

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3054-02
Bill No.: Perfected SCS for SB 720
Subject: Public Service Commission; Utilities
Type: Original
Date: February 25, 2008

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Office of Public Counsel** and the **Department of Health and Senior Services** state there will be no fiscal impact on their respective agencies.

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 for this proposal 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.

According to the **Department of Social Services (DOS)**, the Family Support Division (FSD) contracts with 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 during the "cold weather rule". It is assumed the FSD 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 on the FSD.

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 Consumer Services Specialist II that would handle investigation of consumer complaints with utility and customer, prepare correspondence, and prepare staff reports and testimony in connection with complaints. PSC
ASSUMPTION (continued)

officials note that the current caseload backlog has resulted in an age in excess of 30 days per case on average.

Oversight assumes that personnel who handle the "cold weather rule" could perform the duties required during the "hot weather rule" alternate season. If additional personnel are needed, they can be requested through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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

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Department of Economic Development
Public Service Commission
Office of Public Counsel
Department of Social Services
Department of Health and Senior Services
Office of Secretary of State
Administrative Rules Division

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent "M" and "W".

Mickey Wilson, CPA
Director
February 25, 2008