

LRB or Bill No./Adm. Rule No.
AB 159

Amendment No. if Applicable
LRB 0301/1

FISCAL ESTIMATE

DOA-2048 N(R10/96)

- ORIGINAL
- UPDATED
- CORRECTED
- SUPPLEMENTAL

Subject

Approval of Certain Transactions Involving Telecommunication Utilities and Voting Securities of Public Utility Holding Companies

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

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(1)(g)

Assumptions Used in Arriving at Fiscal Estimate

If this bill became law, it would require additional staff resources to investigate applications under Wis. Stat. § 196.80. Applications under this section would include, but not be limited to, mergers between large telecommunications providers, mergers between small telecommunications providers, and the sale of exchanges from one provider to another provider. It is estimated that compliance with this section of the law would require 2 FTE positions (Program and Planning Analyst 2's). This estimate is based on prior experience, experience of other states with similar laws, use of current staff, and the frequency of such applications. Since the level of activity for these types of transactions is uncertain due to the changing telecommunications industry and positioning of companies fro competition, it may be appropriate for the positions to be authorized on a project basis. This would allow for an evaluation as to the ongoing level of activity of mergers, consolidations, and similar other transactions involving telecommunications utilitites.

The bill also removes an exception contained in s. 196.795 (l)(h) which allowed certain public utility holding companies that hold telecommunications utilities to have a person acquire more than 10 percent of the outstanding voting securities in the holding company. Under the bill, the PSC would be required to determine if an acquisition of more than 10 percent would be in the best interests of utility consumers, investors and the public. This provision would not have a significant fiscal effect on the PSC.

Long-Range Fiscal Implications

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

PSC/ Gordon Grant 267-9086

Authorized Signature/Telephone No.

Ann M. Bie

Date

03/02/01

FISCAL ESTIMATE WORKSHEET

2001 Session

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

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
AB 159

Amendment No.
LRB 0301/1

Subject

Approval of Certain Transactions Involving Telecommunication Utilities and Voting Securities of Public Utility Holding Companies

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

\$12,800

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$ 77,300	\$ -
(FTE Position Changes)		(2.0 FTE)	(- FTE)
State Operations - Other Costs		8,400	-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$ 85,700	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS		85,700	-
SEG/SEG-S			-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$	\$ -

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ 85,700 \$ 0

NET CHANGE IN REVENUES \$ \$

Agency/Prepared by: (Name & Phone No.) PSC/Gordon Grant 267-9086	Authorized Signature/Telephone No. <i>Ave M Bie</i>	Date 03/02/01
--	--	------------------