

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 667 (Senator Collins)
Finance

People’s Counsel - Jurisdiction

This bill requires the Office of People’s Counsel to evaluate all matters pending before the Public Service Commission to determine if the interests of commercial users of gas, electricity, telephones, or water and sewerage or other regulated services are affected. The bill repeals the requirement that the Office of People’s Counsel perform similar services for noncommercial users (e.g., churches).

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$417,400 in FY 1997; future year expenditures reflect annualization and inflation. No effect on revenues.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	417,400	536,500	551,100	566,100	581,600
Net Effect	(\$417,400)	(\$536,500)	(\$551,100)	(\$566,100)	(\$581,600)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Fiscal Analysis

State Expenditures: The methods and requirements of evaluating the effect of decisions made by the Public Service Commission on residential and commercial users are different. Further, at times the best interests of residential and commercial users conflict. Thus, the Office of the People’s Counsel would have to create a new unit to perform the functions required under this bill. It is estimated that the new unit would require a staff of three

attorneys and a secretary. Annual salaries and benefits expenditures would increase by \$171,700 in fiscal 1997, after adjusting for the bill's October effective date, for an Assistant People's Counsel III at grade 20, step four (annual salary - \$54,326), two Assistant People's Counsel II at grade 19, step four (annual salary - \$50,305), and one Office Secretary I at grade nine, step three (annual salary - \$22,568).

In addition, annual operating expenditures would increase by an estimated \$245,700 in fiscal 1997, which reflects the bill's effective date and includes \$20,500 in one-time expenditures. Over 90% of these annual operating expenditures are attributable to consultant services to provide assistance in certain technical and specialized areas of public utility operation and regulation. Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

Information Source(s): Office of People's Counsel, Department of Fiscal Services

Fiscal Note History: First Reader - March 15, 1996

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