

**FISCAL ESTIMATE**

DOA-2048 N(R10/96)

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**

Changes in Regulation of the Electric Industry

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget     Yes     No

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
 Permissive     Mandatory  
2.  Decrease Costs  
 Permissive     Mandatory

3.  Increase Revenues  
 Permissive     Mandatory  
4.  Decrease Revenues  
 Permissive     Mandatory

5. Types of Local Governmental Units Affected:  
 Towns       Villages       Cities  
 Counties     Others \_\_\_\_\_  
 School Districts     WTCS Districts

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

20.155(l)(g)

**Assumptions Used in Arriving at Fiscal Estimate**

This bill requires the Public Service Commission (PSC) to participate in and direct a number of changes in the electric utility industry. The PSC will initiate several proceedings to write the rules and determine the appropriate processes that are required in the provisions of this bill. The PSC conducts some 400-500 proceedings per year. The staffing resources necessary to conduct these new proceedings would be determined after an implementation plan is developed. However, it is not anticipated that any additional resources would be required.

One provision of this bill requires the PSC to hire an expert consultant in economics to study the potential for horizontal market power and other market related issues. The one-time cost to hire a consultant cannot be determined until after a request for proposal bid process is conducted. Upon conclusion of the bid process, the PSC would request the appropriate program revenue expenditure authority at a s. 13.10 quarterly meeting.

Another provision of the bill increases the PSC appropriation for intervenor compensation by \$250,000 per year from the current base of \$250,000 to a new base of \$500,000. These funds would provide sufficient resources for public interest groups to participate in the proceedings of the PSC, if they meet the requirements of the statutes and rules governing intervenor compensation.

**Local Government Costs:** It is anticipated that no local government costs would be incurred as a result of this bill.

**Long-Range Fiscal Implications**

Agency/Prepared by: (Name & Phone No.)

PSC/Gordon Grant 267-9086

Authorized Signature/Telephone No.

*Awe M. Bie*

Date

6/15/99

**FISCAL ESTIMATE WORKSHEET**

1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/96)

ORIGINAL  UPDATED  
 CORRECTED  SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
LRB 3150/3 SB 196

Amendment No.

**Subject**

Changes in Regulation of the Electric Industry

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations	250,000	-
<b>TOTAL State Costs by Category</b>	<b>\$ 250,000</b>	<b>\$ -</b>
<b>B. State Costs by Source of Funds</b>		
GPR	\$	\$ -
FED		-
PRO/PRS	250,000	-
SEG/SEG-S		-
<b>State Revenues</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS	250,000	-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$ 250,000</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**  
STATE

LOCAL

NET CHANGE IN COSTS \$ 250,000 \$

NET CHANGE IN REVENUES \$ 250,000 \$

Agency/Prepared by: (Name & Phone No.) PSC/Gordon Grant 267-9086	Authorized Signature/Telephone No. <i>Ave M. Bie</i>	Date 6/15/99
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