

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0728-07
Bill No.: Perfected SCS for SB 246
Subject: Public Service Commission; Utilities
Type: Original
Date: February 18, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development, Office of Public Counsel** and the **Office of Administration, Budget and Planning** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Economic Development, Public Service Commission (PSC)** assume this proposal would prohibit commissioners and their advisory staff from establishing, maintaining or contributing to Chapter 130 campaign finance committees after the effective date of this proposal. It would shift resources from staff as a party in contested cases to non-party commissioner advisors numbering from six to eleven. The proposal establishes ex parte contact procedures that include contacts between commissioners and non-parties regarding contested cases. Also, this proposal authorizes extra-hearing proceedings during agenda meeting sessions. PSC assumes this proposal, as amended, would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
	(10 Mo.)		
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that are utility or telecommunication companies could be impacted as a result of this proposal.

DESCRIPTION

Section 386.050 to 386.210

This proposal removes the limitation on the residence of commissioners. However, commissioners would still be required to live within the state of Missouri. The proposal also prohibits members of the Public Service Commission and technical advisory staff from establishing, maintaining, or contributing a committee subject to the Campaign Finance Disclosure Committee after the effective date of this act.

The proposal gives the PSC Commissioners authority to have a technical advisory staff. This staff would consist of a pool of up to six full time employees and each commissioner could hire up to one personal advisor. Before these employees could be hired, the PSC would have to correspondingly eliminate comparable positions within PSC staff to accommodate the hiring of the technical advisory staff such that there would be no net gain of employees to the PSC as a whole and at a cost neutral level. Technical advisory staff must be hired by July 1, 2004. The technical advisory staff would render advice and assistance to the commissioners and provide relevant updates to the PSC. Each of the technical advisory staff would be subject to the same ex parte communication and conflict of interest requirements as the commissioners. No person could be hired as part of the technical advisory staff within two years of employment with certain divisions of the PSC, corporations regulated by the PSC or the Office of Public Counsel. The technical advisory staff will never be a party to proceedings before the PSC.

The proposal also delineates standards for the PSC regarding ex parte communications. Commissioners may confer with members of the public, any public utility or similar commission and the proposal sets forth the procedural guidelines for these communications.

DESCRIPTION (continued)

Section 392.200

This amendment authorizes telecommunication companies to offer discounted rates, special promotions, and agreements up to five years for any of its telecommunication services.

Section 393.015

This amendment limits the termination of water service for certain counties by requiring a ninety day notice by certified mail and requiring the outstanding balance owed to the water company exceed fifty dollars.

Section 386.374

This amendment allows the PSC to establish a pilot program to consider ability to pay as a factor in setting utility rates and may establish programs for low-income residential utility customers to ensure affordable, reliable, and continuous service to such customers.

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
Office of Administration
Budget and Planning



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