

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2455 - HB 2733

February 28, 2020

SUMMARY OF ORIGINAL BILL: Extends, from 30 to 90, the number of days the General Assembly has to confirm certain appointments to the Tennessee Public Utility Commission (TPUC).

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (015444): Deletes all language after the enacting clause. Increases, from five to seven, the number of commissioners appointed to the TPUC. Requires additional members be appointed by the Speaker of the House of Representatives and the Speaker of the Senate. Requires new appointments be a public member with no experience in a regulated utility industry. Establishes specific term commencement dates for commissioners. Removes an appointment deadline for appointing authorities. Establishes that commissioners serve until a successor is appointed. Extends, from 30 to 90, the number of days the General Assembly has to confirm certain appointments to TPUC. Increases, from three to five, the number of commissioners assigned to panels to deliberate specific matters before the TPUC.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures –

Exceeds \$91,400/FY20-21 and Subsequent Years/TPUC

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 65-1-101 through § 65-1-116:
 - Commissioners are appointed by the Governor, and the Speakers of the House of Representatives and the Senate. The General Assembly confirms such appointments by joint resolution within 30 days;
 - Appointments are required to be made by April 1, prior to the expiration of the commissioners' term with the term commencing July 1;

- Commissioners serve a term of six years;
- The TPUC is required to convene regular monthly meetings;
- Commissioners are compensated \$36,000 annually, paid \$140 per day for service on any panel convening more than one day, and reimbursed for actual travel expenses; and
- Commissioners are eligible for participation in group insurance for state officials and employees.
- Extending timelines for confirming commissioners by joint resolution and establishing clear term commencement dates will not result in any significant fiscal impact to local government.
- This analysis assumes:
 - Each commissioner will be compensated for service on a panel meeting more than one day each year;
 - Each commissioner will participate in a group insurance plan; and
 - Each commissioner will be reimbursed at least \$110 for travel reimbursement.
- Adding two commissioners to the TPUC will result in a recurring increase in state expenditures estimated to exceed \$91,420 {[((\$36,000 compensation + \$6,566 insurance coverage + \$2,754 FICA + \$110 travel reimbursement + \$140 panel reimbursement) x 2 commissioners] + (\$140 panel reimbursement for additional panel appointee x 2)} for the TPUC.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- Increasing the number of commissioners serving on the TPUC, extending timelines for confirmation of commissioners, and increasing the number of commissioners serving on panels will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

/jrh