



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1234: UTILITY CONSUMER PROTECTION

Prime Sponsors:

Rep. Ricks; Joseph
Sen. Winter F.

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill prohibits utilities from selling customer data and limits when they can disconnect services.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditure
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

| Type of Impact | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|-------------------------|---------------------------|------------------------|
| State Revenue | \$0 | \$0 |
| State Expenditures | \$0 | \$0 |
| Transferred Funds | \$0 | \$0 |
| Change in TABOR Refunds | \$0 | \$0 |
| Change in State FTE | 0.0 FTE | 0.0 FTE |

Summary of Legislation

The bill prohibits electric or gas utilities from disclosing or selling customer data without the customer's consent, or unless it is sharing data with a governmental entity as required to implement a public assistance program. The bill also prohibits utilities from disconnecting service:

- from October to May, and during other periods of extreme heat or cold;
- during an emergency event;
- during periods of poor air quality; or
- if the customer has a medical emergency, as noted by a healthcare provider, and postpones the disconnection for 180 days.

The existing Energy Assistance System Benefit Charge funds utility bill payment assistance through a nonprofit organization, Energy Outreach Colorado. The bill specifies such assistance is available to qualified customers year-round.

State Expenditures

Ratepayer Impacts

If reductions in utility revenue result in an increase in utility costs, the state, as a ratepayer, will see that charge on its utility bills. This impact is indeterminate.

Local Government

Municipal Utilities

Since utility service disconnections typically occur when a customer has missed payments, restricting when municipal utilities can disconnect service is expected to significantly reduce their revenue. A survey conducted by the Colorado Association of Municipal Utilities conducted over a one-month period during the pandemic—when municipal utilities voluntarily suspended disconnections—found that the average revenue loss in a month was:

- about \$14,000 for municipal utilities with 1,000 or fewer customers;
- about \$87,000 for municipal utilities with 1,000 to 4,000 customers;
- about \$150,000 for municipal utilities with 4,000 to 10,000 customers;
- about \$660,000 for municipal utilities with 10,000 to 100,000 customers; and
- about \$9,800,000 for municipal utilities with over 200,000 customers.

The bill prohibits service disconnections from October to May, a period of eight months. While this revenue may be recouped in back payments, it presents additional risk and cash flow pressure on municipal utilities.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Law

Regulatory Agencies

Municipalities

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).