. Representative Pyle introduced Amendment #25.0152.01001 and submitted testimony #36865.

5:25 p.m. Representative moved to adopt Amendment #25.0152.01001.

5:25 p.m. Representative Bosch seconded the motion.

5:25 p.m. Roll Call Vote.

| Representatives | Vote |
|----------------------------------|------|
| Representative Don Vigesaa | Y |
| Representative Keith Kempenich | Y |
| Representative Bert Anderson | A |
| Representative Mike Berg | Y |
| Representative Glenn Bosch | Y |
| Representative Mike Brandenburg | Y |
| Representative Jay Fisher | Y |
| Representative Karla Rose Hanson | Y |
| Representative Scott Louser | A |
| Representative Bob Martinson | Y |
| Representative Lisa Meier | Y |
| Representative Alisa Mitskog | A |
| Representative David Monson | Y |
| Representative Eric J. Murphy | Y |
| Representative Mike Nathe | Y |
| Representative Jon O. Nelson | Y |

| | |
|-------------------------------|---|
| Representative Emily O'Brien | Y |
| Representative Brandy L. Pyle | Y |
| Representative David Richter | Y |
| Representative Mark Sanford | Y |
| Representative Gregory Stemen | Y |
| Representative Steve Swiontek | Y |
| Representative Scott Wagner | Y |

5:25 p.m. Motion Passed 20-0-3.

5:26 p.m. Representative Pyle motioned Do Pass as Amended.

5:27 p.m. Representative Stemen seconded the motion.

5:27 p.m. Roll Call Vote.

| Representatives | Vote |
|----------------------------------|-------------|
| Representative Don Vigesaa | Y |
| Representative Keith Kempenich | Y |
| Representative Bert Anderson | A |
| Representative Mike Berg | Y |
| Representative Glenn Bosch | Y |
| Representative Mike Brandenburg | Y |
| Representative Jay Fisher | Y |
| Representative Karla Rose Hanson | Y |
| Representative Scott Louser | A |
| Representative Bob Martinson | Y |
| Representative Lisa Meier | Y |
| Representative Alisa Mitskog | A |
| Representative David Monson | Y |
| Representative Eric J. Murphy | Y |
| Representative Mike Nathe | Y |
| Representative Jon O. Nelson | Y |
| Representative Emily O'Brien | Y |
| Representative Brandy L. Pyle | Y |
| Representative David Richter | Y |
| Representative Mark Sanford | Y |
| Representative Gregory Stemen | Y |
| Representative Steve Swiontek | Y |
| Representative Scott Wagner | Y |

5:27 p.m. Motion Passes 20-0-3.

5:27 p.m. Representative Pyle will carry the Bill.

5:29 p.m. Chairman Vigesaa adjourned the meeting.

Krystal Eberle for Sierra Schartz, Committee Clerk

BT 2/10/25
1 of 4

February 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1008

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public service
2 commission: to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota
3 Century Code, relating to the salaries of the public service commissioners and deposits of
4 special fuels excise taxes; and to provide loan authorization.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the public service commission for the purpose of defraying the expenses of the
10 public service commission, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

| | Base Level | Adjustments or Enhancements | Appropriation |
|--------------------------------------|--------------|--------------------------------|---------------|
| 14 Salaries and wages | \$11,026,304 | \$0 | \$11,026,304 |
| 15 Operating expenses | 2,205,487 | 0 | 2,205,487 |
| 16 Capital assets | 25,000 | 0 | 25,000 |
| 17 Grants | 20,000 | 0 | 20,000 |
| 18 Abandoned mined lands contractual | 6,000,000 | 0 | 6,000,000 |
| 19 services | | | |

Sixty-ninth
Legislative Assembly

| | | | | |
|----|-----------------------------------|--------------|-------------|--------------|
| 1 | Rail rate complaint case | 900,000 | 0 | 900,000 |
| 2 | Railroad safety program | 672,206 | 0 | 672,206 |
| 3 | Specialized legal services | 420,000 | 0 | 420,000 |
| 4 | Total all funds | \$21,268,997 | \$0 | \$21,268,997 |
| 5 | Less other funds | 13,779,645 | 0 | 13,779,645 |
| 6 | Total general fund | \$7,489,352 | \$0 | \$7,489,352 |
| 7 | Full-time equivalent positions | 45.00 | 0.00 | 45.00 |
| 8 | Salaries and wages | \$11,026,304 | \$1,108,083 | \$12,134,387 |
| 9 | New and vacant FTE pool | 0 | 265,735 | 265,735 |
| 10 | Operating expenses | 2,205,487 | 417,167 | 2,622,654 |
| 11 | Capital assets | 25,000 | 205,000 | 230,000 |
| 12 | Grants | 20,000 | 0 | 20,000 |
| 13 | Abandoned mined lands contractual | 6,000,000 | 0 | 6,000,000 |
| 14 | services | | | |
| 15 | Rail rate complaint case | 900,000 | 0 | 900,000 |
| 16 | Railroad safety program | 672,206 | 41,024 | 713,230 |
| 17 | Specialized legal services | 420,000 | (19,834) | 400,166 |
| 18 | Total all funds | \$21,268,997 | \$2,017,175 | \$23,286,172 |
| 19 | Less other funds | 13,779,645 | 454,823 | 14,234,468 |
| 20 | Total general fund | \$7,489,352 | \$1,562,352 | \$9,051,704 |
| 21 | Full-time equivalent positions | 45.00 | 0.00 | 45.00 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

| One-Time Funding Description | General Fund | Other Funds | Total |
|------------------------------|--------------|-------------|-----------|
| Drone imaging technology | \$5,580 | \$149,420 | \$155,000 |
| Federal intervention funding | 250,000 | 0 | 250,000 |
| Total | \$255,580 | \$149,420 | \$405,000 |

1 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
2 public service commission may not spend funds appropriated in the new and vacant FTE pool
3 line item in section 1 of this Act, but may request the office of management and budget to
4 transfer funds from the new and vacant FTE pool line item to the salaries and wages and
5 railroad safety program line items in accordance with the guidelines and reporting provisions
6 included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

7 **SECTION 4. RAIL RATE COMPLAINT CASE - LOAN AUTHORIZATION.** The public
8 service commission may obtain a loan from the Bank of North Dakota for costs associated with
9 a rail rate complaint case. The loan may not exceed \$900,000, and the interest rate associated
10 with the loan must be the prevailing interest rate charged to North Dakota governmental
11 entities. The public service commission shall repay the loan from amounts available from
12 damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint
13 case. If moneys anticipated to be available on June 30, 2027, are not sufficient to repay the
14 loan, the public service commission may request a deficiency appropriation from the legislative
15 assembly to repay the loan.

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

18 **49-01-05. Salary of commissioners.**

19 The annual salary of a commissioner is ~~one hundred thirty thousand dollars through~~
20 ~~June 30, 2024, and one hundred thirty five thousand two hundred~~ one hundred thirty-nine
21 thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three
22 thousand four hundred thirty-four dollars thereafter. All fees received or charged by any
23 commissioner for any act or service rendered in any official capacity must be accounted for and
24 paid over by the commissioner monthly to the state treasurer and must be credited to the
25 general fund of the state.

26 **SECTION 6. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-43.2-19. Transfer, deposit, and distribution of funds.**

29 All taxes, license fees, penalties, and interest collected under this chapter must be
30 transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund,
31 except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section

1 57-43.2-03 of up to ~~three hundred thirty two thousand three hundred twenty seven~~three
2 hundred fifty-two thousand eight hundred ninety-two dollars per year must be transferred to the
3 state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution
4 fund must be distributed in the manner as prescribed by section 54-27-19.

**REPORT OF STANDING COMMITTEE
HB 1008**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0152.01001](#)) and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1008 was placed on the Sixth order on the calendar.

25.0152.01001
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

February 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1008

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public service
2 commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota
3 Century Code, relating to the salaries of the public service commissioners and deposits of
4 special fuels excise taxes; and to provide loan authorization.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the public service commission for the purpose of defraying the expenses of the
10 public service commission, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------------|-------------------|--|----------------------|
| 14 Salaries and wages | \$11,026,304 | \$0 | \$11,026,304 |
| 15 Operating expenses | 2,205,487 | 0 | 2,205,487 |
| 16 Capital assets | 25,000 | 0 | 25,000 |
| 17 Grants | 20,000 | 0 | 20,000 |
| 18 Abandoned mined lands contractual | 6,000,000 | 0 | 6,000,000 |
| 19 services | | | |

Sixty-ninth
Legislative Assembly

| | | | | |
|----|-----------------------------------|--------------|-------------|--------------|
| 1 | Rail rate complaint case | 900,000 | 0 | 900,000 |
| 2 | Railroad safety program | 672,206 | 0 | 672,206 |
| 3 | Specialized legal services | 420,000 | 0 | 420,000 |
| 4 | Total all funds | \$21,268,997 | \$0 | \$21,268,997 |
| 5 | Less other funds | 13,779,645 | 0 | 13,779,645 |
| 6 | Total general fund | \$7,489,352 | \$0 | \$7,489,352 |
| 7 | Full-time equivalent positions | 45.00 | 0.00 | 45.00 |
| 8 | Salaries and wages | \$11,026,304 | \$1,108,083 | \$12,134,387 |
| 9 | New and vacant FTE pool | 0 | 265,735 | 265,735 |
| 10 | Operating expenses | 2,205,487 | 417,167 | 2,622,654 |
| 11 | Capital assets | 25,000 | 205,000 | 230,000 |
| 12 | Grants | 20,000 | 0 | 20,000 |
| 13 | Abandoned mined lands contractual | 6,000,000 | 0 | 6,000,000 |
| 14 | services | | | |
| 15 | Rail rate complaint case | 900,000 | 0 | 900,000 |
| 16 | Railroad safety program | 672,206 | 41,024 | 713,230 |
| 17 | Specialized legal services | 420,000 | (19,834) | 400,166 |
| 18 | Total all funds | \$21,268,997 | \$2,017,175 | \$23,286,172 |
| 19 | Less other funds | 13,779,645 | 454,823 | 14,234,468 |
| 20 | Total general fund | \$7,489,352 | \$1,562,352 | \$9,051,704 |
| 21 | Full-time equivalent positions | 45.00 | 0.00 | 45.00 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

| 27 | <u>One-Time Funding Description</u> | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|----|-------------------------------------|---------------------|--------------------|--------------|
| 28 | Drone imaging technology | \$5,580 | \$149,420 | \$155,000 |
| 29 | Federal intervention funding | 250,000 | 0 | 250,000 |
| 30 | Total | \$255,580 | \$149,420 | \$405,000 |

1 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
2 public service commission may not spend funds appropriated in the new and vacant FTE pool
3 line item in section 1 of this Act, but may request the office of management and budget to
4 transfer funds from the new and vacant FTE pool line item to the salaries and wages and
5 railroad safety program line items in accordance with the guidelines and reporting provisions
6 included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

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8 service commission may obtain a loan from the Bank of North Dakota for costs associated with
9 a rail rate complaint case. The loan may not exceed \$900,000, and the interest rate associated
10 with the loan must be the prevailing interest rate charged to North Dakota governmental
11 entities. The public service commission shall repay the loan from amounts available from
12 damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint
13 case. If moneys anticipated to be available on June 30, 2027, are not sufficient to repay the
14 loan, the public service commission may request a deficiency appropriation from the legislative
15 assembly to repay the loan.

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

18 **49-01-05. Salary of commissioners.**

19 The annual salary of a commissioner is ~~one hundred thirty thousand dollars through~~
20 ~~June 30, 2024, and one hundred thirty-five thousand two hundred one hundred thirty-nine~~
21 ~~thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three~~
22 ~~thousand four hundred thirty-four dollars thereafter.~~ All fees received or charged by any
23 commissioner for any act or service rendered in any official capacity must be accounted for and
24 paid over by the commissioner monthly to the state treasurer and must be credited to the
25 general fund of the state.

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27 amended and reenacted as follows:

28 **57-43.2-19. Transfer, deposit, and distribution of funds.**

29 All taxes, license fees, penalties, and interest collected under this chapter must be
30 transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund,
31 except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section

Sixty-ninth
Legislative Assembly

- 1 | 57-43.2-03 of up to three hundred thirty-two thousand three hundred twenty-seven
- 2 | hundred fifty-two thousand eight hundred ninety-two dollars per year must be transferred to the
- 3 | state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution
- 4 | fund must be distributed in the manner as prescribed by section 54-27-19.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Public Service Commission - House Action

| | Base Budget | House Changes | House Version |
|-----------------------------------|---------------------|--------------------|---------------------|
| Salaries and wages | \$11,026,304 | \$1,108,083 | \$12,134,387 |
| New and vacant FTE pool | | 265,735 | 265,735 |
| Operating expenses | 2,205,487 | 417,167 | 2,622,654 |
| Capital assets | 25,000 | 205,000 | 230,000 |
| Grants | 20,000 | | 20,000 |
| Abandoned mined lands contractual | 6,000,000 | | 6,000,000 |
| Rail rate complaint case | 900,000 | | 900,000 |
| Railroad safety program | 672,206 | 41,024 | 713,230 |
| Specialized legal services | 420,000 | (19,834) | 400,166 |
| Total all funds | \$21,268,997 | \$2,017,175 | \$23,286,172 |
| Less estimated income | 13,779,645 | 454,823 | 14,234,468 |
| General fund | \$7,489,352 | \$1,562,352 | \$9,051,704 |
| FTE | 45.00 | 0.00 | 45.00 |

Department 408 - Public Service Commission - Detail of House Changes

| | Adjusts Base Budget Funding ¹ | Adds Funding for Cost to Continue Salaries ² | Adds Funding for Salary and Benefit Increases ³ | Adds Funding to Replace 2023-25 New and Vacant FTE Pool ⁴ | Transfers Funding for 2025-27 New and Vacant FTE Pool ⁵ | Adds Funding for Operating Costs ⁶ |
|-----------------------------------|--|---|--|--|--|---|
| Salaries and wages | (\$174,866) | \$151,844 | \$696,806 | \$795,986 | (\$361,687) | |
| New and vacant FTE pool | | | | | 265,735 | |
| Operating expenses | (87,973) | | | | | \$255,140 |
| Capital assets | | | | | | |
| Grants | | | | | | |
| Abandoned mined lands contractual | | | | | | |
| Rail rate complaint case | | 9,606 | 34,016 | 15,336 | (17,934) | |
| Railroad safety program | | | | | | |
| Specialized legal services | (19,834) | | | | | |
| Total all funds | (\$282,673) | \$161,450 | \$730,822 | \$811,322 | (\$113,886) | \$255,140 |
| Less estimated income | (282,673) | 18,945 | 296,009 | 264,504 | (46,007) | 4,625 |
| General fund | \$0 | \$142,505 | \$434,813 | \$546,818 | (\$67,879) | \$250,515 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds Federal Funding for Drone Purchase ⁷ | Adds One-Time Funding ⁸ | Total House Changes |
|-----------------------------------|--|------------------------------------|---------------------|
| Salaries and wages | | | \$1,108,083 |
| New and vacant FTE pool | | | 265,735 |
| Operating expenses | | \$250,000 | 417,167 |
| Capital assets | \$50,000 | 155,000 | 205,000 |
| Grants | | | |
| Abandoned mined lands contractual | | | |
| Rail rate complaint case | | | 41,024 |
| Railroad safety program | | | |
| Specialized legal services | | | (19,834) |
| Total all funds | \$50,000 | \$405,000 | \$2,017,175 |
| Less estimated income | 50,000 | 149,420 | 454,823 |
| General fund | \$0 | \$255,580 | \$1,562,352 |
| FTE | 0.00 | 0.00 | 0.00 |

¹ Funding is adjusted for estimated changes in federal funds and other budget adjustments.

