

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2796-02  
Bill No.: SB 878  
Subject: Education - Elementary and Secondary; Public Service Commission; Utilities  
Type: Original  
Date: January 16, 2004

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Department of Elementary and Secondary Education** did not respond to our fiscal note request.

Officials of the **Department of Economic Development - Public Service Commission (PSC)** state this bill would extend the effective period of a current natural gas school aggregation program to June 30, 2007 (currently expires on June 30, 2005). PSC notes that current efforts related to this statute have included several meetings, tariff filings, testimony filings, discovery, litigation and hearings. PSC is not requesting additional resources due to this proposal.

Officials of the **Department of Economic Development - Office of the Public Counsel (OPC)** state although this bill has some impact on OPC, OPC should be able to absorb the changes; however, if the requirements of this bill are combined with additional requirements or changes OPC may incur a fiscal impact.

**Oversight** assumes this proposal could result in a reduction in natural gas prices for schools. The amount of savings is unknown, but could exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007

**SCHOOL DISTRICTS**

<u>Savings - Reduced Natural Gas Costs</u>	<u>\$0</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT*</b>	<u>\$0</u>	<u>\$0 to UNKNOWN</u>	<u>\$0 to UNKNOWN</u>
<b>*Estimated to exceed \$100,000 annually</b>			

FISCAL IMPACT - Small Business

Natural gas businesses could be affected competitively by this proposal.

DESCRIPTION

This proposal directs Missouri gas companies to file a set of experimental tariffs with the Public Service Commission. These tariffs are applicable to all school districts, whether charter, private, public or parochial thereafter. The tariffs shall, at a minimum, provide for the aggregate purchasing of natural gas, the resale of such natural gas supplies at the gas corporation's cost of purchasing such supplies, and they shall not require special metering. The Commission may suspend the program for a period of time if it is causing a negative financial impact on the corporation, its customers or local taxing authorities.

The termination date has been extended to June 30, 2007 - two years after its original termination date.

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

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SOURCES OF INFORMATION

Department of Economic Development  
Public Service Commission  
Office of the Public Counsel

NOT RESPONDING:  
Department of Elementary and Secondary Education



Mickey Wilson, CPA  
Director  
January 16, 2004