

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: June 22, 2004

SUBJECT: Fiscal Impact Statement: "Retail Natural Gas Supplier
Licensing and Consumer Protection Act of 2004"

REFERENCE: Bill 15-679 as Introduced

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia. No additional staff or resources will be required to implement the provisions of the proposed legislation.

Background

The proposed legislation will require that all competing natural gas suppliers in the District of Columbia meet statutory requirements similar to those made on primary local natural gas distribution companies. The proposed legislation amends and clarifies existing law and places particular emphasis on:

- Defining legal relationships, criminal practices and contractual provisions between natural gas distribution companies and consumer/clients;
- The authority and roles of both the Public Service Commission and the People's Counsel in regulating natural gas suppliers and market competition;
- Requirements for establishing a natural gas supplier as a legal business entity and utility in the District of Columbia;
- Licensing requirements for natural gas suppliers;
- Responsibilities of natural gas distribution companies;
- Consumer education requirements;

- Consumer protection requirements;
- Requirements for complaints and dispute resolution;
- Civil fines and penalties;
- Rights, remedies, prohibitions;
- Application of local and federal consumer protection law; and
- Market power remediation.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan because no additional staff or resources will be required. The Public Service Commission and the People's Counsel are established entities in the District government with sufficient staff and resources to absorb all the additional duties and operations required by the proposed legislation.