² Funding is added for cost to continue 2023-25 biennium salary increases.

³ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|---------------------------|-------------------------|------------------------|----------------|
| Salary increase | \$274,922 | \$185,662 | \$460,584 |
| Health insurance increase | <u>159,891</u> | <u>110,347</u> | <u>270,238</u> |
| Total | \$434,813 | \$296,009 | \$730,822 |

⁴ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|----------------------|-------------------------|------------------------|----------------|
| Vacant FTE positions | \$181,788 | \$125,902 | \$307,690 |
| New FTE positions | <u>365,030</u> | <u>138,602</u> | <u>503,632</u> |
| Total | \$546,818 | \$264,504 | \$811,322 |

⁵ Funding of \$379,621 is removed for estimated savings from vacant 2025-27 FTE positions and \$265,735 is added for a new and vacant FTE pool line item resulting in net savings of \$113,886.

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|------------------------|-------------------------|------------------------|----------------|
| Vacant FTE positions | (\$226,262) | (\$153,359) | (\$379,621) |
| Funding pool line item | <u>158,383</u> | <u>107,352</u> | <u>265,735</u> |
| Net savings | (\$67,879) | (\$46,007) | (\$113,886) |

⁶ Funding is added for the following operating costs:

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|------------------------------------|-------------------------|------------------------|----------------|
| Information technology costs | \$64,692 | \$0 | \$64,692 |
| Increased rent and operating costs | <u>185,823</u> | <u>4,625</u> | <u>190,448</u> |
| Total | \$250,515 | \$4,625 | \$255,140 |

⁷ Federal capital assets funding is added for the purchase of a drone.

⁸ One-time funding is added for the following items:

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|---------------------------------|-------------------------|------------------------|----------------|
| Drone remote sensing technology | \$5,580 | \$149,420 | \$155,000 |
| Federal intervention funding | <u>250,000</u> | <u>0</u> | <u>250,000</u> |
| Total | \$255,580 | \$149,420 | \$405,000 |

House Bill No. 1008 - Other Changes - House Action

This amendment also:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item.
- Amends Section 49-01-05 providing 3 percent annual salary increases for the Public Service Commissioners.
- Amends Section 57-43.2-19 increasing the amount of special fuels excise taxes deposited in the rail safety fund.

2025 SENATE APPROPRIATIONS

HB 1008

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1008
3/11/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salaries of the public service commissioners and deposits of special fuels excise taxes; and to provide loan authorization.

2:32 p.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Agency duties and overview
- One-time funding - current biennium
- Drone for reclamation and Abandoned Mine Lands
- Weights and Measures equipment
- Major funding components in base budgets
- Funding sources
- Organizational changes/employee retention and development
- New and Vacant FTE (full-time-employee) Pool
- Summary of PSC budget requests
- Funding for Federal intervention and overreach
- Professional development for staff
- Cost to Continue State Provided Services
- Capital assets - drone and LiDAR imaging technology
- Weights and measures large-scale inspector FTE
- Regional Electrical Transmission Organizations (RTO) influences
- Nuclear power and spent-fuel permanent storage
- Rail rate complaint case budget line

2:33 p.m. Randy Christmann, Chair, ND Public Service Commission (PSC), testified in favor, submitted testimony #40522 and #40652 and answered committee questions.

3:25 p.m. Sheri Haugen-Hoffart, Commissioner, ND PSC, testified in favor.

3:39 p.m. Brady Larson, Assistant Legislative Budget Analyst, answered a budget question and submitted testimony #40628.

3:41 p.m. Sheri Haugen-Hoffart responded to a committee question.

3:44 p.m. Randy Christmann answered committee questions.

Senate Appropriations Government Operations Division
HB 1008
3/11/2025
Page 2

3:45 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

House Bill 1008

Presented by: Randy Christmann, Chair
Public Service Commission

Before: Senate Appropriations Committee,
Government Operations Division
Terry Wanzek, Chairman

Date: March 11, 2025

TESTIMONY

Mr. Chair and members of the committee, I'm Commissioner Randy Christmann, Chair of the Public Service Commission, here to present our 2025-2027 biennial budget request. Commissioner Sheri Haugen-Hoffart is also in attendance today and available for any questions you may have. Commissioner Jill Kringstad unfortunately was scheduled to attend a MISO meeting and is not able to be here today. Thank you for the opportunity to present our budget bill and explain why we feel it benefits the State of North Dakota. I look forward to answering any questions you may have at the end of my testimony.

Introductions and Responsibilities:

The Public Service Commission (PSC) is a constitutional agency with varying degrees of statutory authority over the following areas:

- Coal mining and reclamation;
- Abandoned mine lands;
- Siting of energy conversion, transmission and generation facilities;

- Regulation of electric, gas and telephone public utilities;
- Pipeline safety of intrastate natural gas pipelines;
- Damage prevention (enforcement of the One-Call Law);
- Commercial scales and measuring devices;
- Railroad safety.

Attachment A will provide you with a summary of each program, including citations to the applicable North Dakota Century Code chapter(s) associated with that program, major statutory responsibilities, and current biennium accomplishments.

The work at the Commission continues at a brisk pace. This biennium to date we have sited 339.4 miles of pipelines, 68.6 miles of electric transmission lines, and 462.26 MW of wind generation. This represents more than \$5.08 billion of economic investment in North Dakota. Biennium to date, the PSC has received four general utility rate cases, three of which have been completed. We also review on an annual basis rate riders where each of the electric Investor-Owned Utilities (IOUs) recover expenses for transmission, generation and renewable resource investments.

The Reclamation Division currently has more than 137,000 acres permitted for mining activities. During the current biennium, more than 6,000 acres were added to existing permit areas. There are 6 active surface coal mining operations (4 lignite and 2 leonardite mines) and one coal mine in reclamation operating in the state. To date, approximately 18,860 acres have received final bond release and the Commission's jurisdiction has ended. The Abandoned Mine Lands

Program completed 8 projects, and 183 dangerous sinkholes were filled in the past two years in the following counties: Adams, Bowman, Golden Valley, McLean, Mercer, Morton, Stark, and Williams. Total cost for filling the sinkholes was more than \$137,000.

The PSC's coal regulatory and Abandoned Mine Lands programs continue to receive excellent annual evaluation reports from the federal Office of Surface Mining Reclamation and Enforcement (OSMRE), which concluded that no issues or concerns were raised. In their report they stated that the Reclamation Division "continues to implement the program in a professional, cooperative, and fair manner. The NDPSC has the necessary technical expertise for carrying out its functions to ensure that all requirements of SMCRA are met."

In their report of the AML Program, OSMRE stated that "the state administers an excellent program in full compliance with their approved plan." Additional statements included "The NDPSC continues to administer an efficient and successful AML program. These projects have reduced the likelihood of death or injury to property owners and the public."

Our Compliance Division continues to educate about the importance of Call Before You Dig and has received 47 complaints and processed 27 complaints for this biennium to date, which resulted in \$38,200 in fines which were deposited into the general fund. The Weights and Measures Program oversees more than 20,500 commercial weighing devices in the state. They have inspected over 4,600 devices and also verify the work of commercial testers. The Rail Safety Program fielded complaints and intervened on behalf of 23 communities and citizens on rail-related

issues this biennium to date. This biennium to date, rail safety inspectors have conducted more than 500 inspections.

The following information provides details regarding the PSC's budget priorities for the upcoming biennium.

2021-23 Audit Findings:

The Commission's 2021-23 audit did not identify any areas of concern. This is the second consecutive audit with no findings.

Federal Recovery Funding:

The Commission did not receive any federal recovery funding from the November 2021 special legislative session.

One-Time Funding-Current Biennium:

Indirect Cost Recovery:

The PSC has an indirect cost agreement with the federal government that allows the agency to negotiate an indirect cost percentage and apply this percentage to federal salary and benefit costs involving the Reclamation, AML and Pipeline Safety programs. This indirect cost recovery is used to support employee salary costs for critical positions that support the entire agency, which subsequently reduces the need for general funds. This indirect cost agreement is based on actual expenditures negotiated every two years.

Our indirect cost agreement in the 2023-25 budget had a 4% rate reduction due to staff turnover in the preceding biennium, which led to additional general fund needs of approximately \$101,700 to support base salaries of current staff. We are using this funding to support base payroll, especially in light of the underfunding and existence of the new/vacant FTE pool.

Drone for Reclamation and AML:

In the 2023-25 budget we requested \$20,000 to purchase a drone that would be used by two divisions at the PSC: the Reclamation Division and the Abandoned Mine Lands Division. The Reclamation Division could use the drone when mine access is restricted or hazardous, to create timely aerial imagery when adding acres to a new or existing permit, at bond release, at end of the year, or for landowner complaints about land impacts. It would also be useful to create timely digital surface models (DSM)s to estimate mine reclamation progress, estimate earthwork volumes, identify surface water flow paths, identify surface water ponding, and find erosional features.

The Abandoned Mine Lands (AML) division would use the drone to inspect areas where access is limited or terrain presents challenges on foot. Images collected can be used to make maps, monitor progress and collaborate with other AML staff, contractors, landowners, other agencies, and the public. Autonomous flight missions would allow AML to create digital elevation models of existing ground conditions much faster than traditional survey methods. This would help

AML compute earthwork volumes more efficiently and accurately for reclamation projects.

When we began the procurement process to purchase a drone the federal government announced a new grant with additional federal funding through the Bipartisan Infrastructure Law (BIL). The BIL funds provide financial and technical assistance necessary to maximize data enhancements and use of the enhanced AML Inventory System. The amount allocated to North Dakota is just under \$300,000. As a result of this available funding, we re-evaluated and researched the equipment available. We did not use any of this funding; however, we are requesting additional equipment funding this biennium to use this federal grant. This is discussed in more detail later in this testimony.

Weights and Measures Equipment:

The Commission received \$70,000 to purchase a prover trailer to allow the PSC's Weights and Measures Program to test high-flow devices, verify the work of registered service companies or technicians who certify high-flow diesel dispensers, or respond to complaints on these devices. This equipment was purchased and delivered in Dec. 2024.

Copier Replacement:

The Commission replaced a copier purchased in June 2015. A new copier was purchased in 2023.

Major Funding Components in the Base Budget (2023-25):

The following line items make up the major components of our base level. These amounts are based on our original appropriation for the 2023-25 biennium and do not include any appropriation adjustments for OMB equity, retirement contributions, or requests from the new/vacant FTE pool:

| Appropriation | General Funds | Federal Funds | Special Funds | TOTAL |
|-----------------------------|--------------------|---------------------|--------------------|---------------------|
| Salaries and Wages | \$5,832,193 | \$4,464,833 | \$625,000 | \$10,922,026 |
| Operating | \$1,578,717 | \$501,770 | \$125,000 | \$2,205,487 |
| Capital Assets | \$106,800 | 18,200 | | \$125,000 |
| Grants | | \$20,000 | | \$20,000 |
| AML Contractual | | \$6,000,000 | | \$6,000,000 |
| Rail Rate Complaint Case | | | \$900,000 | \$900,000 |
| Railroad Safety Program | | \$20,000 | \$649,318 | \$669,318 |
| Specialized Legal Services* | \$20,000 | \$400,000 | | \$420,000 |
| TOTAL | \$7,537,710 | \$11,424,803 | \$2,299,318 | \$21,261,831 |

*Federal funds are only available for rare and specific federal cases and must be approved by the applicable federal agency. As a result, the Commission relies on state general fund appropriation for this line item.

Self-Funding:

During the 2021-23 biennium, the Legislature implemented a self-funding model at our agency to self-fund a portion of our Public Utility and Weights and Measures Divisions. The total amount budgeted to be self-funded is \$625,000 and is made up of fixed and variable funding sources. Last biennium, the Legislature modified the requirements for the siting administration fee by doubling the fee per \$1 million of investment and doubling the maximum cap to \$50,000. The Legislature also allowed us to keep \$60,000 in turn back and transfer it into our

self-funding. As you can see from the following report, these changes implemented by the Legislature were very helpful.

