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February 10, 2016

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 654/Assembly Bill 804: Changes to Programs Affecting the Public Service Commission and the Department of Natural Resources

Senate Bill 654 (SB 654) was introduced on February 1, 2016, and referred to the Joint Committee on Finance. SB 654 would make a number of changes related to Department of Natural Resources (DNR) and Public Service Commission (PSC) regulation of certain utility facilities.

An identical bill, Assembly Bill 804 (AB 804), was introduced in the Assembly on January 25, 2016, and referred to the Assembly Committee on Energy and Utilities. That Committee held a public hearing on February 3, 2016, and has scheduled an executive session on the bill for Thursday, February 11.

**CURRENT LAW**

Sulfur Dioxide Emission Compliance Plans. Major electric utilities are required to submit an annual compliance plan to the DNR and PSC for complying with certain sulfur dioxide emissions requirements. DNR is required to review the adequacy of each compliance plan and, after consulting with the PSC, approve or disapprove the plan within 90 days after its receipt.

Major utilities are authorized to submit a request for a variance to sulfur dioxide emission limits to the PSC and DNR. Upon receipt of a variance request from a major utility, the PSC is required to, within 45 days, determine if specified variance conditions exist, and to report its determination to DNR. DNR is required to grant the variance request if the PSC determines that a variance condition exists and DNR determines that the major utility's compliance plan is adequate. DNR is required to deny the variance request if the PSC determines that no variance condition exists or DNR determines that the major utility's compliance plan is not adequate. DNR officials indicate that no utilities have ever requested a variance under this provision.

The statutes include a statement that it is the goal of the state that total annual sulfur dioxide emissions do not exceed 325,000 tons from all major utilities and large sources. DNR is

required to prepare an annual report which states the total nitrogen oxide and sulfur dioxide emissions from all stationary sources in the state. DNR is authorized to combine the report with other reports published by the Department. (DNR no longer publishes a separate report to meet the statutory requirement, but rather, publishes a variety of emissions data on the Department's website.) If DNR determines, based on the annual report, that the total annual sulfur dioxide emissions from all major utilities and large sources exceeded 325,000 tons in the previous year, or if DNR projects that the total sulfur dioxide emissions in the state will exceed 325,000 tons in any of the three succeeding years, DNR is required to determine if the actual or projected excess emissions are or will be attributable to the major utilities, the large sources, or both. DNR is then required, after consulting with the PSC and holding a public hearing, to prepare a report to the Legislature, with the Department's recommendation as to whether the goal of 325,000 tons of emissions from all major utilities and large sources should be replaced with an enforceable limit. If so, DNR is also required to include the Department's recommendation for a cost-effective mechanism for ensuring compliance with the limit. DNR reported that in 2014, there were 84,977 tons of sulfur dioxide emissions from all regulated stationary sources in the state.

DNR Permits. When utility facilities apply for navigable waters permits under Chapter 30 of the statutes, DNR is required to grant or deny the permit application within 30 days of the date on which the PSC issues its decision on the project.

Current law includes procedures for DNR issuance of general permits that apply statewide and authorize certain activities to be conducted in navigable waters. Persons who want to proceed with an activity authorized under a navigable waters general permit must apply to DNR with notification of the person's wish to proceed, not less than 30 days before commencing the activity authorized by a general permit. DNR may make one request to the applicant for additional information during the 30-day period. DNR may require the applicant for a general permit to apply for an individual permit instead of a general permit. If the Department does not require the applicant to provide additional information or to obtain an individual permit, the activity is considered to be authorized under a general permit. DNR is authorized to include location requirements in the general permit that ensure that the activity will not materially interfere with navigation or have an adverse impact on the riparian property rights of adjacent riparian owners.

PSC Assessments. The PSC funds its regulatory activities through the imposition of assessments on the regulated entities. During the course of an investigation, appraisal, or rendering of a requested service, the PSC bills the utility, power district, or sewerage system for any costs as a "direct assessment." The PSC's remaining expenses for regulation, which are not directly attributable to a specific utility, power district, or sewerage system, are billed as a "remainder assessment" on a pro rata basis to the public utilities, electric utilities, power districts, and sewerage systems under the PSC's jurisdiction.

