

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1045-01
Bill No.: HB 338
Subject: Public Service Commission; Telecommunications
Type: Original
Date: February 15, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Economic Development – Public Service Commission (PSC)** assume this proposal would make it easier for any telecommunication company currently under rate of return regulation to qualify for price cap regulation. In this respect, the PSC will have less of a role—if any—in determining the reasonableness of a company's earnings. PSC assumes no fiscal impact to their agency.

Officials with the **Department of Economic Development – Office of Public Counsel (OPC)** assumed, in response to a substantially similar proposal (Fiscal Note #1152-01, SB 218 from the current session), the legislation could have an undetermined fiscal impact on their agency, but that such costs could be absorbed. However, if the requirements of this proposal are combined with future additional requirements or changes, OPC may request additional resources.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2006
(10 Mo.)

FY 2007

FY 2008

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This act would relax standards for rate adjustments for small incumbent local exchange carriers (ILEC's). Small ILEC's would be able to adjust rates pursuant to 392.245 RSMo instead of coming to the Public Service Commission for a rate case and earnings review, which might result in positive fiscal impact.

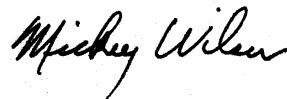
DESCRIPTION

This legislation allows small incumbent local exchange carriers to be regulated under price cap provisions.

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



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Director
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