Variable Funding Sources (as of Jan. 31, 2025):

| | 23-25 Revenue as of Jan. 31, 2025 | 23-25 Biennium to Date Budget | Difference | Total Budget |
|------------------------------------|--|----------------------------------|------------|--------------|
| Interest | 2,260 | | | |
| W&M - Scale Inspection Fees | 126,038 | | | |
| W&M - Registered Service Companies | 22,050 | | | |
| Total W&M | 148,088 | 138,542 | 9,547 | 175,000 |
| Siting Admin. Fee | 293,393 | 118,750 | 174,643 | 150,000 |

Siting Administration Fee Revenue (as of Jan. 31, 2025):

| Siting Admin. Revenue | | |
|---|-----------|------------------|
| Project | Case | Amount Collected |
| Wildrose Pipeline Co/Hawthorn Oil Transfer | PU-23-287 | 600 |
| 200 MW Oliver Wind IV Energy | PU-23-317 | 50,000 |
| Cerilon GTL ND | PU-23-325 | 50,000 |
| Oliver Wind 345kv Trans. Line - Oliver/Mercer | PU-23-318 | 9,000 |
| Basin Electric 345kv Trans. Line - Williams Co | PU-23-338 | 6,200 |
| DGC Transfer - Corridor #223, Route #233 | PU-23-347 | 5,000 |
| Basin Electric 345kv Trans-Dunn/McKenzie | PU-23-361 | 14,800 |
| Caliber ND LLC - Transfer Certs & Permits | PU-24-79 | 1,513 |
| Thunder Butte Pipeline | PU-24-86 | 3,920 |
| Missouri River Pipeline Crossing-Williams/McKenzie | PU-24-311 | 640 |
| Milton R. Young Transmission Line Reroute - Oliver | PU-24-321 | 640 |
| Flickertail Solar Project | PU-24-351 | 50,000 |
| Basin 345kv Mercer-McLean-Ward-Mountrail-Williams Cty | PU-24-361 | 50,000 |
| MN Power & Light HVDC Modernization Project - Oliver County | PU-24-381 | 50,000 |
| GRE - HVDC Modernization Project - Oliver County | PU-24-382 | 1,080 |
| | | 293,393 |

Fixed Funding Sources:

The PSC will receive \$300,000 per biennium from an economic regulation assessment that is proportionally assessed based on each electric and gas utility's respective gross operating revenues from the retail sale of gas and electric service within the state.

Self-Funding Status (as of Jan. 31, 2025)

| | |
|-------------------------------|-----------|
| Funds collected this biennium | \$668,740 |
| Self-Funding budget | \$625,000 |

Strategic Organizational Changes/Employee Retention and Development:

In the past decade, the PSC has undergone significant reorganization in order to meet the increasing demands of the industries we regulate. This includes the utility industries that are undergoing major transformations driven by new technology, aging infrastructure and policy changes, as well as the significant growth of North Dakota's oil and gas industry. Our agency has worked hard to meet these needs by restructuring staff, increasing the use of technology, and improving administrative efficiencies.

We consolidated weights and measures, rail safety, pipeline safety, damage prevention and risk management under one Compliance Division, which allows for a more efficient and effective approach to regulatory enforcement and compliance with these programs. In addition, the director of economic regulation position was eliminated and we organized our Public Utilities Division under one

director. We have also streamlined our administrative group to better align and serve our newly organized divisions.

Our licensing jurisdiction has also seen significant changes with the grain licensing program moving to the Dept. of Agriculture and the auctioneer/auction clerks licensing program deregulating and now registering with the Secretary of State's Office.

As we look forward, the state is projecting to have historic turnover in the next five years, resulting in loss of efficiency and critical institutional knowledge. However, due to numerous retirements of long-term employees, the PSC is already ahead of this turnover trend. Since Jan. 2019, 85 percent of PSC employees are new or have been hired into a new or expanded role. It has been a challenge to manage this turnover while maintaining the level of service expected throughout all our programs and finding a way to effectively pass on institutional knowledge. This places an increased burden on experienced staff who spend a large portion of their time training and mentoring new employees while still performing their full-time job duties. Sadly, there are limited ways to recognize and compensate veteran employees for their increased workload.

Recruitment has also been a tremendous challenge as current state compensation levels are drastically behind the private sector. This is compounded due to the energy industry interacting with and competing for many of our people. Many positions at the Commission are extremely technical and specialized with a limited applicant pool to draw from. Fortunately, our current employees have been strong advocates for our agency and have helped us recruit a number of key

individuals to fill our vacant positions. However, often we have had to provide new hires the same or higher compensation as current employees. This has led to several equity problems throughout our agency. The equity package provided by the Legislature last session resolved some of these issues, but we are still experiencing inequity at our agency for positions HRMS has designated as hard-to-fill/hard-to-retain.

We've been fortunate to have hired excellent recruits and built a positive agency culture. New staff's limited experience will require extensive training to be as effective and efficient as previous employees with many years of experience. We are grateful that the Legislature has recognized the importance of professional development for staff by providing funding for training now and in the future.

The PSC hit a significant milestone in April 2024 when we achieved full employment. One vacancy was created when Governor Armstrong appointed a new Commissioner in January, but we expect to have that position filled prior to the upcoming biennium. With limited vacancies currently at our agency, we anticipate minimal salary savings and turn back in the future. This makes the existence and underfunding of the new/vacant FTE pool especially concerning to our agency. We take great pride in managing our budget responsibly and have serious concerns about the public perception of a deficiency appropriation that leaves the impression the Commission overspent our budget. While we have concerns about the new/vacant FTE pool, if the Legislature wishes to continue utilizing this concept, we would request a process that allows elected officials the ability to recover the full amount of funding removed from budgets for the

new/vacant FTE pool without a deficiency appropriation and are willing to work with the committee on the best options to achieve this.

One of the challenges of having a fully staffed agency with many new employees is building a positive and impactful culture. We were very pleased with the results of the 2023 Gallup employee engagement survey, which showed our agency scored well over the average mean for employee satisfaction. Information about those results is included as an attachment on page 26.

Maintaining professional, trained staff and minimizing turnover whenever possible is critical to the smooth functioning of our agency. Competitive salary and benefit packages are a key part of recruitment and retention. The Commission is supportive of Governor Armstrong's proposed compensation increases for employees and would encourage the Legislature to consider even higher salary increases to keep up with inflation.

Summary of PSC Budget Request:

23-25 Vacant FTE funding pool and NDIT rate increases:

Engrossed HB 1008 makes significant strides toward meeting our needs. As I explain our requests, you will see the current status of each.

Our first request was for restoration of the 2023-25 Vacant FTE funding. Engrossed HB 1008 restores this funding. We are also requesting funding for NDIT rate increases. The total NDIT increases for our agency are approximately 29.5 percent. Engrossed HB 1008 includes the additions for NDIT rate increases.

Cost to Continue Salary Increases:

Our second request was to cover costs to continue salary increases.

Engrossed HB 1008 covers the cost to continue salary increases for the 2025-27 biennium.

Federal Intervention Funding:

The Commission continues to see overreach from federal agencies such as the Federal Energy Regulatory Commission (FERC), the federal Environmental Protection Agency (EPA), and Department of Interior. The Commission continues to increase engagement on rulemaking and litigation with federal agencies to ensure reliable, safe, secure, and efficient economical energy for consumers at a reasonable cost. We need to ensure we have adequate resources to review and identify the critical issues negatively impacting North Dakota and actively engage in protecting North Dakota from federal agency overreach. This is essential and requires early and aggressive intervention, comments, and litigation under extremely short time constraints. State Utility Commissions have a special standing during FERC proceedings.

It is essential the Commission intervene on federal litigation to ensure North Dakota's interests and voices are being heard in the discussions on energy generation mix, resource planning and pricing, and grid reliability. In order to make a convincing legal case, we need the resources to hire consultants and legal contractors with subject matter expertise.

Last biennium, the Legislative Assembly supported our efforts to engage at FERC by providing money to hire a contractor. We expect to expend all of the money allocated by the Legislature on two cases. We are requesting to expand the use of the current funding for other federal interventions in addition to FERC, as well as requesting additional funding. We initially requested a base budget increase of \$380,000. Engrossed HB 1008 provided one-time funding in the amount of \$250,000. We are requesting the original \$380,000, which is an increase of \$130,000 over Engrossed HB 1008.

Professional Development for Staff:

We are requesting additional funding for professional development and travel costs associated with professional development for our staff. The agency had reached full employment and 83% of the agency has less than 10 years of experience. The Commission is comprised of highly technical and hard-to-fill positions such as economists, engineers, scientists, accountants and attorneys. We need adequate resources to train and retain our current staff. We requested a base budget increase of \$25,000. The House did not include any additional funding as requested. We continue to support our initial request of \$25,000.

Targeted Equity:

The Commission received some equity funding in the 23-25 biennium that was distributed and solved most of the equity issues in the agency. However, we still have a few areas that are designated by HRMS as hard-to-fill, hard-to-retain

positions which require equity. Some of these employees were not eligible for the prior equity allocation from the Legislature due to their probationary status as a new employee. In the past, we could have addressed these issues through normal agency salary administration if we were not underfunded due to the new/vacant FTE pool. The loss of agency flexibility to appropriately manage our salary funding has had a negative impact on our staff. The House did not include funding for this request. We requested \$40,000 and continue to support this request.

Cost to Continue State Provided Services:

This includes costs to cover increases for services from other state agencies including NDIT, DOT motor pool, and OMB facilities rent.

- NDIT Increases: Costs to cover the projected NDIT rate increases not covered in the OMB base budget.
- DOT Motor Pool: Costs to cover the projected state fleet increases related to our Weights and Measures Program.
- OMB Facilities Rent: Costs to cover the projected rent increases at the state capitol complex. This includes a 5% increase in office space rental and 46% increase in storage space rental. (The amount of space we are renting has not increased.)

The PSC has numerous inspectors who frequently travel across the state performing testing, inspection, quality assurance and enforcement duties. The travel costs in these program areas are higher due to the overnight lodging, meals and state fleet costs. The Commission has done their best to absorb inflationary

increases associated with travel in their budget and has not submitted a budget request since the oil boom in the 2015-17 biennium. We are at full employment in our inspection programs and are requesting inflationary increases for costs associated with inspector travel including lodging and per diem. The requested amounts were included in Engrossed HB 1008.

There are also anticipated increases for postage and OMB Central Supply; however, the Commission will absorb those costs and is not requesting additional funding for those services.

Capital Assets:

The Commission currently has no base funding to purchase federal capital assets. This means if we receive funding through our existing federal grant programs, we are unable to purchase any equipment. This appropriation would give us the ability to use federal grant funding to purchase equipment for federal programs in a more timely and cost effective manner.

As previously mentioned, our initial purchase would be a drone that would be beneficial to two divisions at the PSC. The Reclamation division could use the drone when mine access is restricted or hazardous, to create timely aerial imagery when adding acres to a new or existing permit, at bond release, at end of the year, and for landowner complaints about land impacts. It can also be used to create timely digital surface models (DSM)s to estimate mine reclamation progress, estimate earthwork volumes, identify surface water flow paths, identify surface water ponding, and find erosional features.

The Abandoned Mine Lands (AML) division would use the drone to inspect areas where access is limited, or terrain presents challenges on foot. Images collected can be used to make maps, monitor progress and collaborate with other AML staff, contractors, landowners and the public. Autonomous flight missions would allow AML to create digital elevation models of existing ground conditions much faster than traditional survey methods. This would help AML compute earthwork volumes more efficiently and accurately for reclamation projects.

The model of drone will need to be a U.S. Department of Defense cleared drone. The Commission explored the option of a cooperative purchase; however, due to federal grant requirements, we are prohibited from sharing with other agencies as it must be used for a specific federal program. This funding was included in Engrossed HB 1008.

Weights and Measures Large-Scale Inspector:

Currently, the Commission has one large-scale inspector in the Weights and Measures Program to provide quality assurance on large scales (i.e. truck scales, large platform scales, livestock scales, hopper scales) in the entire state. If the large-scale inspector position is vacant, we are 0% effective and cannot respond to complaints. This position is hard to fill as it requires a CDL license. The average growth of large-scale devices in the state is approximately 6% per biennium over the last decade. As the number of large-scale devices continues to grow, we are capped at the number of large scales we can test due to drive time and only one inspector.

This position would allow more comprehensive oversight of scales certified by private service providers to ensure scales used for commerce are fair and accurate to the consumer and business, as well as being useful in interstate commerce.

We are requesting one FTE, salary and benefit costs, plus operating funding for lodging, per diem, DOT motor pool costs, training, uniforms, and metrology certification of equipment. NDDOT would also be responsible for providing a vehicle for this inspector. The funding was not included in Engrossed HB 1008. We requested \$356,540 for this position and continue to support this request.

One-Time Funding Requests:

LiDAR Technology:

In December 2023, the Office of Surface Mining Reclamation and Enforcement (OSMRE) issued a notice of funding opportunity for federal grant money to provide states with financial and technical assistance necessary to maximize data enhancements and the use of the enhanced Abandoned Mine Lands Inventory System. The intention is to improve overall engineering and survey collection processes, site integrity, accuracy and reliability in the system and to address anticipated growth of the inventory, field reconnaissance activities and the use of technologies to efficiently collect site detail. The Commission is proposing to purchase a drone and LiDAR imaging technology. This is one-time funding to purchase the imaging technology to be carried by the drone discussed

in the federal capital asset funding request. This funding was included in Engrossed HB 1008.

