

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 660 is the Nebraska Retail Electricity Choice Act.

Section 3 requires the Public Service Commission to establish criteria for retail electric competition in Nebraska. This is to be accomplished by holding a series of public hearings across the state to gather and review such information as necessary. The Commission shall file a report with the Governor and the Legislature on or before December 15, 2017 regarding the process of enabling retail electric choice to benefit the Nebraska residents, including but not limited to, recommendations for any additional legislation necessary to carry out the purposes of the Act.

Under section 4, beginning July 1, 2018, private electric suppliers shall be authorized to engage in the sale of electricity at retail for the benefit of Nebraska retail customers.

The Public Service Commission refused to respond to requests for fiscal impact. It is therefore assumed that any costs associated with LB 660's provisions will be addressed with currently budgeted resources.

The Omaha Public Power District estimates that the provisions of LB 660 will materially impact OPPD's revenues, expenses and credit rating. However, without further detail, OPPD is unable to determine the extent of this impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 660	AM:	AGENCY/POLT. SUB: Omaha Public Power District	
REVIEWED BY: Joe Wilcox	DATE: 1/31/2017	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the Omaha Public Power District (OPPD) estimate of Indeterminate Fiscal Impact to OPPD from LB 660.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 660	AM:	AGENCY/POLT. SUB: Nebraska Power Review Board (74)	
REVIEWED BY: Joe Wilcox	DATE: 1/25/2017	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the Nebraska Power Review Board estimate of No Fiscal Impact to the Agency from LB660.			

Please complete ALL (5) blanks in the first three lines.

2017

LB⁽¹⁾ 660

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Power Review Board

Prepared by: (3) Tim Texel Date Prepared: (4) January 24, 2017 Phone: (5) 402-471-2301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

In its current form, no anticipated fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2017-18	2018-19
	17-18	18-19	EXPENDITURES	EXPENDITURES
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2017

LB⁽¹⁾ 660, Retail Electricity Choice Act

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Omaha Public Power District

Prepared by: ⁽³⁾ Tamela Monroe Date Prepared: ⁽⁴⁾ 01-27-17 Phone: ⁽⁵⁾ 402-636-3067

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>TBD</u>	<u></u>	<u>TBD</u>	<u>TBD</u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>TBD</u>	<u></u>	<u>TBD</u>	<u>TBD</u>

Explanation of Estimate:

The introduction of retail electric choice in the state of Nebraska is highly likely to materially impact the revenues, expenses and credit rating of the Omaha Public Power District.

The financial impacts would be twofold, those to develop and prepare for retail choice and those impacting the daily operation of the business after implementation. For the 2017-2018 fiscal year, OPPD would incur significant legal and administrative expenses as the details of the retail choice program are developed.

Please note that without the clarity about the details of the retail choice program that would be provided by the Public Service Commission fulfilling its obligation under Section 3 of LB660, it is not possible to assign a firm estimate of the potential financial impacts that this legislation would create.

Once the program was developed there would be significant investments required in infrastructure, customer metering, information systems and data exchanges for customer, meter, usage, billing, service requests and financial information, as well as rate comparison tools to prepare for the implementation. It is very doubtful these could be deployed in a 12-month period.

For the 2018-2019 fiscal year, when retail choice would be fully implemented, substantially all areas of expenditures and retail revenues are expected to experience material changes.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	<u></u>	<u></u>	<u></u>	<u></u>
Operating.....	<u></u>	<u></u>	<u></u>	<u></u>
Travel.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital outlay.....	<u></u>	<u></u>	<u></u>	<u></u>
Aid.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital improvements.....	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL.....	<u></u>	<u></u>	<u>TBD</u>	<u>TBD</u>