One-Call System (Diggers Hotline). State law requires the owners of transmission facilities to establish a nonprofit organization, of which they are members, to operate a one-call system. The one-call system is required to consist of a statewide communications system to receive excavation notices and to transmit notice information to its members that own the transmission facility affected by the noticed excavation. State law requires the organization to be funded through membership fees assessed on the basis of excavation notices. State law enumerates a number of system functions, including to publicize itself, provide toll-free communication to the system,

accept notices of intended excavation activity, accept notices of intended emergency location or emergency excavation activity 24 hours a day, disclose to persons providing notice that the system does not include private transmission facilities, provide persons providing notice of the names of affected-member transmission facilities owners who will receive the notice information, promptly transmit notice information to affected-member transmission facility owners, and retain records of notices for at least six years. State law requires transmission facility owners to conduct field markings, provide records, and take other appropriate responses within ten days of receiving a planning notice; to mark the location of transmission facilities and water or sewer laterals, if applicable, within three working days of receiving an excavation notice; and to provide emergency locator service within 24 hours after receiving a request for that service. In addition, state law specifies excavator and planner responsibilities, penalties, and injunctive relief. To fulfill these requirements, the owners of transmission facilities have created Diggers Hotline, whose on-line membership list includes 1,298 entries.

PSC Telecommunications Activities. As a result of 2011 Wisconsin Act 22, telecommunications utilities in Wisconsin have become largely free of traditional utility regulation with respect to their offering retail services to customers. With deregulation under Act 22, the primary activities of the PSC with regard to telecommunications services have become intercarrier relations, administration of the Universal Service Fund, and broadband promotion and mapping.

Focus on Energy. State law requires the state's investor-owned utilities to spend 1.2% of their annual operating revenues on energy efficiency and renewable resource programs. The utilities are required to administer these programs collectively through competitively bid contracts with one or more individuals or organizations. The state's investor-owned utilities formed a nonprofit organization called the Statewide Energy Efficiency and Renewable Administration (SEERA) to create and fund the statewide programs, collectively known as Focus on Energy. SEERA has contracted with Chicago Bridge and Iron Company (CB&I) to manage the programs. These programs are funded entirely outside the state budget process. Through the rate-making process, the PSC adjusts utility rates to ensure that the required contributions are produced, and the PSC provides program oversight, which includes setting annual targets and four-year goals for energy savings, overseeing program budgets, and approving program designs developed by the program administrator.

Affiliated Interests. State law governs the relationship between a public utility and an affiliated interest. An entity is an affiliated interest if it is a person or corporation with substantial influence over the public utility, who owns 5% or more of the voting securities of the public utility, which has officers or directors in common with the public utility, or which is a subsidiary of the public utility. Certain contracts and arrangements between an affiliated interest and a public utility is subject to PSC approval based on a finding that it is reasonable and consistent with the public interest.

**SUMMARY OF BILL**

Sulfur Dioxide Emission Compliance Plans. The bill would eliminate the requirement that major utilities submit an annual compliance plan to the DNR and PSC for complying with sulfur

dioxide emissions requirements, and the requirement that DNR review and approve or disapprove the plan.

The bill would eliminate the requirement that a major utility submit a request for a variance from sulfur dioxide emission rates to PSC and for PSC to determine whether a condition exists for granting a variance. The bill would maintain the current requirement that a major utility must submit the variance request to DNR. The bill would specify that DNR, rather than PSC, would determine whether or not a variance condition exists. The bill would maintain the current requirement that DNR approve or deny a variance request.

The bill would eliminate the requirement that DNR make certain determinations and recommendations regarding sulfur dioxide emissions from major utilities and other large sources, whether emissions of sulfur dioxide exceed state goals, whether the excess emissions are attributable to major utilities or other large sources, and whether DNR recommends that emissions goals should be replaced with enforceable limits. Further, the bill would eliminate the requirement that, if DNR determines sulfur dioxide emissions exceed state goals, the Department shall consult with PSC and submit a report of recommendations to the Legislature.

DNR Permits. The bill provides an alternate deadline for DNR action on navigable waters permit applications by persons who submit an application to PSC to construct a high-voltage transmission line. The bill would authorize DNR and the applicant for a high-voltage transmission line to enter into an agreement under which DNR would grant or deny the application within 45 days after the Department receives all of the information necessary for it to carry out its obligations under Chapter 30, as determined by DNR. The bill would maintain the current requirement that DNR would be required to grant or deny an application for a permit for other types of utility facilities within 30 days of the date on which the PSC issues its decision. If exercised, the revised timeline for DNR approval provided for high-voltage transmission lines could be established at a time that is earlier, or later, than the current law requirement for DNR approval within 30 days of the PSC decision date.