**Comparison of Major Budget Requests to
House Recommendation (one-pager)**

| Description | House's Recommendation | Comments |
|--|-------------------------------|--|
| Cost to Continue Salary Increases | Included | Costs to continue salary increases provided by the 68 th Legislative Assembly |
| Federal Intervention Funding | Partially Included | Amount was reduced from \$380,000 to \$250,000 and moved to One-time Funding |
| Professional Development for Staff | Not Included | Training to further ND's interests and development of new staff |
| Targeted Equity | Not Included | Hard-to-fill, hard-to-retain positions which require equity |
| Cost to Continue State Provided Services | Included | Costs to cover increases for services from other state agencies, including NDIT, DOT motor pool and OMB facilities rent. (NDIT costs of \$26,719 included initially on Decision Package 5 was moved and included as IT Cost line item by Legislative Council.) |
| Capital Assets | Included | Appropriation authority to purchase federal equipment |
| LiDAR Technology | Included | One-time funding to purchase federal equipment |
| Weights and Measures Large-Scale Inspector | Not Included | Funding for additional Weights and Measures inspector, including travel costs |

Requested Changes to Engrossed HB 1008 (one-pager)

The Commission requests the following changes to Engrossed

HB 1008:

- Additional \$130,000 for Federal Intervention Funding
- Funding for Professional Development – \$25,000
- Funding for Targeted equity – \$40,000
- Funding for Weights and Measures Large-Scale Inspector – \$356,540
- 25-27 New/Vacant FTE pool - Engrossed HB 1008 removed \$379,621 from our salaries and wages for the 25-27 New/Vacant FTE pool. Of this amount, only \$265,735 is returned to our budget in the New/Vacant FTE pool line. This leaves us underfunded in our salary line by \$113,886. We anticipate that the agency will be fully staffed for the majority of the 2025-27 biennium and will achieve minimal, if any, savings from vacant positions. Should this be accurate, we would be short \$113,886 which would result in a statewide elected official having to request a deficiency appropriation from the legislature to maintain currently authorized staffing levels. This deficiency appropriation is an indication to the general public that the agency has failed to properly manage its finances during the biennium. As mentioned above, we need full access to the amount that has been removed from our budget and are willing to work with the committee on the best options to achieve this.

SUMMARY:

The Commission has been able to operate a very lean and effective budget for the current biennium during a time of ongoing and in many ways unprecedented change locally, regionally and nationally in the industries we regulate. Challenges in the oil and gas and coal mining and reclamation industry are constant. That, combined with the revolution occurring in the electric industry of differing generation resources and increasing power needs, demands that we have a strong and able staff. We need staff who are high-quality professionals who can be full players advocating in multistate and federal arenas for the interests of North Dakota citizens and rate payers.

We strive for continual improvement and innovation in our agency. We embrace technology and are constantly seeking ways to be more responsive to the public and the industries we regulate, to recognize the burden we place on business and reduce unnecessary red tape, while also recognizing the important oversight role North Dakota citizens count on us to fulfill.

This budget proposal continues our tradition of operating efficiently while offering innovative solutions to the constant challenges we face. We appreciate all the work the House did on Engrossed HB 1008. We stand ready to work with you in the coming weeks and months to design the best possible budget solution for the Public Service Commission. Thank you Mr. Chair and I look forward to answering questions from you and your committee.

Additional Requested information:

Agency Collections:

General Fund Collections:

- Various fines – The Commission has the authority to assess fines for noncompliance with laws and rules. No anticipated changes in 2023-25 biennium or upcoming 2025-27 biennium.
- Fees assessed for new coal mining permits – No anticipated changes in the current or upcoming biennium.

Current Biennium Appropriation Compared to Next Biennium Recommendations

| Appropriation | Current 2023-25 Biennium Appropriation | 2025-27 Governor Burgum's Recommendation | 2025-27 Governor Armstrong's Recommendation | 25-27 House Recommendation |
|-------------------------------------|--|--|---|-------------------------------|
| Salaries and Wages | \$11,796,655.96 | \$12,594,003 | \$12,496,074 | \$12,134,387 |
| New and vacant FTE pool | | | | \$265,735 |
| Operating Expenses | \$2,205,487 | \$2,697,654 | \$2,500,112 | \$2,622,654 |
| Capital Assets | \$125,000 | \$230,000 | \$230,000 | \$230,000 |
| Grants | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Abandoned Mine Lands Contractual | \$6,000,000 | \$6,000,000 | \$6,000,000 | \$6,000,000 |
| Rail Rate Complaint Case | \$900,000 | \$900,000 | \$900,000 | \$900,000 |
| Railroad Safety Program | \$672,206 | \$736,080 | 731,164 | \$713,230 |
| Specialized Legal Services | \$420,000 | \$400,166 | \$400,166 | \$400,166 |
| FTEs | 45 | 45 | 45 | 45 |
| General Funds | \$8,128,631 | \$9,255,954 | \$8,997,041 | \$9,051,704 |

*Note: Current Biennium Appropriations include 7 adjustments from the original appropriation

New Positions/Employee Turnover/Vacant Positions

New Positions:

The 68th Legislative Assembly provided our agency with two additional FTE positions. Both positions are highly technical and required multiple job postings (two for the electrical engineer and six for the environmental scientist specializing in range/cropland) before we were able to fill the positions. Our persistence and patience paid off and both positions are currently filled by highly-skilled individuals. Engrossed HB 1008 adds back in the 23-25 new/vacant FTE pool funding for these positions moving forward as approved by the 68th Legislative Assembly. The two positions are listed for you in the following chart:

| Position | Hire Date | Funding Appropriated | FTE Pool Transfer | Est. Cost for 23-25 Biennium |
|---------------------|-----------|----------------------|-------------------|------------------------------|
| Electrical Engineer | 11/8/2023 | \$287,068 | \$239,582 | \$239,582 |
| Environ. Scientist | 2/12/2024 | \$216,564 | \$175,091 | \$175,091 |

Agency Vacancy Savings (as of Jan. 31, 2025)

A spreadsheet showing our agency's vacancy savings is shown on the next page.

P.S.C

Correct version of pg 25

HB 1008 3-11-25

Agency Vacancy Saving Worksheet

Business Unit number: 40800

Business Unit name: Public Service Commission

Reporting Period: July 23 - January 25

| Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Cumulative Total |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|

| | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|-----|-----|-----|-----|-----|-----|-----|--------|---------|
| Est. Vacancy Savings | 54,637 | 48,498 | 41,494 | 27,893 | 29,581 | 24,854 | 30,435 | 26,212 | 20,372 | 10,098 | 426 | 426 | 426 | 426 | 426 | 426 | 426 | 426 | 11,549 | 329,033 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|-----|-----|-----|-----|-----|-----|-----|--------|---------|

Use of vacant position savings:

| | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|---|
| Accrued Leave Payouts | 7,006 | | | 15,814 | | | | | | | | | | | | | | | 4,734 | 27,553 | |
| Extra Salary Increases | | | | | | | | | | | | | | | | | | | | | - |
| Bonuses | | | | | | | | | | | | | | | | | | | | | - |
| Incentive/location Pay | | | | | | | | | | | | | | | | | | | | | - |
| Reclassifications | | | | | | | | | | | | | | | | | | | | | - |
| Extra Temporary salary Funding | 3,979 | 14,665 | 13,594 | 1,800 | 1,895 | | 6,548 | 4,822 | 4,385 | 3,698 | 3,200 | 9,283 | 6,349 | 8,643 | 7,778 | 8,396 | 6,293 | 5,267 | 5,875 | 116,469 | |
| Extra Overtime Funding | | | | | | | | | | | | | | | | | | | | | - |
| Other (identify) | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 1,147 | 9,787 | |
| Total | 43,173 | 33,352 | 27,420 | 9,800 | 27,207 | 24,374 | 23,407 | 20,911 | 15,508 | 5,920 | (3,254) | (9,337) | (6,403) | (8,697) | (7,832) | (8,450) | (6,347) | (5,321) | (207) | 175,224 | |

| | | | | | | | | | | | | | | | | | | | | |
|--------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vacant Positions: | 6 | 5 | 4 | 3 | 3 | 2 | 3 | 2 | 2 | - | - | - | - | - | - | - | - | - | - | 1 |
|--------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

DO NOT MODIFY WORKSHEET FORMAT

October 2023 Gallup Engagement Survey

| Agency Name | Total Respondents | Q12 Mean | Q00. Overall Satisfaction |
|--------------------------------|-------------------|----------|---------------------------|
| Aeronautics Commission | 5 | 4.73 | 5.00 |
| Governor's Office | 17 | 4.70 | 4.76 |
| Veterans Affairs Department | 7 | 4.54 | 4.71 |
| Securities Commissioner | 7 | 4.80 | 4.71 |
| State Treasurer | 5 | 4.75 | 4.60 |
| Retirement & Investment Office | 22 | 4.55 | 4.59 |
| Public Service Commission | 29 | 4.22 | 4.55 |
| School for the Blind | 18 | 4.35 | 4.50 |
| Labor Commissioner | 10 | 4.35 | 4.50 |
| Workforce Safety & Insurance | 235 | 4.32 | 4.41 |
| State Auditor | 20 | 4.30 | 4.40 |
| Bank of North Dakota | 130 | 4.19 | 4.35 |
| Insurance Department | 41 | 4.13 | 4.29 |
| ND Public Retirement System | 32 | 4.05 | 4.25 |
| Game and Fish Department | 158 | 3.94 | 4.20 |
| Office of Mgmt & Budget | 89 | 4.14 | 4.18 |
| School for the Deaf | 6 | 4.13 | 4.17 |
| Job Service ND | 120 | 4.22 | 4.16 |
| Public Instruction | 74 | 4.25 | 4.15 |
| Department of Commerce | 58 | 4.05 | 4.10 |
| Dept of Financial Institutions | 24 | 4.10 | 4.08 |
| Housing Finance Agency | 42 | 4.00 | 4.07 |
| ND Department of Trust Lands | 24 | 4.10 | 4.04 |
| Historical Society | 69 | 3.96 | 4.00 |
| Adjutant General | 58 | 4.20 | 3.98 |
| Protection and Advocacy | 17 | 3.84 | 3.94 |
| Secretary of State | 27 | 4.01 | 3.93 |
| Highway Patrol | 162 | 3.87 | 3.93 |
| Information Technology Dept | 398 | 3.99 | 3.92 |
| Environmental Quality | 130 | 3.96 | 3.89 |
| Overall | 5486 | 3.94 | 3.88 |
| Attorney General | 91 | 3.87 | 3.82 |
| State Tax Commissioner | 85 | 3.92 | 3.82 |
| Dept. Of Mineral Resources | 60 | 3.76 | 3.81 |
| Department of Transportation | 690 | 3.80 | 3.81 |
| Department of Agriculture | 13 | 3.75 | 3.77 |
| ND Health and Human Services | 1694 | 3.91 | 3.76 |
| ND Parks & Recreation Dept | 57 | 3.86 | 3.70 |
| Department of Water Resources | 72 | 4.02 | 3.64 |
| Career and Technical Education | 21 | 3.88 | 3.62 |
| Seed Department | 5 | 3.54 | 3.60 |
| Corrections & Rehab | 547 | 3.70 | 3.57 |
| Council on the Arts | 5 | 3.43 | 3.50 |
| Legal Counsel for Indigents | 21 | 3.49 | 3.43 |
| State Library | 23 | 3.62 | 3.43 |
| Veterans' Home | 25 | 3.25 | 3.00 |
| Center For Distance Education | 23 | 3.36 | 2.57 |

Department Overview

Reclamation Division (64% Federal Funds plus Indirect Cost Reimbursement)

The Reclamation Division of the Public Service Commission is responsible for administering and enforcing the state's reclamation law for minimizing the environmental effects of surface coal mining and ensuring mined lands are properly reclaimed. Under N.D.C.C § 38-14-1, the PSC administers a comprehensive program that consists of permitting and inspection and enforcement responsibilities. There are 6 active surface coal mining operations (4 lignite and 2 leonardite mines) and 1 coal mine in reclamation operating in ND.

- Approximately 137,690 acres are currently permitted for mining activities under 22 mine permits.
- During the current biennium, approximately 6,021 acres were added to existing permit areas by the Reclamation Division.
- To date, approximately 18,860 acres have received final bond release (met all the requirements of the reclamation law) and Commission jurisdiction has ended.
- A formal hearing was held for a surface owner objection to the approval of a renewal and corresponding revision applications for the Coyote Creek Mine in 2024.
- A formal hearing was held for a surface owner objection to approved grade approvals for the Coyote Creek Mine in 2023.

Attachment A – Department Overview

- An informal conference was held for surface owners with concerns related to a revision application that added 2,661 acres to an existing permit area at the Center Mine operated by BNI Coal, Ltd.
- An informal conference was held at the request of Westmoreland Beulah Mining, LLC, in response to a notice of violation issued by the Reclamation Division.
- The Reclamation Division lost over 100 years of experience in 2021 due to retirements. The division became fully staffed again on February 1, 2022, and we are currently in the process of training the entire division as each employee is either newly hired or in a new position since the end of 2019 (with the exception of one employee who has twenty-seven years of experience).
- The PSC's coal regulatory and Abandoned Mine Lands programs continue to receive excellent annual evaluation reports from the federal Office of Surface Mining Reclamation and Enforcement (OSMRE), which concluded that no issues or concerns were raised. In their report they stated that the Reclamation Division "continues to implement the program in a professional, cooperative, and fair manner. The NDPSC has the necessary technical expertise for carrying out its functions to ensure that all requirements of SMCRA are met." In their report of the AML Program, OSMRE stated that "the state administers an excellent program in full compliance with their approved plan." Additional statements included "The NDPSC continues to administer an efficient and successful AML program.

Attachment A – Department Overview

These projects have reduced the likelihood of death or injury to property owners and the public.”

Abandoned Mine Lands (100% Federal Funds plus Indirect Cost Reimbursement)

The goal of the Abandoned Mine Lands (AML) Program is to eliminate hazards related to coal mining that occurred prior to the enactment of the 1977 Surface Mining Control and Reclamation Act (SMCRA). Under N.D.C.C. § 38-14.2, the PSC is authorized to develop and administer an abandoned mine reclamation plan on lands adversely affected by pre-SMCRA mining. N.D.C.C. § 38-14.2 also created a state abandoned mine reclamation fund to collect funds pursuant to title IV of Public Law 95-87 [91 Stat. 456; 30 U.S.C.1231 et seq.] and to disburse funds for the reclamation and restoration of land and water resources adversely affected by past mining as defined by section 38-14.2-06. PSC staff in the AML Program design and manage the reclamation projects. Private contractors, selected by competitive bidding, conduct the construction work. A federal fee assessed on coal production funds the AML Program. These funds are distributed as federal grants to AML programs in 28 states and tribes, including North Dakota. North Dakota typically receives about \$3 million annually.

