

Fiscal Estimate Narratives

PSC 5/30/2003

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| LRB Number | 03-2735/3 | Introduction Number | SB-180 | Estimate Type | Original |
| Subject | | | | | |
| Public utility aid payments | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a public utility distribution account for payments to municipalities and counties, beginning in 2005, for power plants in their jurisdictions that began operation after December 31, 2003. For those plants meeting certain conditions the payments would replace the existing shared revenue payments. The bill, as it relates to the work of the PSC, also provides that any mitigation payments made by utilities to municipalities (196.20 (7)) may not be recovered in rates. The PSC has some minor requirements such as the one above under the bill. However, none of the provisions as they relate to the PSC will increase the workload of the agency in any perceptible way.

The bill will have effects on municipalities and counties. However, the local effects of the provisions related to aid payments will be addressed by the Department of Revenue. The tasks proposed in the bill for the PSC may, or may not, affect local governments. It is possible that the inability of utilities to include any mitigation payments to municipalities in rates may make them a less attractive alternative when negotiating with communities for powerplant sites. On the other hand, it cannot be said with any certainty that the inability to include these payments in rates will lead to their discontinuance as an option in certain situations.

Long-Range Fiscal Implications

None