



LEGISLATIVE FISCAL OFFICE

Fiscal Note

ACT 433

Fiscal Note On: **HB 431** HLS 16RS 910

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 23, 2016 10:53 AM	Author: CARMODY
Dept./Agy.: Public Service Commission	Analyst: Patrice Thomas
Subject: Increase Utility and Carrier Inspection and Supervision Fees	

PUBLIC SERVICE COMN EN +\$700,000 SD RV See Note Page 1 of 2
 Increases and provides for inspection and supervision fees for common and contract motor carriers and public utilities

Under present law, certain motor carriers and public utilities pays fees for the inspection, control, and supervision of their business service and rates to the Public Service Commission (PSC). Present law requires that fees are paid quarterly and based on amounts per \$1,000 for gross receipts. Proposed law increases the fees by \$.07 per \$1,000 for gross receipts in amounts ranging from \$1,000 to \$100 million and \$.08 per \$1,000 for gross receipts in excess of \$100 million. Proposed law is effective July 1, 2016.

EXPENDITURES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$3,500,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$3,500,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed legislation increases fees paid by common motor carriers and public utilities into the Utility and Carrier Inspection/Supervision Fund within the Public Service Commission (PSC) based on gross receipt levels. The commission estimates Utility and Carrier Inspection/Supervision Fund revenue will increase by \$700,000 annually starting in FY 17 and continuing in subsequent fiscal years. The projected totals are based on the proposed fee increases in this measure and the average fee collection over the last 5 years.

Individual utility systems may petition the PSC to recover the fee increase under this measure from their ratepayers (customers) through a rate increase. Although the PSC does not anticipate any utility companies requesting rate increases, it is indeterminable how many utility companies may actually do so. The PSC was only able to identify the impact of this measure on the largest utility systems due to time constraints. The table below represents a list of the largest utility systems, which represents a subset of over 2,000 entities regulated by the commission and that may be impacted by this measure. The table lists the projected fee increase for a few of the largest utility systems including the monthly and annual increase per customer.

Company	Proposed Increase*	No. Of Customers	Annual Increase per Customer	Monthly Increase per Customer
CENTERPOINT ENERGY	\$12,246	246,678	\$0.05	\$0.0041
ATMOS ENERGY	\$19,399	346,434	\$0.06	\$0.0047
CLECO	\$69,356	285,522	\$0.24	\$0.0202
SWEPCO	\$47,952	269,748	\$0.18	\$0.0148
SLEMCO	\$13,941	104,934	\$0.13	\$0.0111
ENTERGY GSL	\$125,056	399,005	\$0.31	\$0.0261
DEMCO	\$14,712	105,122	\$0.14	\$0.0117
ENTERGY Louisiana	\$187,235	1,083,988	\$0.17	\$0.0144

*Proposed Increase/Number of Customers = Annual Increase per Customer/12 months = Monthly Increase per Customer

Continue on Page 2

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Staff Director



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CONTINUED EXPLANATION from page one:
(Continued Revenue Explanation from Page 1)

Some of the anticipated uses of this additional revenue include increased operational expenses (retirement contributions, office rent, insurance and statewide adjustments), computer equipment and replacement of the Motor Carrier tracking system, which is over 30 years old. Also, the additional revenues raised under this measure allows the PSC to fill vacant positions. Presently, the PSC is hiring outside counsel and consultants to assist the commission staff with certain docketed cases as allowed under R.S. 45:1180.

Senate Dual Referral Rules House

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