The Office of Surface Mining Reclamation and Enforcement’s AML fee collection authority was extended through September 30, 2034, as part of the Infrastructure Investment and Jobs Act, commonly known as the Bipartisan Infrastructure Law (BIL), that was signed into law on November 15, 2021. The BIL

Attachment A – Department Overview

reduced the reclamation fee rate for lignite coal from eight cents per ton to 6.4 cents per ton and extended the annual AML grant distributions to eligible states and tribes by 13 years. In addition to the extension of AML fee collections and mandatory AML grant distributions, \$11.293 billion in new funding was authorized to expand investment in the AML program over a 15-year period. North Dakota will receive \$3,101,700 in annual BIL grant distributions.

- In the current biennium, 8 abandoned mine land reclamation projects were completed.
- About 190 dangerous sinkholes caused by the collapse of underground mine workings were filled in the past two years.
- Since 1982, 200 primary reclamation projects and 36 emergency projects have been conducted to eliminate hazardous conditions, totaling approximately \$67 million.
- More than 40 miles of dangerous surface mine highwalls have been eliminated and over 1,500 acres of subsidence issues have been addressed since the AML reclamation program began.
- We have records of more than 1,500 abandoned coal mine sites in North Dakota. We estimate it will cost more than \$33.5 million to address the highest priority AML problems in our state based on OSMRE's eAMLIS database.

Regulation of electric, natural gas, and telephone utilities

Telecommunications: The Commission continued and refocused its efforts on telecommunications regulation. During the past biennium, the Commission collaborated with telecommunications companies operating in North Dakota and regulators in other states in our efforts to save numbering resources in our lone area code of 701.

As many may not be aware, North Dakota is one of a small number of states who retain a single area code across the entire state. However, this will not be the case in perpetuity. At present we are forecasted to exhaust the available numbers in the 701 area code by the second quarter of 2032. Absent the Commission's efforts to utilize phone numbers more efficiently and sparingly, we would already be looking to add another area code to our state. While the exhaust date does fluctuate over time, during the past biennium, we managed to push the exhaust date from 2028 to 2032.

During the past biennium we joined other states such as Maine, New Hampshire and Montana in filings before the Federal Communications Commission that would permit us to grant numbering resources to telecommunications companies in smaller blocks, thereby pushing our exhaust date out by many years.

Electric and Natural Gas: North Dakota continues to have among the lowest residential electric and natural gas utility rates in the nation, as shown in the charts on page A8 and A9. Biennium to date, the PSC has received four general rate

Attachment A – Department Overview

cases for Montana-Dakota Utilities Co.'s natural gas operations, Otter Tail Power Company's electric operations, Northern States Power Company's natural gas operations, and the final for Northern States Power Company's electric operations.

Consistent with the Commission's least-cost standard, the PSC has made one advanced determination of prudence concerning the addition of a fuel inventory system to be added to Otter Tail Power Company's Astoria natural gas generation station. In accordance with N.D.C.C. § 49-05-16, the investor-owned electric utilities operating in North Dakota may request an advance determination of prudence for certain major capital investments.

The Commission continues to participate as a member of the organization of MISO States and Southwest Power Pool (SPP), which are both Regional Transmission Organizations (RTOs). MISO began operating a regional energy market in 2005 that continues to serve the loads of all MISO participants, including the three jurisdictional investor-owned electric utilities providing service in North Dakota: Montana-Dakota Utilities Co, Northern States Power Company (Xcel Energy), and Otter Tail Power Company. The SPP operates a similar regional energy market that serves Basin Electric Power Cooperative and its member Cooperatives. Both provide a centralized generating unit dispatch procedure that co-optimizes the energy and ancillary services markets to ensure that the lowest-cost generators are always being used throughout the regions regardless of utility control area boundaries. The markets establish Locational Marginal Prices (LMP's) for electric energy at specific local pricing nodes. All energy must be provided through the markets. Producers are paid the LMP for their energy at the time and

Attachment A – Department Overview

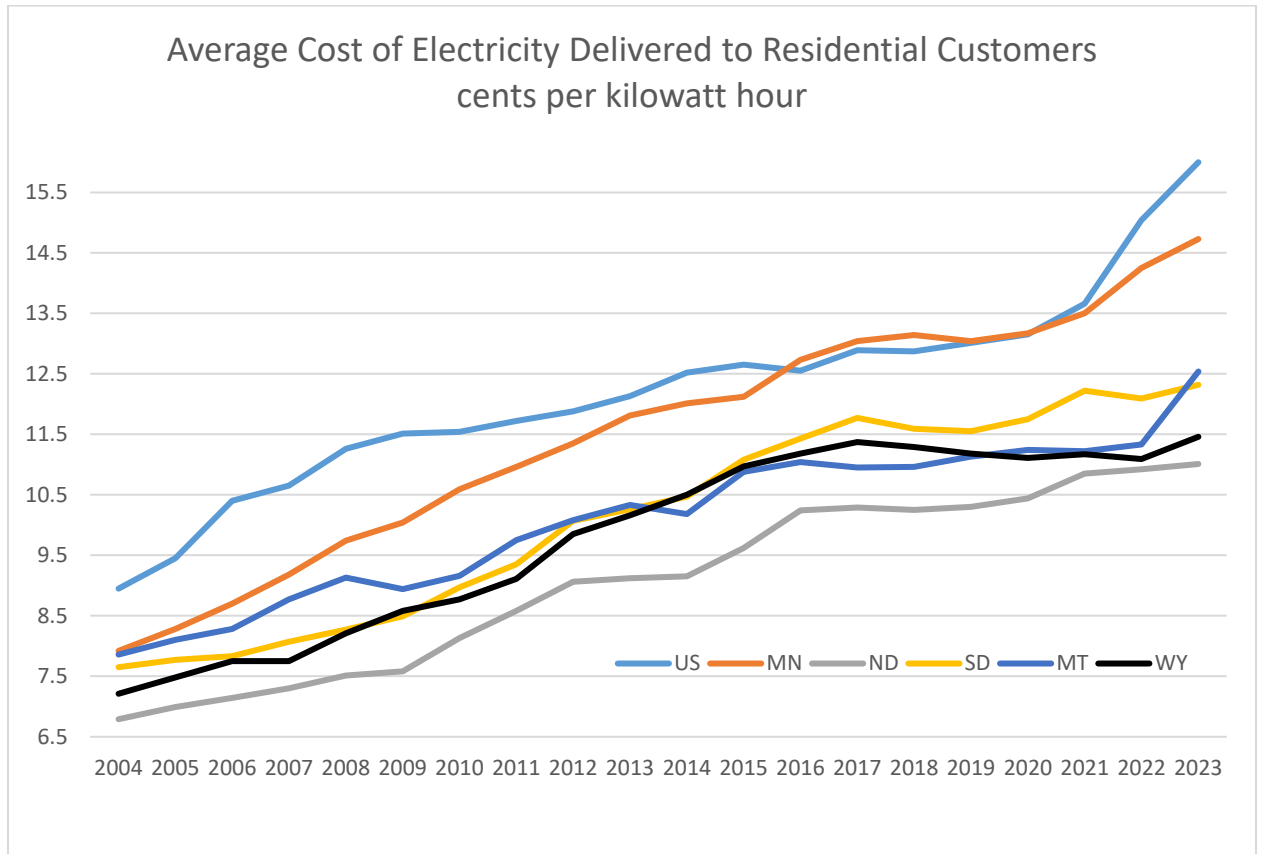
node where it enters the market. The load pays the LMP at the time and node where the energy is delivered.

Collaborating with MISO and SPP while representing North Dakota's interests in addressing gaps in an electric resource's ability to show up during times of need and to properly incentivize those resources for doing so will be increasingly important for a fleet undergoing significant change. Continuing to work with MISO and SPP to balance the cost and need for interstate transmission lines under federal jurisdiction with the cost and need for resources under local jurisdiction is critical to ensuring ratepayers are served with affordable and reliable electricity. Such transmission investments are forecasted to be significant, and the Commission must ensure both local and regional industries are working to advance ratepayers interests. Becoming more and more involved and keeping up with this complex system takes increased staff time and specific staff expertise.

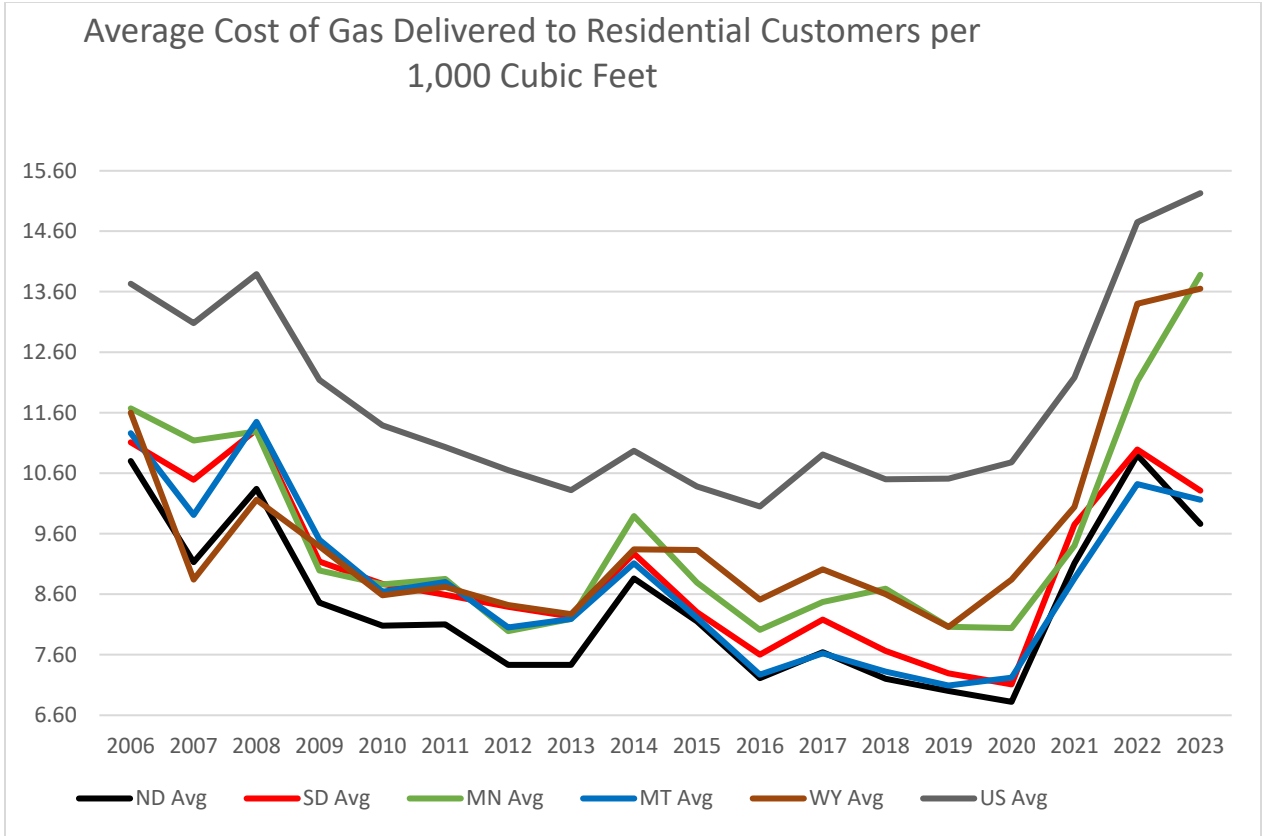
Participation in these regional groups is becoming more important as decisions they make impact all North Dakota utilities. States are ultimately responsible for resource adequacy. However, due to the interconnected nature of the power grid, steps that North Dakota takes to ensure its own reliability will not be considered when the entire grid is in need (just as we saw with winter storm Uri in February 2021). The Commission is involved in leadership roles within these organizations, but having adequate staffing to become more involved and keeping up with this complex system is necessary to ensure North Dakota has a voice in our long-term reliability and affordability of energy.

Attachment A – Department Overview

In addition to the RTOs, another critical area for North Dakota is the Federal Energy Regulatory Commission (FERC). Just as we are seeing RTOs develop regional energy and transmission policies that have an impact on North Dakota, FERC is taking up many topics that will have an impact on North Dakota. Therefore, engaging in FERC cases and filing impactful comments is necessary to ensure that our voice is heard, and our citizens are protected from the added costs and reduced reliability that will result from the absence of our engagement. FERC cases are numerous, as are the filings within them. We must ensure we have adequate staff to review FERC cases and filings, make recommendations for comments, and take the appropriate steps to file comments.



Attachment A – Department Overview



Siting (current biennium) – N.D.C.C. § 49-22 and 49-22.1

Pipelines

| Description | Miles | County | Est. Project Cost |
|---|-------|--|-------------------|
| SCS Carbon Transport LLC | 332 | Burleigh, Cass, Dickey, Emmons, Logan, McIntosh, Moron, Oliver, Richland & Sargent | 898,000,000 |
| ONEOK Rockies Midstream, LLC | 4 | McKenzie | 12,000,000 |
| Tesoro Great Plains Gathering and Marketing LLC | 2.4 | Stark | 4,000,000 |
| Total | 338.4 | | 914,000,000 |

Attachment A – Department Overview

Electric Transmission

| Description | Miles | County | Est. Project Cost |
|----------------------------------|-------|-----------------|-------------------|
| Oliver Wind IV, LLC | 19.5 | Oliver & Mercer | 43,000,000 |
| Basin Electric Power Cooperative | 14.6 | Williams | 31,000,000 |
| Basin Electric Power Cooperative | 32.5 | Dunn & McKenzie | 74,000,000 |
| Basin Electric Power Cooperative | 1 | Williams | 32,000,000 |
| Minnkota Power Cooperative, Inc. | 1 | Oliver | 3,200,000 |
| Total | 68.6 | | 183,200,000 |

Wind Generation

| Description | MW | County | Est. Project Cost |
|---------------------|--------|------------------|-------------------|
| Oliver Wind IV, LLC | 200 | Oliver | 316,000,000 |
| Badger Wind, LLC | 262.26 | Logan & McIntosh | 472,000,000 |
| Total | 462.26 | | 788,000,000 |

Note: 4,249 MW of total wind generation in service as of December 20, 2024.

