

State Corporation Commission 2007 Fiscal Impact Statement

1. Bill Number HB2614

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron May

3. Committee Commerce and Labor

4. Title Construction of electrical utility facilities; review of applications by SCC.

5. Summary/Purpose: Construction of electrical utility facilities; review of applications by State Corporation Commission. Requires the State Corporation Commission to consider certain external costs associated with the construction of electrical utility facilities, such as the monetary effect the facility will have on the value of land and structures along the proposed location or corridor. The Commission must also conduct an independent analysis of the facility applicant's assessment of need, load flow analysis, and method of installation. Finally, the bill will require a public utility to provide a GIS map of any proposed improvement or extension that the Commission shall make publicly available on its website. The utilities are currently required to provide a map, but the Code does not specify that it must be a GIS map. The bill also requires the Joint Commission on Technology and Science to convene a workgroup to develop recommendations as to the factors that should be considered by the State Corporation Commission in reviewing applications for the construction of electrical utility facilities.

6. Fiscal Impact Estimates: Fiscal impact estimates are potentially significant impact – Not available. See Item 8 below.

7. Budget amendment necessary: Not aware of necessity.

8. Fiscal implications: In proceedings concerning new transmission line applications, the State Corporation Commission qualitatively considers all environmental impact issues associated with the proposed line, including issues such as the effect of the line on properties located adjacent to the route of the line. However, if the intent is for the Commission to quantify specific estimates of adjacent property value impacts, most likely the commission would need to procure the consulting services of one or more expert real estate assessors, which could result in substantial consulting fees.

Likewise, to the extent this bill requires the Commission to independently reproduce load flow modeling studies and contingency analyses for each transmission line application, significant expenditures would be required to acquire the information resources (hardware/software) and personnel or, alternatively, the consulting services needed to perform such responsibilities.

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

10. Technical amendment necessary: Not aware of necessity, however see Item 11.

11. Other comments: Amendments to § 56-265.2 C, requiring a digital geographic information system map of proposed facilities, appears to apply only to ordinary extensions outside of the service territory in which the public utility is lawfully authorized to operate.

Date: 01/16/07 / cw/tl

cc: Secretary of Commerce and Trade