

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5492-01
Bill No.: HB 1967
Subject: Utilities; Consumer Protection
Type: Original
Date: January 12, 2016

Bill Summary: This proposal requires electrical corporations to track costs for complying with the Clean Power Plan and itemize such costs on customer bills.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> 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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Office of the Public Counsel (OPC)** assume this proposal would create a new requirement for electric utilities to define, track, and then report costs to customers, as a separate line item on a customer bill, those "costs" associated with complying with the federal Clean Air Act. Defining what costs are the result of complying with the Clean Air Act, versus other regulations would create additional litigation around what expenses are categorized as "costs" of compliance. This would put upward pressure on the Office of the Public Counsel to expend additional time in rate cases litigating this issue. This would also likely create a disincentive to settlement and the need for additional expert witnesses in rate cases driving up the overall cost of rate case litigation that will ultimately be borne by all rate payers. Couple the increased cost of litigation with the likely customer confusion surrounding their bill and the need for the utility to provide extra customer service staffing and training, and the impact continues to be felt by rate payers as rate increases would result to cover those additional costs. The OPC would need an additional ½ FTE for a Public Utility Accountant I-III to address these highly contested issues.

Oversight assumes the OPC would be able to absorb this portion of an FTE within existing resources.

Officials from the **Department of Economic Development - Division of Energy** state there is no identifiable direct fiscal impact to the division from this proposal; however, there could be a cumulative fiscal impact if more proposals related to Public Service Commission regulatory issues pass.

Officials from the **Department of Economic Development - Public Service Commission** and the **Office of Administration** each assume the current proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2017
(10 Mo.)

FY 2018

FY 2019

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

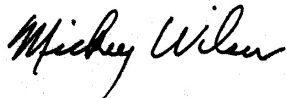
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Office of the Public Counsel
Public Service Commission
Division of Energy
Office of Administration



Mickey Wilson, CPA
Director
January 12, 2016

Ross Strobe
Assistant Director
January 12, 2016