Other Generation/Refining

| Description | MW | MMcf | County | Est. Project Cost |
|---------------------|-----|------|----------|-------------------|
| Cerilon GTL ND Inc. | 162 | 580 | Williams | 3,200,000,000 |
| Total | 162 | 580 | | 3,200,000,000 |

These tables represent completion of the complex siting process of 338.4 miles of pipelines, 68.6 miles of electric transmission line, and 462.26 MW of wind generation. It represents over \$5.08 billion of economic investment in North Dakota.

North Dakota Generation Capacity and Output

| Type | MW | 2023 Energy Output (thousands of megawatt hours) |
|---------------|------|--|
| Coal | 3832 | 22,525 |
| Hydroelectric | 510 | 2,119 |
| Natural Gas | 657 | 2,833 |
| Wind | 4250 | 14,477 |
| Total | 9249 | 41,954 |

Auctioneer and Auction Clerk Licensing

During the 68th Legislative Assembly, House Bill No. 1191 (H.B. 1191) amended North Dakota Century Code Chapter 51-05.1 which deals with the licensing of auctioneers and auction clerks. In addition to other changes, H.B. 1191 removed the auctioneer and auction clerk licensing requirement with the Commission and replaced it with a registration requirement with the North Dakota Secretary of State. This change became effective on January 1, 2024. Prior to January 1, 2024, the Commission licensed auctioneers and auction clerks and maintained regulatory authority over these individuals and entities.

Prior to January 1, 2024, applicable N.D.C.C. Chapters included 3-05, 9-06, and 51-05.1. and Commission statutory responsibilities included:

- Issuing and renewing auctioneer, auction clerk, and bank auction clerk licenses.
- Investigation of auction related complaints.

As of December 31, 2023, the Commission licensed 274 auctioneers and 134 clerks.

Weights and Measures

Applicable North Dakota Century Code Chapters include 64-01, 64-02, 64-03, and 64-04.

The Weights and Measures Program, comprised of three full-time inspectors, is designed to meet the needs of both the buyer and seller in the commercial marketplace. This is accomplished through the enforcement of the

Attachment A – Department Overview

state's weights and measures laws by the inspection and testing of commercial weighing and measuring devices such as supermarket scales, grain elevator truck scales, dockage scales, livestock scales, gas station pumps, liquified petroleum gas meters, bulk fuel and lubricant delivery trucks, and medical marijuana packaging scales, to name a few. Some of the accomplishments and work of the program include:

- Testing and inspecting 4,672 commercial devices from July 1, 2023, through June 30, 2024, by PSC inspectors.
- Conducting quality control testing and monitoring the inspection, testing, and documentation of 20,525 weighing or measuring devices installed or serviced by registered service companies from July 1, 2023, through June 30, 2024.
- Using one-time funding appropriated by the 68th Legislative Assembly to purchase a new fuel pump inspection trailer which will enable the Commission to test, inspect, and conduct quality assurance and complaint inspections on high-flow retail fuel dispensers. This trailer was just received by the Commission at the end of November 2024 with the goal of being placed into service in early 2025.

Additionally, the Commission is continuing work on the heavy-scale quality assurance program. This program has allowed the PSC to review the work of registered service companies and addresses concerns with their operations along with responding to heavy-scale complaints. In July 2023, the Commission hired a

Attachment A – Department Overview

new heavy-scale inspector to replace the inspector that transitioned into a new state inspector position. From July 1, 2023, through June 30, 2024, the PSC conducted quality assurance inspections on 242 heavy scales, of which 37 failed the inspection.

The Weights and Measures Program is minimally staffed with much of the work being completed by private contractors under the oversight of the state weights & measures inspectors. The workload requirements for light duty inspectors do not allow for much, if any, quality assurance inspections on light duty devices (gas pumps, grocery store scales, etc.). Additional staffing would allow for increased quality assurance inspections in addition to being able to take on more testing and inspection service of commercial devices.

Railroad Safety and Regulation

Applicable North Dakota Century Code Chapters include 24-09, 49-01, 49-02, 49-09, 49-09.1, 49-10.1, 49-11, 49-16, 49-17.1, and 60-06.

The Commission is the clearinghouse for rail service and safety issues statewide. As part of public engagement and outreach, the Commission hosts an annual meeting on service and safety for all the statewide stakeholders including ag producers, grain marketers, emergency responders, county, and city leaders to address issues with railroad representatives. This biennium to date, the PSC fielded complaints and intervened on behalf of 23 communities and citizens on rail-related issues.

Attachment A – Department Overview

Funding for the state Rail Safety Program comes not from the general fund, but from existing diesel fuel tax the railroads pay, a portion of which is dedicated for safety improvements. The goal of the program is to reduce the number of accidents, derailments and other equipment failures in order to reduce fatalities, injuries, economic losses and environmental impacts.

The Commission employs two certified inspectors, one of which is dual certified, meaning they can inspect in two out of the six Federal Railroad Administration (FRA) inspection disciplines. The three inspection disciplines the Commission inspectors are certified in are: (1) Track; (2) Motor Power & Equipment (Mechanical); and (3) Hazardous Materials (HAZMAT). The remaining three FRA inspection disciplines are Operating Practices; Signal and Train Control; and Grade Crossing Safety and Trespasser Prevention. The state inspectors coordinate with and complement the federal inspectors to maximize coverage, but are autonomous and entirely accountable to the Commission.

This biennium to date, the track inspector has conducted 244 inspections, noting 1,337 defects, and has issued 9 violations. The mechanical inspector has conducted 213 inspections, noting 1,371 defects, and has issued 4 violations in addition to 67 HAZMAT inspections, noting 33 defects, and has issued 1 violation.

Gas Pipeline Safety (Approx. 50% Federal Funds plus Indirect Cost Reimbursement)

Applicable North Dakota Century Code Chapters include 49-02 and 49-07.

Attachment A – Department Overview

On behalf of the Pipeline and Hazardous Materials Safety Administration (PHMSA), the Commission conducts a Pipeline Safety Program in North Dakota covering intrastate natural gas transmission, gathering, and distribution systems, intrastate liquified natural gas (LNG) facilities, and a propane distribution system.

In November 2021, PHMSA published a final rule bringing previously unregulated natural gas gathering systems under the jurisdiction of PHMSA and thereby the Commission. This rule added seven new operators, bringing the total number of regulated operators to 30. Additionally, this rule added approximately 2,300 miles of pipeline, bringing the total number of regulated natural gas pipeline miles to over 9,900.

The goal of the program is to enhance public safety by enforcing state laws governing gas pipeline safety through inspections and enforcement regarding qualification of pipeline personnel, pipeline components, design, construction, integrity management, operations, maintenance, public awareness, damage prevention programs, and emergency response.

Commission inspectors perform inspections of four natural gas distribution system operators, 11 transmission system operators, and 15 gathering system operators.

Gas pipeline safety inspectors conduct inspections dealing with records audits, compliance follow-up, design/testing and construction, gas incidents, on-site operator training, operator qualifications, control-room management, drug and alcohol testing, damage prevention, public awareness, operations and maintenance, and integrity management.

Attachment A – Department Overview

Staff for the program includes one program manager/inspector and two full-time inspectors. In calendar year 2024, Gas Pipeline Safety Inspectors completed a total of 352 inspection days.

Damage Prevention

Applicable North Dakota Century Code Chapter includes 49-23.

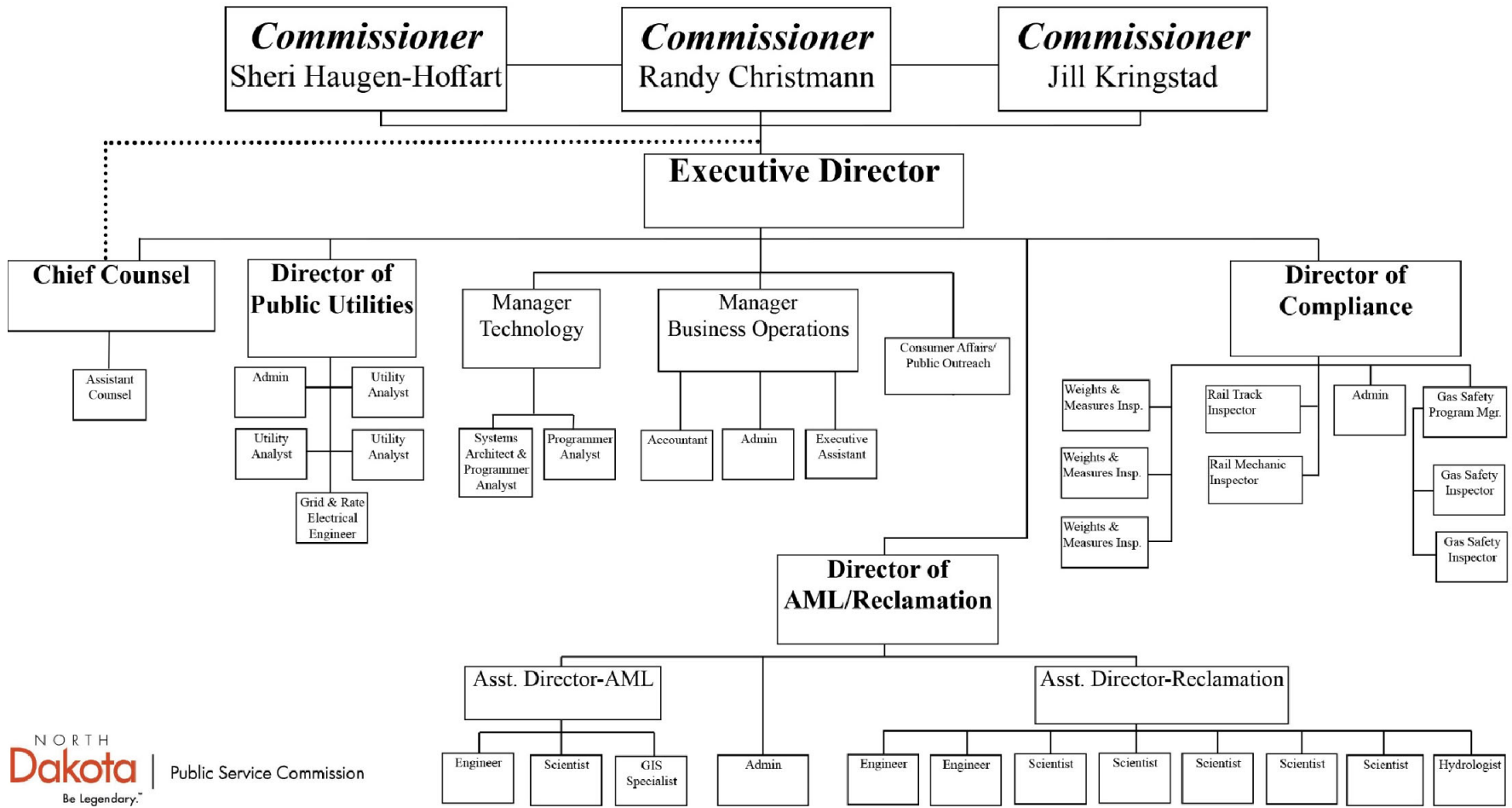
The Commission is charged with enforcement of the state’s One-Call Excavation Notice System law, also known as 811 or Call Before You Dig.

The goal of the program is to require excavators to identify where they need to dig in order for underground facility operators to locate their facilities to prevent damage to the underground infrastructure. This biennium to date, the Commission investigated and processed 27 complaints regarding alleged violations of the One-Call law. As a result of these proceedings, the Commission levied fines totaling \$38,200. The fines are deposited into the general fund.

| 5 Biennium Damage Prevention Case Processing Trend | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| 2015 - 2017 | 2017 - 2019 | 2019 - 2021 | 2021 - 2023 | 2023 - 2025 |
| 52 | 64 | 51 | 58 | 27 to date |

Since the beginning of the program in 2009, the Commission has levied 198 fines totaling \$440,450. Since inception, the Commission has not been given any additional resources to process these cases. This workload has fallen to existing staff.