The bill requires that when DNR authorizes navigable water activities under a general permit or individual permit, the Department may not impose a condition on the permit that requires the relocation of the facility, if the activity is necessary in order to maintain or repair a utility facility that is owned or operated by a public utility or a cooperative association that produces or furnishes heat, light, water, or power to its members only.

PSC Direct Assessments Related to Sewage or Storm Water Systems. Current law authorizes the PSC to investigate complaints that the rates, rules, or practices of a local government operating a sewage or storm water system are unreasonable, unjustly discriminatory, or inadequate. The PSC is required to recover its expenses by billing the local government through its direct assessment authority.

Contrary to the preceding provision, state law requires the PSC to bill expenses related to certain complaints to the complainant, rather than the local government operating the system. Specifically, a complaint may be made by a licensed disposer, which is a business that delivers

waste from septic tanks to municipal sewage systems for treatment. If the PSC finds one or more fees are unreasonable and issues an order lowering the fee or fees by 15% or more, the municipal system is required to pay the entire PSC assessment. However, if the adjustment is less than 15%, the licensed disposer is required to pay the entire PSC assessment. The PSC is also required to bill the entire assessment to the licensed disposer if the PSC finds the fee or fees are reasonable. If the PSC terminates the proceeding before it determines if the fees are reasonable, the assessment is divided evenly between the system and the licensed disposer, unless the parties agree to a different allocation.

The bill would make the PSC's imposition of assessments on licensed disposers permissive, rather than mandatory, where this is a determination that the fees are either reasonable or unreasonable. The bill would make a similar change in instances where the PSC terminates the proceeding. That is, the current law provision would be changed to allow, rather than require, the two parties to each pay 50% of the assessment. The two parties would continue to be allowed to agree to a different allocation.

The bill would also modify the assessment procedure in instances where the complaint does not involve a licensed disposer. As noted above, current law requires PSC expenses in such instances to be billed to the local government. The bill would allow the PSC to require the complainant to pay all, or a portion, of the expenses if the PSC determines that the system's rates, rules, or practices are not unreasonable, unjustly discriminatory, or inadequate. The PSC would have the authority to determine the portion that the complainant would be required to pay. In instances where the PSC terminates the proceeding before making a final determination, the bill would allow the PSC to require each party to pay 50% of the expenses or to pay a different allocation of the expenses agreed to by the parties. Finally, the bill would require the PSC to mail the complainant a bill for the expenses determined under these provisions, payable within 30 days of the mailing, and to deposit 90% of the payments to its appropriation for utility regulation.

PSC Direct Assessments Related to Pipeline Companies. Current law authorizes certain governmental and business entities to acquire real and personal property, as well as interests in such property, through eminent domain, or condemnation. That authority extends to pipeline companies, but such authority is contingent on the approval by the PSC and a Commission finding that the pipeline company's acquisition of real estate interests is in the public interest. Current law does not allow the PSC to recover its costs related to a pipeline condemnation hearing by billing the pipeline company. The bill would allow the PSC to recover its expenses for such hearings from pipeline companies through its direct assessment authority.

One-Call System (Diggers Hotline). The bill would amend the current law provision regarding excavator and planner responsibilities to require those individuals to promptly make a report to the 911 emergency telephone number if an inspection of a transmission facility reveals that a flammable, toxic, or corrosive gas or liquid has escaped that may endanger life, cause bodily harm, or result in damage to property.

In addition, the bill would create a process for hearing and resolving complaints for persons who do not follow the procedures established under the one-call statute. The bill would require the

one-call system: (1) to appoint a panel consisting of seven to nine members to resolve complaints; (2) to establish policies, procedures, and forms as necessary to implement complaint procedures; (3) to provide for the production and administration of an educational course related to the complaint process; (4) to establish and maintain a damage prevention fund consisting of fees and surcharges imposed under the complaint process; and (5) to use the damage prevention fund, at the system's discretion, to pay the cost of producing and administering an educational course or providing for public outreach and underground utility damage prevention awareness programs.

