

Multiple Agency Fiscal Note Summary

Bill Number: 3044 HB	Title: Rising oil costs
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	138,610	0	277,220	0	277,220
Utilities and Transportation Commission	0	258,818	0	382,930	0	382,930
Total \$	0	397,428	0	660,150	0	660,150

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Attorney General	.5	0	138,610	1.0	0	277,220	1.0	0	277,220
Utilities and Transportation Commission	.8	0	258,818	1.0	0	382,930	1.0	0	382,930
Total	1.3	\$0	\$397,428	2.0	\$0	\$660,150	2.0	\$0	\$660,150

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Garry Austin, OFM	Phone: 360-902-0564	Date Published: Final 2/ 2/2006
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 13424

Individual State Agency Fiscal Note

Bill Number: 3044 HB	Title: Rising oil costs	Agency: 100-Office of Attorney General
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
Legal Services Revolving Account-State 405-1		138,610	138,610	277,220	277,220
Total \$		138,610	138,610	277,220	277,220

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.0	1.0	0.5	1.0	1.0
Fund					
Legal Services Revolving Account-State 405-1	0	138,610	138,610	277,220	277,220
Total \$	0	138,610	138,610	277,220	277,220

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/27/2006
Agency Preparation: Linda Moran	Phone: 360 753-2619	Date: 01/27/2006
Agency Approval: John Fricke	Phone: 360 753-2516	Date: 01/30/2006
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 01/31/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill would amend the law dealing with the UTC and would require oil companies to file price information about petroleum products. This information is to be identified in schedules required to be filed with the agency in the manner the agency provides. It would also require oil companies to file new price information when they plan to change prices. This bill authorizes the AGO to bring lawsuits on behalf of the state for violations of this law and for the AGO to collect fees and costs, including attorney fees, and obtain penalties for violations.

Currently, the AGO provides advice to the UTC and representation in enforcement actions on behalf of the UTC. However, the AGO does not currently separately pursue cases under this law on behalf of the state, so if the AGO were expected to take independent enforcement action against oil companies for failure to file prices with the commission or to pursue civil penalties under Section 7, the AGO may need additional resources.

It is very difficult to predict the amount of work that might be handled through independent AGO enforcement actions under this bill. If there are any cases to be pursued, it is estimated that .5 attorney FTE and .5 paralegal FTE would be needed to handle the added workload. This level of staffing could then be adjusted in the future as more experience in administering this bill became available.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Legal services billings through the revolving fund to the client agency--the Utilities and Transportation Commission.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This preliminary estimate is for .5 attorney FTE and .5 paralegal FTE to deal with the workload if there are enforcement actions for the AGO to pursue independent of the UTC under this new law..

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries & Wages		60,888	60,888	121,776	121,776
B-Employee Benefits		15,222	15,222	30,444	30,444
C-Personal Serv Contr					
E-Goods and Services		50,000	50,000	100,000	100,000
G-Travel		10,000	10,000	20,000	20,000
J-Capital Outlays		2,500	2,500	5,000	5,000
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
Total:	\$0	\$138,610	\$138,610	\$277,220	\$277,220

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Attorney	77,112		0.5	0.3	0.5	0.5
Paralegal	44,664		0.5	0.3	0.5	0.5
Total FTE's			1.0	0.5	1.0	1.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 3044 HB	Title: Rising oil costs	Agency: 215-Utilities and Transportation Comm
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
Public Service Revolving Account-State 111-1		258,818	258,818	382,930	382,930
Total \$		258,818	258,818	382,930	382,930

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.0	1.7	0.9	1.0	1.0
Fund					
Public Service Revolving Account-State 111-1	0	258,818	258,818	382,930	382,930
Total \$	0	258,818	258,818	382,930	382,930

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/27/2006
Agency Preparation: Michael Young	Phone: 360-664-1155	Date: 02/02/2006
Agency Approval: Debra Wilhelmi	Phone: 360-664-1205	Date: 02/02/2006
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 02/02/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 2 (4) requires the Washington Utilities and Transportation Commission (UTC) to facilitate availability of information to consumers regarding the price and availability of petroleum products. This means oil companies refining products within Washington or exporting products out of Washington would file their prices with the UTC prior to charging those prices. The UTC would publish the information but would not have approval authority.

Section 5 provides oil companies the opportunity to file notices throughout the year.

Section 6 provides the UTC authority to enforce filing requirements. Subsection 2 clearly states that UTC authority doesn't extend to regulating prices, rates, charges or compensation.

Section 7 provides for penalties for failure to comply with the chapter.

The UTC would conduct a complex rulemaking to establish the requirements for this aspect of regulation.

RCW 80.24.010 directs the UTC to collect regulatory fees for "Every public service company subject to regulation by the commission."

RCW 80.24.020 states that the UTC is to set regulatory fees so that fees collected approximates the cost of regulation.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Per RCW 80.24 the UTC would set a regulatory fee off-set the cost of regulation required by this legislation. The regulatory fee would be based on estimated gross operating revenues (based on information provided by Dept. of Community, Trade, and Economic Development) of \$14,095,935,000 per year for five companies:

613,000 barrels X 42 gals./barrel X \$1.50/gallon X 365 days = \$14,095,935/year

The regulatory fee is composed of one-tenth of one percent of the first fifty thousand dollars, and two-tenths of one percent on gross operating revenues in excess of fifty thousand dollars. The UTC is permitted to reduce the fee to something less than two-tenths of one percent of gross operating revenues in excess of fifty thousand dollars and would choose to do so.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This new regulatory activity would require a complex rule-making to establish requirements. The total estimated cost of the rule-making is \$53,625 and require .52 FTEs.

Based on similar filings handled by the UTC, we estimate 1,300 filings per year. Each filing is estimated to take up to 2 hours for processing, which would be done by a Customer Service Specialist 2. The UTC would also develop a software application to allow companies to submit filings electronically. The development costs are anticipated to be \$5,701 and require .17 FTEs.

The bill does not provide for the UTC to analyze the filed price information or compile the information into reports.

Therefore this fiscal note does not include any expenditures for these activities.

We anticipate little or no increase in the amount of complaints handled by the Consumer Affairs division; therefore any impact could be absorbed.

Any enforcement of the provisions of this legislation would be handled by the Attorney General's Office. They estimate a cost of \$138,610 each year (object E) for enforcement actions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		1.7	0.9	1.0	1.0
A-Salaries and Wages		83,247	83,247	77,160	77,160
B-Employee Benefits		20,811	20,811	19,290	19,290
C-Personal Service Contracts					
E-Goods and Services		154,760	154,760	286,480	286,480
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$258,818	\$258,818	\$382,930	\$382,930

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Admin. Assistant 4	43,956		0.0	0.0		
Assistant Director, Energy	72,204		0.1	0.0		
Customer Svc. Spec. 2	38,580		1.0	0.5	1.0	1.0
Energy Case Strategist	71,988		0.1	0.1		
ITS 3	53,520		0.1	0.1		
ITSS 6	71,988		0.1	0.0		
Legal Secretary 3	38,808		0.0	0.0		
Reg. Analyst 2	54,840		0.0	0.0		
Reg. Analyst 3	62,100		0.1	0.1		
Regulatory Services Director	90,828		0.0	0.0		
Review Judge	73,788		0.1	0.0		
Senior Policy Strategist	71,820		0.1	0.0		
Total FTE's			1.7	0.9	1.0	1.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 2 (4) requires the Washington Utilities and Transportation Commission (UTC) to facilitate availability of information to consumers regarding the price and availability of petroleum products. This would require a complex rule-making.