

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0323-02
Bill No.: SCS for SB 11
Subject: Disabilities; Elderly; Public Assistance; Utilities
Type: Original
Date: April 5, 2007

Bill Summary: Creates a hot weather rule for maintenance of utility service.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

According to the **Department of Social Services - Family Support Division**, the division administers the Low Income Home Energy Assistance Program (LIHEAP), and contracts with the 19 Missouri Community Action Agencies for eligibility determination and outreach. The agencies currently work with the Public Service Commission and the regulated utilities to provide information and assistance if possible during the Cold Weather Rule. It is assumed the divisions and the agencies would continue the same partnership with the regulated utilities during the months the Hot Weather Rule would be in effect. There is no fiscal impact upon the Family Support Division's LIHEAP or Utilicare funding.

Officials from the **Office of Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact to the SOS office for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Economic Development - Office of Public Counsel** state there will be no fiscal impact on their agency.

According to officials from the **Department of Economic Development - Public Service Commission (PSC)**, this proposal requires a program that involves agency investigation of informal and possibly formal claims of violations of "state statutes, policies and procedures". The PSC receives informal and formal consumer complaints that may involve such claims as violation of a "hot weather rule", and therefore the activities of its consumer services department would be affected. The proposal requires temperature requirements that will involve creation of a daily log of temperature predictions and the need to establish cooling degree day data and tracking for the purpose of reviewing consumer informal or formal complaints on bill disputes or discontinuance of service for non-payment. Because the PSC has not had any experience with a hot weather rule and its application or impact on Missourians, PSC officials are using the PSC's experience with the "cold weather rule" as a basis for the state fiscal impact. Accordingly, a "hot weather rule" would likely require at least one additional FTE that would handle investigation of consumer complaints with utility and customer, prepare correspondence, and prepare staff reports and testimony in connection with complaints.

ASSUMPTION (continued)

Oversight assumes that personnel who handle the "cold weather rule" could perform the duties required during the "hot weather rule" alternate season.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

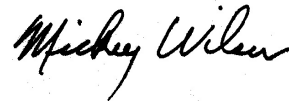
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
 Public Service Commission
 Office of Public Counsel
Department of Social Services
 Family Support Division
Office of Secretary of State
 Administrative Rules Division



Mickey Wilson, CPA
Director
April 5, 2007