

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 339 – SB 1266

February 17, 2017

SUMMARY OF BILL: Requires any investor-owned electric power company serving Tennessee customers on the western side of the Mississippi River to provide such customers the same level of service and rates as Arkansas power company customers receive. Authorizes the Tennessee Regulatory Authority (TRA) to order changes in provider services found in violation of service or rate discrimination to Tennesseans. Limits TRA's jurisdiction over such investor-owned electric power companies to hearing service and rate complaints, and granting appropriate relief to Tennessee customers on the western side of the Mississippi River.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$100/Public Utility Reserve

Assumptions:

- The TRA is an agency that is self-funded through fees, fines, and penalty revenue; therefore, any fiscal impact associated with limiting the jurisdiction of the agency will not impact the state General Fund.
- Entergy Arkansas is an Arkansas electric utility company that provides service to Arkansas and Tennessee.
- There are approximately eight Tennessee customers of Entergy Arkansas that is currently under TRA's jurisdiction.
- According to TRA, currently, when Entergy Arkansas proposes to adjust tariffs and rates for its Arkansas and Tennessee customers, it must file a petition with the Arkansas Public Service Commission and the TRA.
- There were two petitions filed for such proposals in 2014; one petition filed in 2015; and three petitions filed in 2016 by Entergy Arkansas, for an average of two petitions each year $[(2 + 1 + 3) / 3]$.
- The fee for filing a petition with TRA is approximately \$25, and as a result, it is reasonably estimated that the recurring decrease in revenue to the Authority's Public Utility Reserve is \$50 (\$25 fee x 2 filing petitions).
- Any decrease in TRA expenditures as a result of decreased number of filings is estimated to be not significant.

- The proposed bill would limit TRA’s jurisdiction to processing complaints for Tennessee customers where the utility engaged in unreasonable discrimination in service or rates.
- Pursuant to Tenn. Code Ann. § 65-4-304, all entities under the jurisdiction of the Authority are subject to a minimum annual inspection fee of \$100. The proposed bill would require Entergy Arkansas to continue paying such fee.
- TRA will not increase any fees imposed on entities regulated by the Agency as a result of this bill.

IMPACT TO COMMERCE:

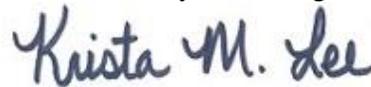
Decrease Business Expenditures – \$100

Assumptions:

- A recurring decrease in business expenditures of \$50 as Entergy Arkansas will not be required to file petitions with the TRA when tariff and rate adjustments are proposed.
- The provisions of the bill are not estimated to have an impact on the overall number of jobs in the state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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