SB 20-030

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

REVISED FISCAL NOTE

(replaces fiscal note dated January 9, 2020)

Drafting Number:	LLS 20-0254	**Date:**	March 9, 2020
Prime Sponsors:	Sen. Garcia; Rodriguez Rep. Esgar	**Bill Status:**	House Energy & Environment
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Bill Topic: **CONSUMER PROTECTIONS FOR UTILITY CUSTOMERS**

Summary of Fiscal Impact:

- ☐ State Revenue
- ☒ State Expenditure
- ☐ State Transfer
- ☐ TABOR Refund
- ☐ Local Government
- ☐ Statutory Public Entity

The bill requires the Public Utilities Commission to collect information on medical exemptions from tiered electricity rates; to adopt rules related to disconnections of service due to nonpayment; and to require that billing methodology changes be revenue-neutral. The bill increases state workload in FY 2020-21.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

Summary of Legislation

The bill imposes various requirements on public utilities and the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) related to information reporting, billing, and customer interactions.

Medical exemption from tiered electricity rates. The bill directs the PUC to require utilities under its authority to report on the number of the utility's customers that receive the medical exemption from tiered electricity rates, and to describe the efforts the utilities have undertaken to enroll qualified individuals into the program on a periodic reporting basis beginning September 1, 2020. In addition, the bill increases the maximum allowable income that the PUC may use to means test the exemption from 250 to 450 percent of the federal poverty level.

Disconnecting electric or gas service. The PUC is directed to open a proceeding to adopt standard practices for electric and gas utilities to use when disconnecting service due to nonpayment by September 1, 2020. Among other requirements outlined in the bill, the rules must address the following subjects:

- resources to support customers in multiple languages, as appropriate;
- limiting shut-off times such that customers can attempt to reconnect on the same day;
- terms and conditions for payment plans to cure delinquency and standardized methodology for determining reconnection fees and practices;
- referral of delinquent customers to energy-assistance programs;
- protections for customers for whom electricity is medically necessary;

- prohibiting disconnection of service during periods of extreme heat or cold;
- prohibiting disconnection of service for nonpayment remotely, without a reasonable attempt to make contact via telephone or a personal, physical visit to the premises; and
- reporting information concerning disconnections and delinquencies.

Billing methodology changes. Beginning September 1, 2020, for rates resulting from a rate design change approved by the PUC, the PUC must require mechanisms to ensure that a utility's change in rate design results in a revenue-neutral outcome. Rate designs that disproportionately impact low-income residential customers are presumed to be contrary to the public interest.

Reporting to the PUC. The bill requires that reports submitted to the PUC by public utilities be made under oath or affirmation. It further requires that every public utility that reports information on disconnections and delinquencies also file an annual report analyzing trends or inconsistencies in the data.

State Expenditures

In FY 2020-21, the bill increases workload in DORA to conduct rulemaking proceedings concerning disconnections, apply new requirements to future billing methodology changes, and modify various reporting requirements. This workload can be completed in the normal course of PUC business without the need for additional appropriations.

State Appropriations

The bill currently includes an appropriation of $16,545 to DORA in FY 2020-21. The fiscal note estimates that this appropriation is no longer required.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Regulatory Agencies