

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number 21-1695/1		Introduction Number SB-315	
Description meter installation or replacement projects by water utilities			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Decrease Costs			
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
5. Types of Local Government Units Affected			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
		<input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities	
		<input type="checkbox"/> Counties <input type="checkbox"/> Others	
		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
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Fiscal Estimate Narratives

PSC 4/29/2021

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Description meter installation or replacement projects by water utilities					

Assumptions Used in Arriving at Fiscal Estimate

State Fiscal Effect

2021 SB 315 exempts water public utilities from needing a certificate of authority issued by the Public Service Commission (Commission) prior to completing a non-routine meter replacement project under certain circumstances. Presently, water public utilities must obtain a certificate of authority prior to completing a non-routine meter replacement project. A certificate of authority is required for meter replacement projects that involve an upgrade in meter technology or, on average, accelerated replacement of meters relative to their useful life. This bill would remove the certificate of authority requirement for projects in which the primary purpose is the replacement of customer water meters, the project is to be completed more than one year after it has commenced, and the estimated cost of the project is not more than \$250,000 or 25 percent of the utility's operating revenues, whichever is less.

2021 SB 315 is likely to reduce the number of non-routine meter replacement projects reviewed by Commission staff. In 2020, the Commission processed nine certificates of authority for non-routine meter replacement projects. Three of these projects, or one third of the non-routine meter replacement projects reviewed, would potentially be exempt under this bill. While there would be a reduction in time associated with staff's review of non-routine meter replacement projects, this may be offset by an increase in staff review time for subsequent rate cases involving meter replacement projects. This shift in workload could be absorbed by existing Commission resources.

Local Fiscal Effect

Municipal utilities that meet the exemption criteria in 2021 SB 315 would realize cost savings because utility staff would not have to prepare a project application for Commission approval. There would also be cost savings for other items associated with the application, such as amounts billed to the utilities by the Commission for staff review time. However, the cost savings may be offset by increased utility staff and Commission staff work effort associated with subsequent rate cases.

Long-Range Fiscal Implications