

Fiscal Estimate Narratives

PSC 11/18/2005

LRB Number	05-3679/1	Introduction Number	AB-818	Estimate Type	Original
Description Public utility aid payments, imposing local general property taxes on production plant general structures and substations, and creating a credit against license fees imposed on light, heat, and power companies and electric cooperatives					

Assumptions Used in Arriving at Fiscal Estimate

AB 818 proposes two changes to Public Service Commission statutes. The first change is to s.196.491 (3) (gm) and would require, as part of other requirements in the statute, to determine the net book value of certain high-voltage transmission lines. For new lines that meet the definitions in this statute the net book value would be the same as the cost. For costs of lines in operation the net book value would be determined from company depreciation records. Therefore, the cost in terms of time and effort by PSC staff would not change.

Local Fiscal Effect for amended s. 196.491 (3).

Under AB 8181 changes to the above statute would reduce payments to counties, towns, villages and cities through which high-voltage transmission lines are routed. Currently a person who is issued a certificate of public convenience and necessity for a high-voltage transmission line must pay the Department of Administration an annual impact fee equal to 0.3 percent of the cost of the high-voltage transmission line. The change in this bill will reduce the annual impact fee payment to local units of government as the high-voltage transmission lines depreciate. Under current law the payment remains the same as long as the line is being used. The net fiscal effect is not measurable because this change would affect future construction and book values would not be known at this time, although it is possible for the net book value to depreciate to zero.

The second change is to amend 196.20 (7) (c) and create 196.20 (7) (c) 2. This change only has a fiscal effect on the City of Oak Creek and the City of Port Washington. Under the bill provisions the effect would be to continue mitigation payments of \$2,250,000 beyond 2010 for the City of Oak Creek. These continued mitigation payments from the utility to the City will be reflected in utility rates. In addition, this bill would prohibit the PSC from repealing the \$500,000 in mitigation payments the City of Port Washington currently receives.

Long-Range Fiscal Implications

For changes in the bill under s. 196.20-\$2,250,000 per year beyond the year 2010.

For changes in the bill under s. 196.491-The long term impact on local government is not known at this time.