

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3470-10  
Bill No.: Perfected SS for SCS for SB 900  
Subject: Education, Elementary and Secondary: Utilities  
Type: Original  
Date: April 17, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

#### *AGGREGATE PURCHASING OF NATURAL GAS*

Officials of the **Department of Elementary and Secondary Education**, the **Department of Economic Development - Public Service Commission** and the **Department of Economic Development - Office of the Public Counsel** stated, in responses to similar proposals, that they would not request additional resources due to this proposal.

Officials of the Cooperating School Districts of Greater St. Louis noted, in their response to a similar proposal, that the ten districts participating in its Energy Consortium have realized a total savings of \$626,272 since November of 1999.

#### *ALLOCATION OF GAS AND PIPELINE COMPANY REFUNDS AND PENALTIES*

Officials of **Department of Economic Development - Public Service Commission** anticipated, in response to a similar proposal, that the proposal would cause very few additional cases and that they could handle those few cases with existing resources.

Officials of **Department of Economic Development - Office of the Public Counsel** assumed, in response to similar proposals, that the proposal would significantly affect their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005 (11 Mo.)
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT - Local Government</u>	FY 2003	FY 2004	FY 2005 (11 Mo.)
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### **SCHOOL DISTRICTS**

<u>Savings - Reduced Natural Gas Costs</u>	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>
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### FISCAL IMPACT - Small Business

Small businesses which are gas companies could be affected by this proposal.

## DESCRIPTION

This proposal would allow school districts to aggregate purchases natural gas through a not-for-profit school association. Missouri gas corporations would file a set of small volume transportation schedules or tariffs applicable the first year to public school districts and applicable to all school districts the second and third years, by August 1, 2002. The proposal would establish requirements for the schedules filed with the Public Service Commission.

The not-for-profit school association would make annual reports, beginning by September 1, 2003, to the Public Service Commission on the use of aggregate purchases of natural gas by school districts. The Public Service Commission would, in turn make reports to the legislature. Gas companies would make annual reports, beginning by June 1, 2003, to the Public Service Commission of their revenues and costs due to aggregate natural gas purchases.

This proposal would allow the Public Service Commission to, upon notice and after an on-the-record hearing, allocate penalties from gas and pipeline companies as it determines to be in the public interest.

Currently, the Public Service Commission allocates refunds and penalties from gas and pipeline companies equally among all affected customers.

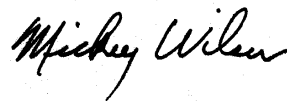
This act contains an emergency clause.

The aggregate purchasing of natural gas provisions of the act would terminate on June 30, 2005.

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

## SOURCES OF INFORMATION

Department of Economic Development - Public Service Commission  
Department of Economic Development - Office of the Public Counsel  
Department of Elementary and Secondary Education  
Cooperating School Districts of Greater St. Louis



Mickey Wilson, CPA

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Acting Director  
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