

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4662-03
Bill No.: SB 1170
Subject: Office of the Public Counsel: Utilities
Type: Original
Date: March 7, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$1,243,830	\$1,285,142	\$1,317,077
Public Counsel	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$1,243,830	\$1,285,142	\$1,317,077

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development - Public Service Commission** stated that they would be responsible for calculating the Public Counsel's assessment to individual utility companies, issuing assessment bills, entering Office of the Public Counsel receipts into the cash receipts system, deposit monies collect with the Department of Revenue (DOR), and establish and monitor an accounts receivable ledger. They estimate that it would take 190 hours per year to calculate and process Office of the Public Counsel assessments.

160 hours to figure assessments, issue assessment bills, and monitor accounts receivable ledger x \$16.67 per hour. (\$2,667.20)

30 hours to enter receipts into cash receipts system and deposit monies with DOR x \$11.57 per hour. (\$347.10)

Oversight assumes the Public Service Commission could absorb these costs, would increase its assessments against utilities to cover these additional duties, or add these costs to the Office of the Public Counsel assessments and bill the Public Counsel for these duties.

Officials of the **Department of Economic Development - Office of the Public Counsel** stated that the proposal would shift funding of their agency from General Revenue to the Public Counsel Fund, which the proposal would create.

They also noted that the payments due pursuant to this proposal would not come into the treasury until July 15, 2002. They assume that they could make a short-term loan from the General Revenue Fund to cover Public Counsel costs.

Officials of the **Office of the State Treasurer** stated that they could accomplish duties under terms of this proposal with existing resources.

FISCAL IMPACT - State Government FY 2003 FY 2004 FY 2005

GENERAL REVENUE FUND

Saving - Department of Economic
Development: Office of the Public
Counsel

Personal Service (16 FTE)	\$718,398	\$754,676	\$773,636
Fringe Benefits	\$258,695	\$257,376	\$263,810
Expense and Equipment	<u>\$266,737</u>	<u>\$273,090</u>	<u>\$279,631</u>
Savings Office of the Public Counsel	\$1,243,830	\$1,285,142	\$1,317,077

GVB:LR:OD (12/00)

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$1,243,830</u>	<u>\$1,285,142</u>	<u>\$1,317,077</u>
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PUBLIC COUNSEL FUND

<u>Income</u> - Assessments against utilities	\$1,247,929	\$1,289,344	\$1,321,384
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Cost - Department of Economic
Development: Office of the Public
Counsel

Personal Service (16 FTE)	(\$718,398)	(\$754,676)	(\$773,636)
Fringe Benefits	(\$258,695)	(\$257,376)	(\$263,810)
Expense and Equipment	<u>(\$266,737)</u>	<u>(\$273,090)</u>	<u>(\$279,631)</u>
Cost Office of the Public Counsel	(\$1,243,830)	(\$1,285,142)	(\$1,317,077)

Cost - Department of Economic
Development: Public Service
Commission

Public Counsel Fund Assessments	<u>(\$4,099)</u>	<u>(\$4,202)</u>	<u>(\$4,307)</u>
Cost Public Service Commission	(\$4,099)	(\$4,202)	(\$4,307)

ESTIMATED NET EFFECT ON PUBLIC COUNSEL FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would require the Public Service Commission to assess regulated public utilities to provide funding for the estimated operating costs of the Office of the Public Counsel. The Public Service Commission would get the average appropriation for the Office of the Public Counsel for the three previous fiscal years and an estimate of what part of those appropriations would

DESCRIPTION (continued)

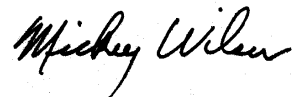
be reasonably attributable to representation of utility customers. Beginning with the fiscal year commencing on July 1, 2002, the Public Service Commission would assess public utilities annually in proportion to their respective gross intrastate operating revenues for the preceding year. The total assessment would be 0.02% of the total gross intrastate operating revenues of all regulated utilities. Utilities could elect to make payments quarterly. At the end of each fiscal year, unused funds would revert to the General Revenue Fund.

The bill contains an emergency clause.

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 affect Total State Revenue.

SOURCES OF INFORMATION

Department of Economic Development
Office of the Public Counsel
Public Service Commission
Office of the State Treasurer



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Acting Director
March 7, 2002