Under the complaint procedure, any person would be allowed to file a complaint with the panel pursuant to procedures established by the one-call system alleging that another person has violated or aided in the violation of one-call provisions, and no complaint could be dismissed solely because of the absence of direct damage to the complainant. Complaints could not be filed more than 120 days after a person discovers an alleged violation of this section, except that the panel could, for good cause shown, allow a complaint to be filed within one year after the discovery of an alleged violation.

Upon receiving a complaint, the panel would be required to provide the respondent, by certified mail, a statement of the complaint and a notice requiring the respondent to file a response with the panel within 20 days after the date of service of the notice. The notice would be required to also advise the respondent of the amount of the fee required for completion of the educational course created under the proposal. Upon request of the respondent, the panel could extend the period for filing the response. In the response, the respondent would be required to admit or deny the violation alleged in the complaint or advise the panel that, based on the respondent's satisfaction of the complaint, the complainant has agreed to dismiss the complaint.

The panel would be required to determine by majority vote whether there is probable cause to believe that the respondent violated provisions of the one-call statute or whether to dismiss the complaint. The panel would be required to dismiss a complaint for lack of probable cause or at the request of the complainant. Except as provided below, if the panel determines there is probable cause to believe that a respondent violated provisions of the one-call statute, the panel would be required to provide a notice of probable violation to the PSC that includes the amount the panel by majority vote recommends the PSC assess as a forfeiture.

The panel would be required to consider the following factors in determining the amount of a recommended forfeiture: (1) the amount of damage, degree of threat to the public safety, and inconvenience caused by the respondent's alleged violation; (2) the respondent's plans and procedures to ensure future compliance with the provisions of the one-call system statute; (3) any history of previous violations of the one-call system statute by the respondent; and (4) any other matter as justice requires. The panel would be required to make a determination regarding probable cause within one of the following periods: (1) within 20 days after the respondent files the response, provided the respondent files a response within 20 days after the date of service of the notice; (2) within 40 days after the panel's service of the notice, provided the respondent fails to file a response within the 20-day period after the notice's date of service and the panel has not extended the period upon the request of the respondent; or (3) within 20 days after expiration of the extended period, provided the panel has extended the period and the respondent has failed to file a

response within the extended period.

If the panel determines there is probable cause to believe that a respondent violated a provision of the one-call system statute, the one-call system could allow the respondent to attend an educational course in lieu of providing notice of probable violation to the PSC. The one-call system would be required to direct a respondent who agrees to attend the educational course to pay a fee before completion of the course for recovering a portion of the cost of producing the educational course and the direct cost of administering the educational course for the respondent. The one-call system would be required to deposit any fees collected in the damage prevention fund.

The bill would impose a number of duties on the PSC relative to the one-call system complaint procedure. Upon receipt of a notice of probable violation, the PSC would be required to serve a notice of the probable violation on the respondent using personal delivery, mail, electronic mail, or any other reasonable method to provide notice. The PSC would be allowed to include any of the following on the notice: (1) a statement of the provisions of the statutes, rules, or PSC orders that the person or persons allegedly violated; (2) a copy of the one-call system statute and any other provisions of the statutes or rules upon which the PSC relies in the enforcement action for the violation; (3) any forfeiture amount recommended by the panel; and (4) a statement that the PSC may require the respondent to attend and pay for the educational course under the one-call system statute in lieu of or in addition to assessing a forfeiture.

Within 30 days of receipt of a notice of probable violation, the respondent would be required to respond by the method specified by the PSC in at least one of the following ways: (1) submitting written explanations, a statement of general denial, or other materials contesting the alleged violation; or (2) submitting a signed admission that the respondent committed the violation that is the subject of the notice. Unless good cause is shown or a consent agreement is executed before expiration of the 30-day period specified above, the failure of a respondent to respond within that period would constitute an admission that the respondent committed the violation that is the subject of the notice. The admission could be used against the respondent in any future proceeding. At any time before the PSC issues an order, the PSC and the respondent would be allowed to agree to dismiss the complaint by joint execution of a consent agreement. A consent agreement would become effective when the PSC issues an order approving the consent agreement.

