



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2021 Biennium

**Bill #** HB0597

**Title:** Generally revise utility regulation

**Primary Sponsor:** Zolnikov, Daniel

**Status:** As Amended in House Committee

- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>
	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$287,209	\$265,661	\$265,879	\$265,879
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$287,209	\$265,661	\$265,879	\$265,879
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** The Public Service Commission anticipates that this bill would result in 40 contested cases per year that would be processed using hearings examiners. As amended, the Commission will require 2.50 FTE to meet the new requirements in HB 597.

### FISCAL ANALYSIS

#### Assumptions:

- Section 4 allows an applicant to request that the Public Service Commission process an application using a hearings examiner. The PSC must appoint a hearings examiner upon a majority vote of the Commission.
- PSC staff may serve as hearings examiners. The bill does not impose qualification requirements on staff that may be appointed as hearings examiners, however, the PSC may disqualify hearings examiners.
- PSC staff not serving as a hearings examiner may conduct discovery, be a party to the hearings examiner process, or both. In addition, PSC staff not serving as a hearings examiner or a party to the hearings examiner process may advise the hearings examiners, the Commission, or both.
- For applications that the PSC processes using a hearings examiner, commissioners are prohibited from conducting discovery, cross examining witnesses during a hearing, and communicating with parties in the



**Fiscal Note Request – As Amended in House Committee**

*(continued)*

case before conclusion of the hearing. Hearings examiners are prohibited from communicating with parties in the case unless all parties are provided notice and an opportunity to participate.

5. The PSC is authorized to adopt rules regarding the use of hearings examiners.
6. By specifying that the PSC staff who are not serving as the hearings examiner in a case can perform traditional advisory functions for both the hearings examiner and the Commission, the bill results in minimal impacts on the PSC’s need for additional FTE. Still, the bill envisions greater use of hearings examiners than has been PSC practice. In addition, when performing a hearings examiner function, PSC staff are not able to simultaneously function as advisors to the Commission. Therefore, expanded use of hearings examiners will effectively reduce advisory staff resources that are already limited. To avoid this outcome, the PSC estimates a need for 2.50 FTE.
7. The bill does not specify qualification requirements for hearings examiners. The cost of the additional 2.50 FTE is assumed to reflect a 50%-50% mix of salary and benefits which would equate to 1.25 FTE attorney (\$141,949 salary and benefits each year, \$4,200 for office packages and computers in FY 2020, and \$7,278 for phones, office supplies, office space, and training in each year of the biennium) and 1.25 FTE rate analyst (\$108,302 salary and benefits each year, \$4,200 for office packages and computers in FY 2020, and \$7,278 for phones, office supplies, office space, and training in each year of the biennium).
8. The PSC assumes that approximately 50 pages of rules will need to be developed, adopted, and filed. Rulemaking costs are estimated at \$3,000 (50 total pages at \$60 per page) in FY 2020.

	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>
	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	2.50	2.50	2.50	2.50
<b><u>Expenditures:</u></b>				
Personal Services	\$261,253	\$251,104	\$251,104	\$251,104
Operating Expenses	\$25,956	\$14,556	\$14,774	\$14,774
<b>TOTAL Expenditures</b>	<b><u>\$287,209</u></b>	<b><u>\$265,661</u></b>	<b><u>\$265,879</u></b>	<b><u>\$265,879</u></b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$287,209	\$265,661	\$265,879	\$265,879
<b>TOTAL Funding of Exp.</b>	<b><u>\$287,209</u></b>	<b><u>\$265,661</u></b>	<b><u>\$265,879</u></b>	<b><u>\$265,879</u></b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$287,209	\$265,661	\$265,879	\$265,879
<b>TOTAL Revenues</b>	<b><u>\$287,209</u></b>	<b><u>\$265,661</u></b>	<b><u>\$265,879</u></b>	<b><u>\$265,879</u></b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

			3/22/19
<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>