

FISCAL NOTE

Requested by Legislative Council
02/02/2001

REVISION

Bill/Resolution No.: HB 1387

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 1999-2001 Biennium | | 2001-2003 Biennium | | 2003-2005 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Expenditures | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$0 |
| Appropriations | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$0 |

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| 1999-2001 Biennium | | | 2001-2003 Biennium | | | 2003-2005 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The aspect of the measure that causes an impact is the responsibility to ensure just, reasonable and nondiscriminatory rates for electricity from cooperatives used for irrigation purposes.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenues would come only from the filing of tariffs, at \$50 per filing. The total per biennium is estimated to be an insufficient amount to meet the \$5000 fiscal note threshold

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The \$40,000 above represents the *midpoint* of the range of impact \$0 to \$80,000. The cost of implementation will depend on the method used to implement the policy which in turn

depends on legislative intent. If initial irrigation rates are set for each of the state's 17 electric cooperatives, either a consultant would have to be hired to assist the utilities staff with the 17 rate cases (at a cost estimated to be well over \$150,000) or one entry-level FTE should be added for one biennium, probably an accountant. We estimate the cost of one entry-level accounting position at \$80,000 per biennium. Once initial rates are set, we do not project any need for additional staff on a going forward basis. If irrigation rates are addressed only on a case by case complaint basis, the estimated fiscal impact would be zero since we believe those could be handled by existing staff. A middle ground alternative would be to set parameters for irrigation rates by promulgating rules, with some assistance from an intern or student on a part time or temporary basis.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The explanation from the expenditures section applies here. An appropriation would be required to add an FTE, as well as to allow for the hiring of temporary or part time assistance.

| | | | |
|----------------------|-----------------------|------------------|------------|
| Name: | Illona Jeffcoat-Sacco | Agency: | PSC |
| Phone Number: | 328-2407 | Date | 02/01/2001 |
| | | Prepared: | |