A consent agreement could assess against the respondent a forfeiture, require the respondent to attend the educational course, or do both. Each consent agreement would be required to include all of the following: (1) an admission by the respondent of all jurisdictional facts; (2) an express waiver of any further procedural steps and of the right to seek judicial review or otherwise challenge or contest the validity of the PSC's order approving the consent agreement; and (3) a statement of the actions required of the respondent and the time by which the actions shall be completed.

If a complaint is not dismissed under a consent agreement, the PSC would be authorized, no sooner than 30 days after the PSC serves the respondent its original notice, to issue an order assessing a forfeiture, to require the respondent to attend the educational course, or do both. If a

consent agreement or order requires a respondent to attend the educational course, the consent agreement would also be required to direct the respondent to pay the one-call system a fee determined by the one-call system for the educational course, which the one-call system would be required to deposit in the damage prevention fund.

The bill would allow the PSC to recover its administrative costs using its direct assessment authority to bill the person against whom it executes a consent agreement or issues an order.

The bill would amend the current law provision that allows the imposition of a $2,000 forfeiture on any person who willfully and knowingly violates the provisions of the one-call system statute (each day of violation constitutes a separate violation) in the following ways: (1) the forfeiture would be imposed by the PSC under a consent agreement or order under the procedures described above; (2) by repealing the limitation that the violation must be made "willfully and knowingly", the forfeiture could be imposed for any violation; (3) the forfeiture would be limited to no more than $2,000, so a lesser amount could be imposed; and (4) the forfeiture would be deposited in the common school fund upon being remitted by the PSC to the Secretary of DOA (the common school fund is the recipient of forfeitures under the state constitution). The bill would prohibit any other forfeitures under the one-call system. For each forfeiture assessed by the PSC, it would also be directed to require the person assessed to pay a surcharge equal to 10% of the amount of the forfeiture to the one-call system, and the one-call system would be required to deposit the surcharge in the damage prevention fund. If the amount of a forfeiture is reduced on appeal, the amount of the surcharge would be proportionately reduced.

If the Commission has delegated its authority under the preceding complaint and forfeiture provisions to a PSC employee, such as an administrative law judge, a complainant or respondent would be allowed to request the Commission to review an order issued by its employee. The filing of a written petition for review would not suspend or delay the effective date of the order, and the order would continue in effect unless the petition is granted or until the order is superseded, modified, or set aside. The complainant or respondent would be allowed to request review by the Commission no later than 20 days after the order by the employee. If the Commission does not issue an order with respect to a request for review within 30 days after the request is filed, the request would be considered denied. Any recommendation, order, or other action of the panel, one-call system, or PSC would be presumed valid. The burden would be upon the person claiming the recommendation, order, or other action to be invalid to plead and prove the facts establishing the invalidity. The PSC would be authorized to promulgate administrative rules implementing the requirements relating to the PSC.

PSC Telecommunications Activities. As noted above, telecommunications utilities in Wisconsin have become largely free of traditional utility regulation with respect to their offering retail services to customers. The bill would repeal two provisions that the PSC characterizes as "obsolete."

The first provision that would be repealed involves a procedure by which consumers may request the PSC to hold a public hearing on changing the boundaries of the consumers' local access and transport area (LATA). Based on the hearing's findings, state law authorizes the PSC with any

affected telecommunications providers to petition the appropriate federal district court for a boundary change. The petition is made to federal district court because the federal court oversaw the divestiture of AT&T in 1984 and the creation of regional Bell operating companies. After divestiture, these carriers provided local exchange services within LATAs but were prohibited from offering service that originated in one LATA and terminated in another LATA. With deregulation and increasing competition for long-distance services, the LATA designation has become less significant. The bill would repeal the petition procedure for changing LATAs.

The second provision that would be repealed concerns railroad telecommunications service. During the late 1800's and early 1900's, Wisconsin's local telephone exchanges and railroad system experienced significant development. Some railroads developed their own telephone networks to provide communications between stations for railroad purposes. In time, some railroad telecommunications systems interconnected with local telecommunications exchange systems. In response, a statutory provision was created to give the PSC regulatory oversight of these systems. The bill would repeal this provision.

Focus on Energy. As noted above, the Focus on Energy program is funded with contributions from the state's investor-owned utilities, and state law sets the contribution level equal to 1.2% of each utility's annual operating revenues. The bill would amend this requirement so that the contribution is limited to the utility's "retail" sales. As a result, revenues from sales for resale would not be included in the calculation. This provision would be retroactive to January 1, 2016.

