

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 2977-01
BILL NO. HB 1878
SUBJECT: Utilities; Public Service Commission
TYPE: Original
DATE: February 23, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Public Service Commission Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

* Assumes costs of \$31,681, \$54,946 and \$56,354 in FY 01, FY 02 and FY 03 respectively, and an increase in the PCS assessment and appropriation, resulting in a net effect of \$0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

The **Department of Economic Development, Public Service Commission (PSC)** assumes that implementation of this legislation will require one additional Regulatory Law Judge (1 FTE) to conduct hearings and draft decisions for Commission review and approval related to the review of private fire protection charges for water corporations. **Oversight** assumes the PSC would locate the new staff person in existing facilities and has not included office space rental costs in the fiscal impact specifications below.

Officials from the **Department of Economic Development, Office of Public Counsel (OPC)** assume the proposal would have no fiscal impact on its agency.

Oversight assumes the PSC would increase the assessment to utilities and that appropriation would be made, resulting in a net effect of \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(6 Mo.)		
PUBLIC SERVICE COMMISSION FUND			
<u>Costs - Public Service Commission (PSC)</u>			
Personal Service (1 FTE)	(\$17,913)	(\$36,722)	(\$37,640)
Fringe Benefits	(5,508)	(11,292)	(11,574)
Expense and Equipment	(8,260)	(6,932)	(7,140)
Total <u>Costs</u> - PSC	(\$31,681)	(\$54,946)	(\$56,354)
<u>Revenue-PSC</u>			
Assessment to utilities	\$31,681	\$54,946	\$56,354
ESTIMATED NET EFFECT			
ON PUBLIC SERVICE			
COMMISSION FUND			
	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	(6 Mo.)		
	\$0	\$0	\$0

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FISCAL IMPACT - Small Business

This proposal could fiscally impact small businesses.

DESCRIPTION

This bill prohibits the Public Service Commission (PSC) from allowing an increase in any water corporation's private fire service rate from August 28, 2000, to December 31, 2000. The bill establishes a review by the PSC beginning January 1, 2001, and every 2 years after, of the private fire service provided by each water corporation during the previous 2 years. Unless an incident requiring significant water use occurs, excluding frozen pipes or breaks, the water corporation cannot charge for private fire service for a 2-year period. The bill also prohibits any water corporation regulated by the PSC from charging more than one fee for water connection to any one location within 60 days.

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

This proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of Public Counsel



Jeanne Jarrett, CPA
Director
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