North Dakota Public Service Commission 2025



3-11-25
Brady



Public Service Commission - Budget No. 408
Agency Worksheet - House Bill No. 1008

| | Armstrong Executive Budget | | | | House Version | | | | House Compared to Armstrong Executive Budget | | | |
|---|----------------------------|--------------------|---------------------|---------------------|---------------|--------------------|---------------------|---------------------|--|--------------------|-------------------|--------------------|
| | FTE Positions | General Fund | Other Funds | Total | FTE Positions | General Fund | Other Funds | Total | Increase (Decrease) | | | |
| | | | | | | | | | FTE Positions | General Fund | Other Funds | Total |
| 2025-27 Biennium Base Level | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 45.00 | \$7,489,352 | \$13,779,645 | \$21,268,997 | 0.00 | \$0 | \$0 | \$0 |
| 2025-27 Ongoing Funding Changes | | | | | | | | | | | | |
| Base budget reductions and adjustments | | | (\$282,673) | (\$282,673) | | | (\$282,673) | (\$282,673) | | | | \$0 |
| Cost to continue salary increases | | \$142,505 | 18,945 | 161,450 | | \$142,505 | 18,945 | 161,450 | | | | 0 |
| Salary increase | | 274,922 | 185,662 | 460,584 | | 274,922 | 185,662 | 460,584 | | | | 0 |
| Health insurance increase | | 159,891 | 110,347 | 270,238 | | 159,891 | 110,347 | 270,238 | | | | 0 |
| Adds funding to restore 2023-25 new FTE funding pool | | 365,030 | 138,602 | 503,632 | | 365,030 | 138,602 | 503,632 | | | | 0 |
| Adds funding to restore 2023-25 vacant FTE funding | | 181,788 | 125,902 | 307,690 | | 181,788 | 125,902 | 307,690 | | | | 0 |
| Transfer funding for 2025-27 FTE pool | | | | 0 | | (67,879) | (46,007) | (113,886) | | (\$67,879) | (\$46,007) | (113,886) |
| IT costs | | 64,692 | | 64,692 | | 64,692 | | 64,692 | | | | 0 |
| Federal intervention funding | | 190,000 | | 190,000 | | | | 0 | | (190,000) | | (190,000) |
| Staff professional development | | | | 0 | | | | 0 | | | | 0 |
| Increased rent and operating expenses | | 123,281 | 4,625 | 127,906 | | 185,823 | 4,625 | 190,448 | | 62,542 | | 62,542 |
| Capital assets purchases | | | 50,000 | 50,000 | | | 50,000 | 50,000 | | | | 0 |
| Total ongoing funding changes | 0.00 | \$1,502,109 | \$351,410 | \$1,853,519 | 0.00 | \$1,306,772 | \$305,403 | \$1,612,175 | 0.00 | (\$195,337) | (\$46,007) | (\$241,344) |
| One-Time Funding Items | | | | | | | | | | | | |
| LiDAR imaging system | | \$5,580 | \$149,420 | \$155,000 | | \$5,580 | \$149,420 | \$155,000 | | | | \$0 |
| Federal intervention funding | | | | 0 | | 250,000 | | 250,000 | | \$250,000 | | 250,000 |
| Total one-time funding changes | 0.00 | \$5,580 | \$149,420 | \$155,000 | 0.00 | \$255,580 | \$149,420 | \$405,000 | 0.00 | \$250,000 | \$0 | \$250,000 |
| Total Changes to Base Level Funding | 0.00 | \$1,507,689 | \$500,830 | \$2,008,519 | 0.00 | \$1,562,352 | \$454,823 | \$2,017,175 | 0.00 | \$54,663 | (\$46,007) | \$8,656 |
| 2025-27 Total Funding | 45.00 | \$8,997,041 | \$14,280,475 | \$23,277,516 | 45.00 | \$9,051,704 | \$14,234,468 | \$23,286,172 | 0.00 | \$54,663 | (\$46,007) | \$8,656 |
| <i>Federal funds included in other funds</i> | | | \$11,919,311 | | | \$11,878,684 | | | | | (\$40,627) | |
| <i>Total ongoing changes - Percentage of base level</i> | 0.0% | 20.1% | 2.6% | 8.7% | 0.0% | 17.4% | 2.2% | 7.6% | N/A | N/A | N/A | N/A |
| <i>Total changes - Percentage of base level</i> | 0.0% | 20.1% | 3.6% | 9.4% | 0.0% | 20.9% | 3.3% | 9.5% | N/A | N/A | N/A | N/A |

Other Sections in Public Service Commission - Budget No. 408

| Section Description | Armstrong Executive Budget | House Version |
|-------------------------------|--------------------------------|--|
| New and vacant FTE pool | Other sections not identified. | Section 3 provides guidelines regarding the use of funding in the new and vacant FTE pool line item. |
| Rail rate complaint case loan | | Section 4 authorizes the PSC to obtain a loan from the Bank of North Dakota for costs associated with a rail complaint case. |
| Railroad safety program | | Section 5 provides the statutory changes to increase the Public Service Commissioners' annual salaries by 3 percent on July 1, 2025, and July 1, 2026. |

Other Sections in Public Service Commission - Budget No. 408

| Section Description | Armstrong Executive Budget | House Version | |
|-------------------------|----------------------------|--|--|
| Salary of commissioners | | Section 6 amends Section 57-43.2-19 to adjust the amount of special fuels taxes deposited into the rail safety fund. | |



Public Service Commission

WHO WE ARE

43

Full-time Team Members

2-3

Seasonal Team Members

WHAT WE'RE ABOUT

Mission: Protecting consumers, the public interest and the environment

Our Values:

- **Balance:** Balancing public and private interest affecting each decision.
- **Collaboration:** Tackling work challenges as a team to harness expertise and achieve better outcomes with greater impact.
- **Continuous Improvement:** Building a workplace that fosters growth, excellence and diversity.
- **Creativity:** Generating solutions by turning new and imaginative ideas into sound policies and regulations that protect citizens and promote orderly development.
- **Responsiveness:** Taking action to address the needs of industry and the public.

WHAT WE DO



Economic Regulation

Evaluate rate increase requests and other rate recovery mechanisms from three multi-million-dollar utility monopolies to protect consumers and ensure safe and reliable service at reasonable rates.



RTO Energy Markets

Participate as a member of MISO and SPP on issues related to the reliable and efficient operation of regional electric transmission grids.



Siting

Evaluate site permits for energy conversion and transmission facilities including electric generation, gas processing, oil refining, pipelines, electric transmission lines, and wind.



Weights and Measures

Ensure the equitable operation of all weighing and measuring devices used in commerce through inspections, audits, and quality assurance testing.



Auctioneers & Auction Clerks

Protect the interests of auction customers through licensing, bonding, and investigating auctioneer and auction clerk complaints.



Telecommunications

Protect consumers by regulating essential telecommunication services.



Damage Prevention

Protect public safety by enforcing the state's One-Call laws.



Railroads

Regulate the safety of railroads through track, mechanical equipment, and HAZMAT inspection programs.



Gas Pipeline Safety

Regulate the safety of intrastate natural gas, propane, and liquified natural gas gathering, transmission and distribution pipeline systems.



Coal Mining Reclamation

Ensure mining operations minimize impacts to the environment, protect rights of property owners and the public, return mined lands to beneficial uses, and restore productivity of mined lands.



Abandoned Mine Lands (AML)

Enhance public safety by reclaiming abandoned coal mine sites that pose health, safety, and general welfare hazards.

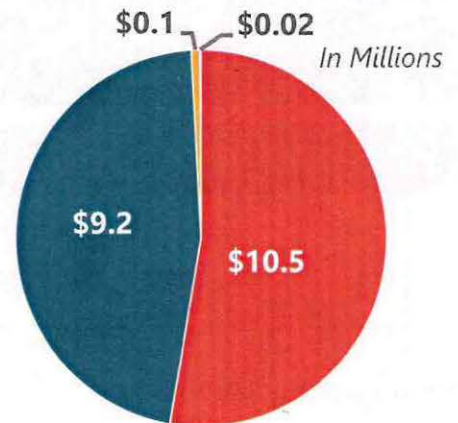
Public Service Commission

HOW WE DO IT

Total Agency Budget: \$19,892,782

- General: \$6,431,087
- Special: \$2,244,724
- Federal: \$11,216,971

- Salary - \$10.5
- Operating - \$9.2
- Capital - \$0.1
- Grants - \$0.02



WHAT WE'RE PROUD OF

Recognized as 'Gold Standard'

The Reclamation and AML programs consistently receive exceptional marks from our federal oversight agencies. The North Dakota way of effectively administering federal programs is looked to as the "gold standard."

Impact on Regional Reliability

The Commissioners and staff have obtained leadership roles within the RTO Energy Markets to ensure North Dakota's concerns and solutions regarding reliability and cost are considered in regional and national dialogue.

Preserved 7-digit dialing

Coordinated with ND telecom companies to manage available numbers and avoid premature conversion to statewide 10-digit dialing. Had the PSC not acted, we would have joined 82 area codes in 35 states that had to adopt 10-digit dialing after implementation of "988" Suicide Prevention service.

134,282

Acres under permit for coal mining, among the top in the nation.

Provide safety oversight on

4,100

miles of regulated gas pipeline.

55%

reduction in railroad accidents during five years of Rail Safety Program.

9,200

inspections and audits to ensure every gallon of gas, bushel of grain, and pound of beef is equitable.

HOW WE MEASURE SUCCESS

Low Energy Rates

North Dakota's average rate was 33% lower than the national average for residential natural gas customers and 20% lower than the national average for residential electric customers.

High Energy Reliability

North Dakota had 25% fewer electricity outages than the national average in 2020.

Preserving ND's Unique Landscape

Deployed innovative tools to protect North Dakota's landscape during energy development including a wind farm reclamation program and requirements for light mitigation technology on wind farms.

Keep ND Growing

Timely permitting of \$14 billion in infrastructure development in North Dakota during the past decade, growing the state's industry and economy.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1008
3/14/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salaries of the public service commissioners and deposits of special fuels excise taxes; and to provide loan authorization.

9:47 a.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Increased IT costs
- Full-time employee (FTE) request
- Federal I intervention funding: FERC, EPA, Department of the Interior
- Items not included in Governor's budget
- New and Vacant Full-time Employee (FTE) Pool and calculation formula
- Prioritization of State Investment and Improvement (SIIF) and General Fund requests

9:48 a.m. Brady Larson, Assistant Legislative Budget Analyst, supplied budget information and referenced testimony #40628, submitted on 3/11/2025.

9:54 a.m. Steve Kahl, Executive Director for ND Public Service Commission, answered questions about the Governor's budget and the House version of the Budget

9:58 a.m. Senator Dwyer volunteered to do additional research for an area of this budget.

10:02 a.m. Stephanie Johnson, OMB Analyst, provided budget information.

10:05 a.m. Brady Larson, Assistant Legislative Budget Analyst, provided budget information.

10:14 a.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1008
3/19/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salaries of the public service commissioners and deposits of special fuels excise taxes; and to provide loan authorization.

3:17 p.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Federal intervention costs
- Targeted equity
- FTE and equipment for weights and measures program
- Federal coal mine reclamation program shortfall and uncertainty
- Litigation to defend state actions as well as defend against federal

3:17 p.m. Randy Christmann, Director of ND Public Service Commission (PSC) testified in favor, answered committee questions, and referenced previous testimony #40628, submitted Brady Larson, Assistant Legislative Budget Analyst, on 3/11/2025 at 3:39.

3:28 p.m. Senator Dwyer addressed the need for an amendment pertaining to coal mine reclamation.

3:34 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1008
3/25/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salaries of the public service commissioners and deposits of special fuels excise taxes; and to provide loan authorization.

3:17 p.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Federal intervention funding
- Intra-agency cooperation in Federal intervention
- New employee request - weights and measures inspector and associated costs
- Coal reclamation project
- Salary / equity request
- Professional development costs
- Federally funded drone

3:18 p.m. Randy Christmann, Chairman of ND Public Service Commission, testified in favor, responded to committee questions, and referenced testimony #40628 and #40522, submitted on 3/11/2025 at 2:32 p.m.

4:07 p.m. Chairman Wanzek directed Brady Larson, Assistant Legislative Budget Analyst, LC, to draft the amendments to HB 1008 as discussed by the committee.

4:11 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1008
3/26/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salaries of the public service commissioners and deposits of special fuels excise taxes; and to provide loan authorization.

3:31 p.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Salary equity funding
- Staff professional development
- Federal intervention funding

3:32 p.m. Brady Larson, Assistant Legislative Budget Analyst, supplied budget information and submitted testimony #44215, the Amendments.

3:34 p.m. Senator Dwyer moved to Adopt Amendments, 25.0152.02001, to HB 1008.

3:34 p.m. Senator Erbele seconded the motion.

| Senators | Vote |
|----------------------------|------|
| Senator Terry M. Wanzek | Y |
| Senator Randy A. Burckhard | Y |
| Senator Michael Dwyer | Y |
| Senator Robert Erbele | Y |
| Senator Jonathan Sickler | Y |

Motion passed 5-0-0.

3:35 p.m. Senator Erbele moved a Do Pass as Amended for HB 1008.

3:35 p.m. Senator Dwyer seconded the motion.

| Senators | Vote |
|----------------------------|------|
| Senator Terry M. Wanzek | Y |
| Senator Randy A. Burckhard | Y |
| Senator Michael Dwyer | Y |
| Senator Robert Erbele | Y |
| Senator Jonathan Sickler | Y |

Motion passed 5-0-0

Senator Dwyer will carry this bill.