Affiliated Interests. As noted above, certain contracts and arrangements between an affiliated interest and a public utility are subject to PSC approval based on an application to the PSC and a finding that the contract or arrangement is reasonable and consistent with the public interest. If the Commission holds a public hearing on the application, final action on the application must be taken within 180 days after the Commission's notice of hearing. However, the Commission's chairperson may extend the time period for an additional 180 days. If the Commission fails to act within 180 days or within the extended period, whichever applies, the application is considered approved. Currently, if no public hearing is held, the Commission must take final action within 90 days after opening a docket on the application. If the Commission fails to take action within the 90-day period, the Commission is considered to have approved the application. The bill would amend the procedure for applications where no public hearing is held by authorizing the Commission's chairperson to extend the time period for Commission action by an additional 90 days for good cause. Under the bill, the Commission's failure to act within the 90-day extension would result in the application being considered approved.

**FISCAL EFFECT**

DNR submitted a fiscal estimate which indicates that the bill would have no fiscal effect on the Department.

The bill would affect the PSC and its administrative costs in a variety of ways. The proposed changes to the one-call system will impose additional responsibilities on the PSC related to hearing

complaints and assessing forfeitures. In its fiscal estimate on the bill, the PSC notes that the resulting fiscal impact from these changes is "not determinable" since the number of complaints is unknown, but that the PSC anticipates absorbing these functions using existing resources. Nonetheless, the fiscal estimate indicates that the PSC may need to hire staff depending on the volume of complaints. While the bill would eliminate the PSC's role in reviewing sulfur dioxide plans submitted by the state's major energy utilities, the PSC's fiscal estimate indicates that this provision would "have little or no fiscal impact." The repeal of the two telecommunications provisions related to railroads and LATA boundaries are noted to have no fiscal impact, as these provisions are obsolete.

Several of the bill's provisions would make changes to the PSC's direct assessment authority, generally increasing related program revenue. However, some of these provisions would result in an offsetting reduction in program revenue raised under the PSC's remainder assessment authority. The provisions related to sewage or storm water systems and to pipeline companies would allow for a more equitable alignment of PSC assessments and costs. The authorization to impose direct assessments related to the PSC's one-call system responsibilities would offset the expenses incurred by the PSC related to those responsibilities.

At the Assembly public hearing on the bill, PSC staff indicated that the one-call system changes are precipitated by federal regulations recently adopted by the Pipeline and Hazardous Material Safety Administration (PHMSA) in the U.S. Department of Transportation. Those regulations require each state to have an enforcement program for pipeline excavation damage prevention. The PSC indicates that failure to provide an adequate enforcement mechanism could eventually result in a reduction in federal funding of up to 4% for the PSC's pipeline safety program, which receives approximately $400,000 annually in federal funds.

The bill would also increase revenues related to the one-call system, by authorizing surcharges, and decrease revenues related to the Focus on Energy program, by limiting the revenue base on which contributions are calculated. The revenues of both programs are outside the state appropriation system, and instead, belong to private nonprofit entities, either Diggers Hotline or SEERA, which state law requires the state's utilities to create. While the revenue increase for Diggers Hotline is unknown, the PSC estimates that the Focus on Energy program will experience a revenue reduction of approximately $7 million annually.

Under the oversight of the PSC, SEERA has contracted with a program administrator (Chicago Bridge and Iron, or CB&I) to deliver a variety of programs under Focus on Energy, totaling approximately $100 million annually. The contract is administered on a quadrennial basis, and the current contract covers 2015 through 2018. Because the revenue reduction related to the bill would affect three of the four contract years, the PSC, SEERA, and CB&I would be forced to renegotiate existing contracts. It is not unusual for these parties to adjust contracts to address unforeseen events, but it is unknown how the parties would react to a $7 million annual reduction.

The PSC currently has an open docket related to the Focus on Energy program (5-FE-100), and a filing in the docket indicates the program had a $78.1 million balance as of March 31, 2015. However, $30 million of the balance had already been allocated to five programs through the

quadrennial planning process, and the three parties have agreed to a $30.6 million contingency balance. Therefore, the currently estimated undesignated fund balance is $17.5 million, or somewhat less than the three-year estimated revenue reduction of approximately $21 million under the bill.

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