

Fiscal Estimate Narratives

PSC 1/24/2013

LRB Number	13-1129/1	Introduction Number	AB-0001	Estimate Type	Original
Description 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 changes in the laws related to iron mining. The Public Service Commission (PSC) of Wisconsin is affected through the proposed changes to the approval process for construction of utility facilities. The approval process is jointly performed by the DNR and the Commission. The Commission reviews construction through the certification of public convenience and necessity (CPCN) process or certification authorizing the person to transact public utility business (PSC certificate). The proposed legislation includes three changes to this process. These changes are anticipated to have no fiscal impact.

The first change makes DNR's combined permit procedure optional for an applicant proposing to construct a utility facility for iron mining activities and allows the applicant to submit separate applications to DNR for each required permit. A utility facility required to obtain a PSC certificate and required to obtain one or more permits from DNR may submit separate applications to DNR for each required permit. If the utility facility does not use the combined permit procedure, the applicant is not required to file a DNR permit application at the same time that it files an application for a PSC certificate. This proposed change does not impact the 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 eliminates the requirement that a potential applicant for certification of public convenience and necessity must apply within 20 days to the DNR for all approvals related to the construction after the DNR provides, to the applicant, a list of potential approvals needed. The bill also specifies that the applicant only needs to apply for those approvals identified in the listing. This proposed change does not impact the 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 last change exempts a large electric generating facility from the CPCN process if the developer of the project is not a public utility and the developer intends to use at least 70% of the kWh itself. Current law specifies that the developer must use this electricity for manufacturing; this legislation would also allow the developer to use the electricity for iron mining. This proposed change does not impact current Commission processes. 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 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, utilities are not expected to be affected by the bill.

Long-Range Fiscal Implications

No long-range fiscal impact anticipated.