



**Colorado
Legislative
Council
Staff**

HB17-1323

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0953 **Date:** August 8, 2017
Prime Sponsor(s): Rep. Esgar **Bill Status:** Postponed Indefinitely
 Sen. Cooke; Garcia **Fiscal Analyst:** Erin Reynolds (303-866-4146)

BILL TOPIC: PUBLIC UTILITIES COMMISSION ETHICS ADD CONSUMER PROTECTION

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	<u>\$23,394</u>	
General Fund	582	
Cash Funds	22,812	
State Expenditures	<u>\$22,812</u>	
Cash Funds	22,812	
FTE Change	0.1 FTE	
Appropriation Required: \$22,812 – Department of Regulatory Agencies (FY 2017-18).		
Future Year Impacts: None.		

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

The bill makes several requirements of the Colorado Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) related to ethics.

Commissioner ethics and rule requirements. Effective July 1, 2017, a commissioner:

- may not be eligible for appointment if he or she has served as an officer or director of any PUC-regulated entity within the immediately preceding four years;
- must not have any official relationship to, or active financial interest in, any PUC-regulated entity. A commissioner's office becomes vacant if he or she acquires a financial interest in a person subject to PUC regulation unless he or she divests himself of the interest within a reasonable amount of time.

Additionally, the bill requires the PUC to adopt rules that set forth PUC policy on conflicts of interest, incompatible activities, and limitations on ex parte communications, and require the meetings, conferences, and programs that commissioners and staff may attend to be consistent with these rules.

Staff training. The PUC director may authorize PUC employees to undertake training and development opportunities. Specifically, the bill references training with agencies that undertake coordinated activities with the PUC, such as the Colorado Energy Office, the Air Quality Control Commission, the Department of Public Health and Environment, and the Colorado Water Conservation Board.

Recordings and audits. The bill requires the PUC director to keep a record of PUC proceedings, and to post audio recordings and other official records as required by law online for public access. DORA's executive director may periodically request a performance audit of the PUC and its staff and operations, to be conducted by the Office of the State Auditor.

State Revenue

The bill is expected to increase state revenue **by \$23,394 in FY 2017-18 only** to the Fixed Utilities Fund (FUF), the Telecommunications Utilities Fund (TUF), and the Motor Carrier Cash Fund. This amount includes the administrative costs incurred by the PUC as a result of this bill as discussed in the State Expenditures section, as well as an additional 3 percent of Fixed and Telecommunications Fund amounts, as discussed below.

Fixed Utilities Fund and Telecommunications Utilities Fund. The FUF and TUF receive fees assessed against regulated electric, natural gas, and telecommunications utilities at a rate set annually based on the amount needed to cover applicable PUC and other utility regulation expenditures in DORA. The rate is applied to each regulated company's gross intrastate utility operating revenues, as calculated by the Department of Revenue. Whenever additional expenses are incurred against these funds, the assessment must be raised to cover these expenses, plus credit 3 percent to the General Fund as required by state law. The fiscal note has calculated the 3 percent General Fund credit at \$582 in FY 2017-18, assuming that 85 percent of the bill's costs will be paid by the FUF and TUF and the remaining 15 percent will be paid from the Motor Carrier Cash Fund.

State Expenditures

The bill will increase expenditures in the PUC **by \$22,812 in FY 2017-18** from the FUF, TUF, and Motor Carrier Cash Fund.

Public Utilities Commission. In FY 2017-18, the PUC will also have one-time legal services costs for rulemaking, estimated at 240 hours at the rate of \$95.05 per hour, which necessitates an allocation of 0.1 FTE. Because the PUC already has the capability to record and post audio online, the fiscal note assumes that no computer programming costs are required.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 4, 2017.

State Appropriations

In FY 2017-18, the bill requires and includes an appropriation of \$22,812 to the Public Utilities Commission in the Department of Regulatory Agencies. Of this amount, \$9,695 comes from the Fixed Utilities Fund; \$9,695 comes from the Telecommunications Utilities Fund; and \$3,422 comes from the Motor Carrier Cash Fund. The total amount is reappropriated to the Department of Law with an allocation of 0.1 FTE.

State and Local Government Contacts

Information Technology

Law

Regulatory Agencies