SB 20-030

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 20-0254	**Date:**	January 9, 2020
Prime Sponsors:	Sen. Garcia; Rodriguez Rep. Esgar	**Bill Status:**	Senate Transportation
		Fiscal Analyst:	Max Nardo | 303-866-4776 max.nardo@state.co.us

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 from utilities on medical exemptions from tiered electricity rates; to adopt standard practices for gas and electric utilities to follow when disconnecting service due to nonpayment; and to evaluate a policy of requiring public utilities to report positive information to credit reporting agencies. The bill also prohibits public utilities from employing certain rate structures without obtaining opt-in from customers. The bill will increase state expenditures in FY 2020-21 only.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of $16,545 to the Department of Regulatory Agencies.

Fiscal Note Status: The fiscal note reflects the introduced bill as recommended by the Investor-owned Utility Review Interim Study Committee.

Table 1
State Fiscal Impacts Under SB 20-030

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	Cash Funds	$16,545	-
	Centrally Appropriated	$5,059	-
	Total	**$21,604**	-
	Total FTE	**0.2 FTE**	-
Transfers		-	-
TABOR Refund		-	-

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.

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:

- providing shut-off notices in multiple languages, as appropriate;
- limiting shut-off times to between 6 a.m. and 2 p.m.;
- terms and conditions for payment plans to cure delinquency and standardized 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 remotely, without a personal, physical visit to the premises or a live telephone conversation with the customer; and
- reporting information concerning disconnections and delinquencies.

Customer consent for billing methodology changes. Beginning September 1, 2020, public utilities will be required to obtain an explicit opt-in before enrolling any customer in a nonstandard billing rate such as time-of-use, inverted block, or flat rate.

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.

Credit reporting. The PUC is directed to open a nonadjudicatory proceeding to consider the merits of requiring utilities to report positive information about customer payment history to credit reporting agencies. The PUC must file a report with the energy committees of the General Assembly by March 15, 2021, summarizing the results of the proceeding, including any recommendations.

State Expenditures

For FY 2020-21 only, the bill increases state expenditures in DORA by $21,604 from the Fixed Utility Fund. These expenditures are shown in Table 2 and described below.

Table 2
State Expenditures Under SB 20-030

	FY 2020-21	FY 2021-22
Department of Regulatory Agencies		
Personal Services	$16,545	-
Centrally Appropriated Costs*	$5,059	-
Total Cost	**$21,604**	**-**
Total FTE	**0.2 FTE**	**-**

** Centrally appropriated costs are not included in the bill's appropriation.*

Department of Regulatory Agencies. DORA will require 0.2 FTE in the rate and financial analyst job class to analyze the policy considerations of requiring public utilities to report positive information about customer payment history to credit reporting agencies and to report to the General Assembly. Conducting rulemaking proceedings concerning disconnections, applying new rate requirements to future rate filings, and modifying various reporting requirements can be completed in the normal course of PUC business without the need for additional appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be $5,059 in FY 2020-21.

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 Appropriations

For FY 2020-21, the bill requires an appropriation of $16,545 to the Department of Regulatory Agencies from the Fixed Utility Fund, and an allocation of 0.2 FTE.

State and Local Government Contacts

Regulatory Agencies