

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1791-12
Bill No.: Truly Agreed To and Finally Passed CCS for HS for HCS for SS for SCS for SB 555
Subject: Public Service Commission; Utilities; Energy
Type: Original
Date: May 21, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development, Office of Public Counsel (OPC)** state that this proposal does not have a significant impact on their agency.

Officials from the **Department of Economic Development, Public Service Commission (PSC)** state a defined aluminum smelting facility would have the ability to purchase power from any provider and the transactions under these contracts would not be subject to the jurisdiction of the PSC regarding determination of rates. PSC assumes this proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal allows certain aluminum smelting facilities to purchase electrical power on the open market without regulation by the Public Service Commission. To be eligible, the facility must be in a county of the second classification, must have used more than three million megawatt hours of electricity in a calendar year, and must have been served by a municipally owned utility and an electric generating cooperative owned by rural electric cooperatives. The initial unregulated contract must not have a negative financial impact on previous power suppliers or their customers, reduce service reliability to other customers, or reduce local or state tax revenue.

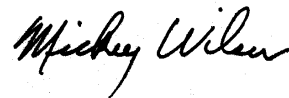
The smelting facility cannot resell such electric power to anyone except the original provider. Local or past suppliers of electrical power will no longer have any obligation to provide service to the facility.

The substitute also allows municipalities to purchase electricity and ancillary services from any supplier without regulation beyond the approval of the governing board of the municipality.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of Public Counsel



Mickey Wilson, CPA

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