Senate Appropriations Government Operations Division
HB 1008
3/26/2025
Page 2

3:43 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

25.0152.02001
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

March 26, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1008

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public service
2 commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota
3 Century Code, relating to the salaries of the public service commissioners and deposits of
4 special fuels excise taxes; and to provide loan authorization.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the public service commission for the purpose of defraying the expenses of the
10 public service commission, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|----------------------------------|-------------------------|--|-------------------------|
| 14 Salaries and wages | \$11,026,304 | \$1,108,083 | \$12,134,387 |
| 15 <u>Salaries and wages</u> | <u>\$11,026,304</u> | <u>\$1,148,083</u> | <u>\$12,174,387</u> |
| 16 New and vacant FTE pool | 0 | 265,735 | 265,735 |
| 17 Operating expenses | 2,205,487 | 417,167 | 2,622,654 |
| 18 <u>Operating expenses</u> | <u>2,205,487</u> | <u>547,167</u> | <u>2,752,654</u> |
| 19 Capital assets | 25,000 | 205,000 | 230,000 |

Sixty-ninth
Legislative Assembly

| | | | | |
|----|-----------------------------------|-------------------------|------------------------|-------------------------|
| 1 | Grants | 20,000 | 0 | 20,000 |
| 2 | Abandoned mined lands contractual | 6,000,000 | 0 | 6,000,000 |
| 3 | services | | | |
| 4 | Rail rate complaint case | 900,000 | 0 | 900,000 |
| 5 | Railroad safety program | 672,206 | 41,024 | 713,230 |
| 6 | Specialized legal services | 420,000 | (19,834) | 400,166 |
| 7 | Total all funds | \$21,268,997 | \$2,017,175 | \$23,286,172 |
| 8 | <u>Total all funds</u> | <u>\$21,268,997</u> | <u>\$2,187,175</u> | <u>\$23,456,172</u> |
| 9 | Less other funds | 13,779,645 | 454,823 | 14,234,468 |
| 10 | Total general fund | \$7,489,352 | \$1,562,352 | \$9,051,704 |
| 11 | <u>Total general fund</u> | <u>\$7,489,352</u> | <u>\$1,732,352</u> | <u>\$9,221,704</u> |
| 12 | Full-time equivalent positions | 45.00 | 0.00 | 45.00 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

| <u>One-Time Funding Description</u> | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|-------------------------------------|---------------------|--------------------|--------------|
| 19 Drone imaging technology | \$5,580 | \$149,420 | \$155,000 |
| 20 Federal intervention funding | 250,000 | 0 | 250,000 |
| 21 Total | \$255,580 | \$149,420 | \$405,000 |

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The

public service commission may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages and railroad safety program line items in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. RAIL RATE COMPLAINT CASE - LOAN AUTHORIZATION. The public

service commission may obtain a loan from the Bank of North Dakota for costs associated with a rail rate complaint case. The loan may not exceed \$900,000, and the interest rate associated with the loan must be the prevailing interest rate charged to North Dakota governmental

1 entities. The public service commission shall repay the loan from amounts available from
2 damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint
3 case. If moneys anticipated to be available on June 30, 2027, are not sufficient to repay the
4 loan, the public service commission may request a deficiency appropriation from the legislative
5 assembly to repay the loan.

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

8 **49-01-05. Salary of commissioners.**

9 The annual salary of a commissioner is ~~one hundred thirty thousand dollars through~~
10 ~~June 30, 2024, and one hundred thirty five thousand two hundred one hundred thirty-nine~~
11 thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three
12 thousand four hundred thirty-four dollars thereafter. All fees received or charged by any
13 commissioner for any act or service rendered in any official capacity must be accounted for and
14 paid over by the commissioner monthly to the state treasurer and must be credited to the
15 general fund of the state.

16 **SECTION 6. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **57-43.2-19. Transfer, deposit, and distribution of funds.**

19 All taxes, license fees, penalties, and interest collected under this chapter must be
20 transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund,
21 except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section
22 57-43.2-03 of up to ~~three hundred thirty-two thousand three hundred twenty-seven~~
23 three hundred fifty-two thousand eight hundred ninety-two dollars per year must be transferred to the
24 state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution
25 fund must be distributed in the manner as prescribed by section 54-27-19.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Public Service Commission - Senate Action

| | Base Budget | House Version | Senate Changes | Senate Version |
|-----------------------------------|--------------|---------------|----------------|----------------|
| Salaries and wages | \$11,026,304 | \$12,134,387 | \$40,000 | \$12,174,387 |
| New and vacant FTE pool | | 265,735 | | 265,735 |
| Operating expenses | 2,205,487 | 2,622,654 | 130,000 | 2,752,654 |
| Capital assets | 25,000 | 230,000 | | 230,000 |
| Grants | 20,000 | 20,000 | | 20,000 |
| Abandoned mined lands contractual | 6,000,000 | 6,000,000 | | 6,000,000 |
| Rail rate complaint case | 900,000 | 900,000 | | 900,000 |
| Railroad safety program | 672,206 | 713,230 | | 713,230 |
| Specialized legal services | 420,000 | 400,166 | | 400,166 |
| Total all funds | \$21,268,997 | \$23,286,172 | \$170,000 | \$23,456,172 |
| Less estimated income | 13,779,645 | 14,234,468 | 0 | 14,234,468 |
| General fund | \$7,489,352 | \$9,051,704 | \$170,000 | \$9,221,704 |
| FTE | 45.00 | 45.00 | 0.00 | 45.00 |

Department 408 - Public Service Commission - Detail of Senate Changes

| | Adds Salary Equity Funding ¹ | Adds Funding for Professional Development ² | Increases Federal Intervention Funding ³ | Total Senate Changes |
|-----------------------------------|---|--|---|----------------------|
| Salaries and wages | \$40,000 | | | \$40,000 |
| New and vacant FTE pool | | | | |
| Operating expenses | | \$25,000 | \$105,000 | 130,000 |
| Capital assets | | | | |
| Grants | | | | |
| Abandoned mined lands contractual | | | | |
| Rail rate complaint case | | | | |
| Railroad safety program | | | | |
| Specialized legal services | | | | |
| Total all funds | \$40,000 | \$25,000 | \$105,000 | \$170,000 |
| Less estimated income | 0 | 0 | 0 | 0 |
| General fund | \$40,000 | \$25,000 | \$105,000 | \$170,000 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

¹ Funding is added for salary equity.

² Funding is provided for staff professional development.

³ Ongoing funding is added for federal intervention funding to provide a total funding of \$475,000, of which \$225,000 is ongoing funding and \$250,000 is one-time funding.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1008
3/28/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salaries of the public service commissioners and deposits of special fuels excise taxes; and to provide loan authorization.

9:21 a.m. Vice-Chairman Erbele opened the hearing.

Members Present: Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Members Absent: Chairman Bekkedahl.

Discussion Topics:

- Equity Package
- Rate Complaint Case
- Loan Authorization
- Reserve Fund

9:21 a.m. Senator Dwyer introduced the bill and submitted testimony #44367.

9:28 a.m. Senator Dwyer moved amendment 25.0152.02001.

9:28 a.m. Senator Burckhard seconded the motion.

| Senators | Vote |
|----------------------------|------|
| Senator Brad Bekkedahl | A |
| Senator Robert Erbele | Y |
| Senator Randy A. Burckhard | Y |
| Senator Sean Cleary | Y |
| Senator Cole Conley | Y |
| Senator Kyle Davison | Y |
| Senator Dick Dever | Y |
| Senator Michael Dwyer | Y |
| Senator Jeffery J. Magrum | Y |
| Senator Tim Mathern | Y |
| Senator Scott Meyer | Y |
| Senator Donald Schaible | Y |
| Senator Jonathan Sickler | Y |
| Senator Ronald Sorvaag | Y |
| Senator Paul J. Thomas | Y |
| Senator Terry M. Wanzek | Y |

Motion Passed 15-0-1.

9:28 a.m. Senator Dwyer moved a Do Pass as Amended.

9:29 a.m. Senator Wanzek seconded the motion.

| Senators | Vote |
|----------------------------|-------------|
| Senator Brad Bekkedahl | A |
| Senator Robert Erbele | Y |
| Senator Randy A. Burckhard | Y |
| Senator Sean Cleary | Y |
| Senator Cole Conley | Y |
| Senator Kyle Davison | Y |
| Senator Dick Dever | Y |
| Senator Michael Dwyer | Y |
| Senator Jeffery J. Magrum | Y |
| Senator Tim Mathern | Y |
| Senator Scott Meyer | Y |
| Senator Donald Schaible | Y |
| Senator Jonathan Sickler | Y |
| Senator Ronald Sorvaag | Y |
| Senator Paul J. Thomas | Y |
| Senator Terry M. Wanzek | Y |

Motion Passed 15-0-1.

9:32 a.m. Randy Christmann, Public Service Commissioner, testified in favor.

Senator Dwyer will carry the bill.

9:34 a.m. Vice-Chairman Erbele closed the hearing.

Elizabeth Reiten, Committee Clerk

March 26, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1008

3/27/25 VG
1 of 3

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public service
2 commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota
3 Century Code, relating to the salaries of the public service commissioners and deposits of
4 special fuels excise taxes; and to provide loan authorization.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the public service commission for the purpose of defraying the expenses of the
10 public service commission, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|----------------------------------|-------------------------|--|-------------------------|
| 14 Salaries and wages | \$11,026,304 | \$1,108,083 | \$12,134,387 |
| 15 <u>Salaries and wages</u> | <u>\$11,026,304</u> | <u>\$1,148,083</u> | <u>\$12,174,387</u> |
| 16 New and vacant FTE pool | 0 | 265,735 | 265,735 |
| 17 Operating expenses | 2,205,487 | 417,167 | 2,622,654 |
| 18 <u>Operating expenses</u> | <u>2,205,487</u> | <u>547,167</u> | <u>2,752,654</u> |
| 19 Capital assets | 25,000 | 205,000 | 230,000 |

| | | | | |
|----|-----------------------------------|-------------------------|------------------------|-------------------------|
| 1 | Grants | 20,000 | 0 | 20,000 |
| 2 | Abandoned mined lands contractual | 6,000,000 | 0 | 6,000,000 |
| 3 | services | | | |
| 4 | Rail rate complaint case | 900,000 | 0 | 900,000 |
| 5 | Railroad safety program | 672,206 | 41,024 | 713,230 |
| 6 | Specialized legal services | 420,000 | (19,834) | 400,166 |
| 7 | Total all funds | \$21,268,997 | \$2,017,175 | \$23,286,172 |
| 8 | Total all funds | \$21,268,997 | \$2,187,175 | \$23,456,172 |
| 9 | Less other funds | 13,779,645 | 454,823 | 14,234,468 |
| 10 | Total general fund | \$7,489,352 | \$1,562,352 | \$9,051,704 |
| 11 | Total general fund | \$7,489,352 | \$1,732,352 | \$9,221,704 |
| 12 | Full-time equivalent positions | 45.00 | 0.00 | 45.00 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

| <u>One-Time Funding Description</u> | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|-------------------------------------|---------------------|--------------------|--------------|
| 19 Drone imaging technology | \$5,580 | \$149,420 | \$155,000 |
| 20 Federal intervention funding | 250,000 | 0 | 250,000 |
| 21 Total | \$255,580 | \$149,420 | \$405,000 |

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.

The public service commission may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages and railroad safety program line items in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

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The public service commission may obtain a loan from the Bank of North Dakota for costs associated with a rail rate complaint case. The loan may not exceed \$900,000, and the interest rate associated with the loan must be the prevailing interest rate charged to North Dakota governmental

1 entities. The public service commission shall repay the loan from amounts available from
2 damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint
3 case. If moneys anticipated to be available on June 30, 2027, are not sufficient to repay the
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5 assembly to repay the loan.

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8 **49-01-05. Salary of commissioners.**

9 The annual salary of a commissioner is ~~one hundred thirty thousand dollars through~~
10 ~~June 30, 2024, and one hundred thirty five thousand two hundred~~ one hundred thirty-nine
11 thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three
12 thousand four hundred thirty-four dollars thereafter. All fees received or charged by any
13 commissioner for any act or service rendered in any official capacity must be accounted for and
14 paid over by the commissioner monthly to the state treasurer and must be credited to the
15 general fund of the state.

16 **SECTION 6. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **57-43.2-19. Transfer, deposit, and distribution of funds.**

19 All taxes, license fees, penalties, and interest collected under this chapter must be
20 transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund,
21 except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section
22 57-43.2-03 of up to ~~three hundred thirty two thousand three hundred twenty seven~~ three
23 hundred fifty-two thousand eight hundred ninety-two dollars per year must be transferred to the
24 state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution
25 fund must be distributed in the manner as prescribed by section 54-27-19.

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1008**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.0152.02001](#)) and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). HB 1008 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0152.02001
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

March 26, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1008

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public service
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Sixty-ninth
Legislative Assembly

| | | | | |
|----|-----------------------------------|-------------------------|------------------------|-------------------------|
| 1 | Grants | 20,000 | 0 | 20,000 |
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Sixty-ninth
Legislative Assembly

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STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Public Service Commission - Senate Action

| | Base Budget | House Version | Senate Changes | Senate Version |
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| Salaries and wages | \$11,026,304 | \$12,134,387 | \$40,000 | \$12,174,387 |
| New and vacant FTE pool | | 265,735 | | 265,735 |
| Operating expenses | 2,205,487 | 2,622,654 | 130,000 | 2,752,654 |
| Capital assets | 25,000 | 230,000 | | 230,000 |
| Grants | 20,000 | 20,000 | | 20,000 |
| Abandoned mined lands contractual | 6,000,000 | 6,000,000 | | 6,000,000 |
| Rail rate complaint case | 900,000 | 900,000 | | 900,000 |
| Railroad safety program | 672,206 | 713,230 | | 713,230 |
| Specialized legal services | 420,000 | 400,166 | | 400,166 |
| Total all funds | \$21,268,997 | \$23,286,172 | \$170,000 | \$23,456,172 |
| Less estimated income | 13,779,645 | 14,234,468 | 0 | 14,234,468 |
| General fund | \$7,489,352 | \$9,051,704 | \$170,000 | \$9,221,704 |
| FTE | 45.00 | 45.00 | 0.00 | 45.00 |

Department 408 - Public Service Commission - Detail of Senate Changes

| | Adds Salary Equity Funding ¹ | Adds Funding for Professional Development ² | Increases Federal Intervention Funding ³ | Total Senate Changes |
|-----------------------------------|---|--|---|----------------------|
| Salaries and wages | \$40,000 | | | \$40,000 |
| New and vacant FTE pool | | | | |
| Operating expenses | | \$25,000 | \$105,000 | 130,000 |
| Capital assets | | | | |
| Grants | | | | |
| Abandoned mined lands contractual | | | | |
| Rail rate complaint case | | | | |
| Railroad safety program | | | | |
| Specialized legal services | | | | |
| Total all funds | \$40,000 | \$25,000 | \$105,000 | \$170,000 |
| Less estimated income | 0 | 0 | 0 | 0 |
| General fund | \$40,000 | \$25,000 | \$105,000 | \$170,000 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

¹ Funding is added for salary equity.

² Funding is provided for staff professional development.

³ Ongoing funding is added for federal intervention funding to provide a total funding of \$475,000, of which \$225,000 is ongoing funding and \$250,000 is one-time funding.