



## Fiscal Estimate Narratives

PSC 2/23/2012

LRB Number	11-4045/1	Introduction Number	SB-488	Estimate Type	Original
<b>Description</b> Regulation of ferrous metallic mining and related activities, procedures for obtaining approvals from the Department of Natural Resources for the construction of utility facilities, making an appropriation, and providing penalties					

### Assumptions Used in Arriving at Fiscal Estimate

#### State Fiscal Effect

The proposed legislation is not estimated to have a fiscal impact to the Public Service Commission. The bill makes several changes to statutes governing the regulatory activities of the Department of Natural Resources (DNR), and mainly regulatory activities related to mining operations. The Public Service Commission of Wisconsin is affected through the proposed changes to the state approval process for construction of electric generating facilities and high-voltage transmission lines. The approval process is jointly performed by the DNR and Commission. The Commission reviews construction through the certification of public convenience and necessity process. The proposed legislation includes two changes to this process. Neither change is anticipated to have a fiscal impact.

The first change eliminates the requirement that a potential applicant for certification of public convenience and necessity must apply to the DNR for all permits related to the construction within 20 days after the DNR provides, to the applicant, a list of potential permits needed. This proposed change does not impact Commission processes. No changes are proposed to the criteria under which the Commission certifies public convenience and necessity. Therefore this change is estimated to have no fiscal effect.

The second change adds an exemption to the current exemptions for certificates of public convenience and necessity (CPCN). Under the proposed legislation, utility equipment and facilities located at an iron mining and processing site may also be considered for an exemption if the site is anticipated to use at least 70% of the facility's kilowatt hours output each day. The change appears to be intended for mining operators only, as utilities who would provide a facility at a mining site could be exempt from the CPCN under this exemption, but would still need standard Commission approval of their new facility. It is anticipated that new Commission staff workload from considering iron mining and processing sites for an exemption to the certificate process would be absorbed within existing resources. Therefore this change is estimated to have no fiscal effect.

#### Local Fiscal Effect

The changes in the proposed legislation related to the Public Service Commission are not anticipated to have a local fiscal effect. Local entities potentially impacted by the Commission related portions of the bill would be municipally-owned utilities seeking Commission approval for construction of an electric generating facility. Because the bill does not change the criteria under which the Commission would approve such construction, the certification of public convenience and necessity process, municipal utilities are not be affected by the bill.

### Long-Range Fiscal Implications

None