

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2796-04
Bill No.: Truly Agreed To and Finally Passed SCS for SB 878
Subject: Education - Elementary and Secondary; Public Service Commission; Utilities
Type: Original
Date: May 6, 2004

FISCAL SUMMARY

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

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

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

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Elementary and Secondary Education (DESE)** assumes this legislation would not fiscally impact their agency. DESE indicated 81 school districts involving 1,303 buildings participate in aggregate purchases of natural gas; however, due to time constraints, they could not provide the probable savings which may result from extending the authority under the proposed section for another two years. DESE assumes an unknown savings to local funds.

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
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SCHOOL DISTRICTS

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

FISCAL IMPACT - Small Business

Natural gas businesses could be affected competitively by this proposal.

DESCRIPTION

This proposal includes language that extends the experimental tariffs already set in place by the Public Service Commission to coincide with the extended termination date. The termination date for the experimental tariff program 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.

SOURCES OF INFORMATION

LMD:LR:OD (12/02)

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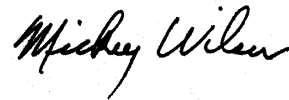
May 6, 2004

Department of Economic Development

Public Service Commission

Office of the Public Counsel

Department of Elementary and Secondary Education

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA

Director

May 6, 2004