

State Corporation Commission

2003 Fiscal Impact Statement

1. Bill Number HB2453

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Parrish

3. Committee Passed House

4. Title Electric utility restructuring; regional transmission entities.

5. Summary/Purpose:

Electric utility restructuring; regional transmission entities. Eliminate the January 1, 2001, deadline by which incumbent electric utilities with transmission capacity were to have joined or established a regional transmission entity. Such incumbent electric utilities shall not transfer ownership or control of, or operational responsibility over, any transmission system to any person without the State Corporation Commission's prior approval, following notice and hearing, and a finding that the transfer satisfies specific conditions. The Commission's rules and regulations under which an incumbent electric utility may transfer control, ownership or responsibility to a regional transmission entity are amended to eliminate the condition that they be consistent with ensuring the successful development of interstate regional transmission entities. New conditions require that transfers be consistent with (i) ensuring that consumers' needs for economic and reliable transmission are met and (ii) meeting the transmission needs of electric generation suppliers that do not own, operate, control or have an entitlement to transmission capacity. In addition, requests for approval of transfers shall include a study of their comparative costs and benefits, including an analysis of the economic effects of the transfer on consumers, including the effects of transmission congestion costs. If a proposed transfer does not satisfy a condition for approval, the Commission may require that the transmission system be upgraded prior to approving the transfer.

6. No Fiscal Impact on state agencies

7. Budget amendment necessary: No

8. Fiscal implications: No

9. Specific agency or political subdivisions affected: State Corporation Commission

10. Technical amendment necessary: Maybe. Subdivision 1 of §56 -579A online 62 adds language "following notice and hearing," however, §56 -579F add online 111 "after notice

and an opportunity for a hearing.” One provision requires a hearing and the other provides for an opportunity for a hearing. Should they be the same since the proceeding would be the same in both instances?

11. Other comments: Work is continuing on the bill and additional amendments may be considered by the Senate Committee.

Date: 02/5/03tel

cc: Secretary of Commerce and Trade