

LRB or Bill No./Adm. Rule No.  
SB 67

Amendment No. if Applicable  
LRB 2537/1

**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       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(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 for 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 utilities.

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.

*Ave 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

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Amendment No.  
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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 Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
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		-
<b>TOTAL State Costs by Category</b>	<b>\$ 85,700</b>	<b>\$ -</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$	\$ -
FED		-
PRO/PRS	85,700	-
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		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**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
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