

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 22, 2005

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1779 by King, Phil (Relating to the continuation, administration, and operations of the Public Utility Commission of Texas and the Office of Public Utility Counsel.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1779, As Introduced: a negative impact of (\$1,180,156) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$590,078)
2007	(\$590,078)
2008	(\$590,078)
2009	(\$590,078)
2010	(\$590,078)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2006	(\$590,078)	6.0
2007	(\$590,078)	6.0
2008	(\$590,078)	6.0
2009	(\$590,078)	6.0
2010	(\$590,078)	6.0

Fiscal Analysis

The bill would continue the Public Utility Commission (PUC) and the Office of Public Utility Counsel (OPUC) for six years each.

The bill would increase the size of the PUC Commission from three to five members, and increase the agency's maximum administrative penalty from \$5,000 to \$25,000 per incident per day.

The bill would direct the State Auditor's Office to audit OPUC's current performance measures, and requires OPUC to annually report its performance to the legislature and obtain consumer input through an annual stakeholder meeting.

The bill would take effect September 1, 2005.

Methodology

The Public Utility Commission (PUC) would require funding for two additional Commissioner positions (\$218,400 each year for salaries), two Executive Assistant I positions (\$88,000 each year for salaries) and two Program Specialist VI positions (\$133,000 each year) to work with the new Commissioners, and \$130,678 each year for employee benefits and \$20,000 each year for operating expenses associated with the new positions.

It is anticipated that increasing the PUC's maximum administrative penalty would have a positive fiscal impact, but that it would vary greatly from year to year, and the fiscal impact would not be significant.

The Office of Public Utility Counsel indicates that any costs associated with the bill could be absorbed within existing resources.

The State Auditor's Office indicates that any costs associated with the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 308 State Auditor's Office, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

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