

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: Senate Bill 88 (Second Edition)

SHORT TITLE: Pole Attachment Disputes.

SPONSOR(S): Senator Brown

FISCAL IMPACT					
(\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Special Fund Expenditures:	\$10,000	\$0	\$0	\$0	\$0
NET STATE IMPACT	(\$10,000)	\$0	\$0	\$0	\$0

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Utilities Commission, Public Staff, Business Court

EFFECTIVE DATE: When bill becomes law.

TECHNICAL CONSIDERATIONS:
None

BILL SUMMARY:

The bill would move the adjudication of utility pole attachment disputes between communication service providers and municipalities or membership corporations organized under G.S. 117 from the Business Court to the Utilities Commission. The bill also requires the Public Staff to automatically be made a party to pole attachment dispute proceedings to advocate on behalf of the using and consuming public. Finally, the bill makes a number of technical and clarifying changes.

ASSUMPTIONS AND METHODOLOGY:

Currently, the Utilities Commission has limited regulatory authority over municipalities, telecommunication cooperatives (TMCs), and electric cooperatives (EMCs). As a result, no fee is applied to municipalities or TMCs, and EMCs pay an aggregated \$200,000 annually to the Utilities Commission in lieu of the utility regulatory fee.

According to the Business Court, pole attachment disputes are infrequent, averaging less than one case per year over the past four years. The Utilities Commission and Public Staff both anticipate that their workload would increase with the new responsibilities, but not to a level that would justify additional staff. Similarly, this analysis assumes that the Business Court workload would decrease, but not to a level where fewer resources are required to operate the Business Court.

The Public Staff indicated that they currently do not have any expertise on pole attachment disputes and would initially need to contract with an expert witness to testify on behalf of the Public Staff. As a result, this analysis assumes that the Public Staff contracts with an expert

witness for an initial pole attachment case in the amount of \$10,000. Thereafter, the Public Staff would rely on existing staff in future pole attachment cases.

SOURCES OF DATA: Business Court, Utilities Commission, Public Staff

TECHNICAL CONSIDERATIONS: None

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