

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 26, 2007**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Environmental Regulation

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

**IN RE: HB1695** by Hilderbran (Relating to powers and duties of the Office of Public Utility Counsel to represent residential and small commercial consumers in certain water or sewer utility service matters before the Texas Commission on Environmental Quality.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1695, As Introduced: a negative impact of (\$971,114) through the biennium ending August 31, 2009.

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
2008	(\$488,157)
2009	(\$482,957)
2010	(\$482,957)
2011	(\$482,957)
2012	(\$482,957)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2007
2008	(\$488,157)	5.0
2009	(\$482,957)	5.0
2010	(\$482,957)	5.0
2011	(\$482,957)	5.0
2012	(\$482,957)	5.0

**Fiscal Analysis**

This bill would amend the Water Code relating to powers and duties of the Office of Public Utility Counsel (OPUC) to represent residential and small commercial consumers in certain water or sewer utility service matters before the Texas Commission on Environmental Quality (TCEQ). This bill would require OPUC to take certain actions relating to the interests of residential and small commercial consumers concerning water or sewer issues, which were previously the responsibility of the Office of Public Interest Counsel within TCEQ.

The bill requires that, not later than Jan. 1, 2008, the functions, powers, duties, property, records, contracts and funds of the TCEQ's Office of Public Interest Counsel related to the provisions of this bill be transferred to OPUC.

The bill would take effect on September 1, 2007.

### **Methodology**

Based on the analysis of the Office of Public Utility Counsel (OPUC), it is assumed that there would be costs associated with participating in water or sewer service proceedings.

It is estimated that OPUC would have costs associated providing information and providing representation in these proceedings. Based on the analysis of OPUC, it is assumed that transferring these responsibilities and duties from the Texas Commission on Environmental Quality to OPUC would necessitate additional resources at a total cost of \$971,114 for fiscal years 2008 and 2009.

This analysis estimates costs for staff of \$310,000 for 5.0 FTEs each fiscal year through fiscal year 2012. Other operating expenses, professional services, and equipment are estimated at \$90,458 in fiscal year 2008 and \$85,258 each fiscal year beginning in fiscal year 2009 through fiscal year 2012. Estimated costs also include \$87,699 each fiscal year through fiscal year 2012 for associated benefits.

Based on information provided by the Texas Commission on Environmental Quality (TCEQ), it is assumed that this bill would have no significant fiscal impact to TCEQ as no agency resources are specifically designated for water or sewer service proceedings. In addition, the agency reported that it participated in no proceedings captured within the provisions of this transfer in fiscal year 2006.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 475 Office of Public Utility Counsel, 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, MW, TGI