

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 7, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2243 by Wilson (Relating to a landowner petition to partition and transfer a geographic portion of a service area of an electric cooperative.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2243, As Introduced : a negative impact of (\$938,536) through the biennium ending August 31, 2023.

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

The bill relates to a landowner petition to partition and transfer a geographic portion of a service area of an electric cooperative.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$469,268)
2023	(\$469,268)
2024	(\$469,269)
2025	(\$469,268)
2026	(\$469,268)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$469,268)	4.0
2023	(\$469,268)	4.0
2024	(\$469,269)	4.0
2025	(\$469,268)	4.0
2026	(\$469,268)	4.0

Fiscal Analysis

This bill would allow a landowner to petition the Public Utility Commission (PUC) to transfer territory to a competitive retail market. The bill would require PUC to determine if the transfer is in the best interest of ratepayers through a hearing. The bill also would require PUC to determine a net book value of all electric distribution assets attributable to the service area that is being transferred.

Methodology

Texas has 76 electric cooperatives, but it is unclear how many parcels of land meet the requirements of the legislation. The PUC anticipates it will need 4 additional FTEs; 2 Attorney IIIs, 1 Engineer IV, and 1 Financial Analyst IV. The agency would need an additional engineer and financial analyst to determine if the transfer is in the best interest of ratepayers, and two additional attorneys, one to run the proceedings and one to advise the commissioners. Total salaries for these positions will be \$340,000 annually with other operating expenses for training of \$1,500 per employee per year. Including benefits, salary costs per year will be \$461,668.

Technology

Since the PUC anticipates that the bill would require 4 additional FTEs, the agency would need to amend its current Dell laptop lease to procure 4 additional laptops, at a unit cost of \$1,900, or \$7,600 in total each fiscal year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, SMAT, MB, RRE