

BEFORE THE STATE ELECTRICAL BOARD  
DEPARTMENT OF LABOR AND INDUSTRY  
STATE OF MONTANA

In the matter of the amendment of ) NOTICE OF AMENDMENT AND  
ARM 24.141.405 fee schedule and ) ADOPTION  
the adoption of NEW RULE I )  
nonroutine applications )

TO: All Concerned Persons

1. On July 28, 2011, the State Electrical Board (board) published MAR notice no. 24-141-35 regarding the public hearing on the proposed amendment and adoption of the above-stated rules, at page 1347 of the 2011 Montana Administrative Register, issue no. 14.

2. Due to an error, the proposal notice was reissued and on August 25, 2011, the board republished MAR notice no. 24-141-35 regarding the public hearing on the proposed amendment and adoption of the above-stated rules, at page 1588 of the 2011 Montana Administrative Register, issue no. 16

3. On September 23, 2011, a public hearing was held on the proposed amendment and adoption of the above-stated rules in Helena. Two comments were received by the October 3, 2011, deadline.

4. The board has thoroughly considered the comments received. A summary of the comments received and the board's responses are as follows:

COMMENT 1: One commenter asserted that the proposed fee increases in ARM 24.141.405 will generate more than \$90,000 annually in additional board revenue, and opined that at a time when electrical work is down, the board's administrative workload should be too. The commenter stated that raising fees to cover less administrative work when contractors are lowering their rates seems wrong and asked the board to not increase the fees. The commenter requested documentation to explain the increase if the board does require more administrative support.

RESPONSE 1: The board currently has less than \$10,000 in reserve and without a fee increase, the board will be forced to borrow money to cover its appropriation. The board's economic projections estimate that this fee increase should protect licensees from fee increases in the near future. The board is statutorily required to set and maintain fees commensurate with costs, and the costs of doing business have risen substantially, even in this time of economic downturn. The board notes that the fee increases proposed back in 2010 were actually reduced after the board considered public comment, even though the board's economic projections at the time clearly showed that further increases would be necessary.

COMMENT 2: One comment asserted that a 35 percent increase in fees is out of line and suggested a little "belt-tightening" from the board.

RESPONSE 2: The board appreciates all comments made during the rulemaking process and notes that the fee increases are necessary to keep fees commensurate with costs.

5. The board has amended ARM 24.141.405 exactly as proposed.
6. The board has adopted NEW RULE I (24.141.509) exactly as proposed.

STATE ELECTRICAL BOARD  
JACK FISHER, PRESIDENT

/s/ DARCEE L. MOE  
Darcee L. Moe  
Alternate Rule Reviewer

/s/ KEITH KELLY  
Keith Kelly, Commissioner  
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State October 31, 2011