

House Bill 431

In The House

January 23, 1981	Introduced and referred to Committee on Business and Industry.
January 26, 1981	Fiscal note requested.
February 2, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

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HOUSE BILL NO. 431

INTRODUCED BY

*Meyer Patrick Hall*

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE PUBLIC SERVICE COMMISSION TO APPROVE PUBLIC UTILITY RATES BASED ON PROJECTED DATA FOR A FUTURE PERIOD."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Basis for determination of rates. The commission shall determine or approve rates for a public utility based on data projected for a future period.

Section 2. Codification instruction. Section 1 is intended to be codified as an integral part of Title 69, chapter 3, part 3, and the provisions of Title 69, chapter 3, apply to section 1.

-End-

INTRODUCED BILL

HB 431

## STATE OF MONTANA

REQUEST NO. 219-81

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 81, there is hereby submitted a Fiscal Note for House Bill 431 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

An act requiring the Public Service Commission to approve public utility rates based on projected data for a future period.

Fiscal Impact: Public Service CommissionAssumptions

1. The PSC would have to develop a significant computer capability, up from a zero capability at this time.
2. An additional seven (7) FTE would be required to implement House Bill 431, one (1) computer programmer, two (2) statisticians, one (1) CPA, two (2) key punch operators and one (1) clerk typist.
3. Rate case frequency would be high initially and return to the present level thereafter.
4. Initially, rate cases would take longer to conduct the hearings as a result of the additional issues involving projection methodologies.

Revenue and Expenditure Impact

	<u>FY 1982</u>	<u>FY 1983</u>
Revenue:	\$ 0	0
Expenditures:		
Personal Services	\$119,389	\$121,996
Operating Expenses	67,300	68,780
Capital Outlay	<u>57,700</u>	<u>0</u>
Net Effect	\$244,389	\$190,776

Fiscal Impact: Montana Consumer Counsel

1. Analytic work would double, hence necessitating hiring of additional rate analyst.
2. Contractual services would increase by approximately 2/3 over and above existing budget due to increased hours of analysis each and every case. Also includes increase in communication and travel expenditures by new rate analyst. Additional FTE necessitates moving from existing offices. Consumer Counsel would have to move to a facility having 1,000 sq. ft. to accommodate our files, existing office equipment, and additional equipment for new analyst.
3. Capital outlay - new desk, chair, calculator, file cabinet and bookcase.

*David M. Lewis*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-2-81

<u>Expenditure Impact</u>	<u>FY 1982</u>	<u>FY 1983</u>
Increased Expenditure	\$240,180	\$267,882

Total increased expenditure over the biennium for the Public Service Commission and Montana Consumer Counsel is \$943,227.