



## Fiscal Estimate Narratives

PSC 2/3/2016

LRB Number	<b>15-4434/1</b>	Introduction Number	<b>SB-654</b>	Estimate Type	<b>Original</b>
<b>Description</b> One-call system violations; sulfur dioxide compliance plans; assessment authority of the Public Service Commission; funding for statewide energy efficiency and renewable resource programs; public utility contracts with affiliated interests; local access and transport areas for telephone service; railroad telecommunications service; Department of Natural Resources permit application procedures related to the construction of a high-voltage transmission line; navigable water general permits and individual permits related to utility facilities; granting rule-making authority; and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill makes changes to the enforcement of digger's hotline requirements, including allowing the Public Service Commission (PSC) to directly assess forfeitures. The bill also eliminates the PSC's role regarding sulfur dioxide compliance plans, and makes changes regarding the PSC's assessment authority funding for Focus on Energy programs, public utility contracts with affiliated interests, telecommunications local access and transport area boundaries, and railroad telecommunications.

The fiscal effect for the various sections are as follows:

- To establish a procedure for handling complaints regarding violations of digger's hotline requirements at the PSC and allows the PSC to directly assess respondents for violations, instead of a court. Current law allows a court to require a person who willfully and knowingly violates the digger's hotline requirements to pay a forfeiture of no more than \$2,000 for each violation. This bill allows the PSC to assess the same amount for each violation but also requires the respondent to pay a 10% surcharge to the one-call system. The fiscal impact is not determinable. Implementing this procedure is expected to be absorbed with existing resources, but since this is a new program it is unknown how many complaints will be processed. The PSC may need to hire staff to handle the work load. There will be increased revenue for the one-call system that is not determinable.
- To eliminate the requirement that major energy utilities submit an annual plan for complying with sulfur dioxide emission rates and eliminate the requirement that a major utility submit a request for a variance from sulfur dioxide emission rates will have little or no fiscal impact.
- To allow the PSC to directly assess companies for its expenses for proceedings to determine whether certain oil pipeline companies have condemnation authority will increase the PSC's direct assessment revenue. The increased direct revenue amount is not determinable.
- To change the requirement that investor-owned electric and natural gas utilities must spend 1.2 percent of their annual operating revenues derived from retail sales instead of 1.2 percent of their annual operating revenues to fund Focus on Energy and related programs will reduced revenues by about \$7 million per calendar year. The reduced contribution by the utilities would result in dollar-for-dollar reductions in those utilities' rates when they coming in for their next rate case.
- To extend the deadline for considering certain applications for approval of public utility contracts with affiliated interest will have no fiscal impact.
- To eliminate the authority for consumers to file a petition with the PSC requesting that the PSC petition a federal court to make changes to local access and transport areas (LATAs) for telephone service will have no fiscal impact.
- To eliminate the PSC's authority to investigate complaints about telecommunications service with railroads will have no fiscal impact.

### Long-Range Fiscal Implications