

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0241
Prime Sponsor(s): Rep. Swalm
 Sen. Tochtrop

Date: February 6, 2013
Bill Status: House SVMA
Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING THE TRANSFER OF CERTAIN EXISTING EMPLOYEES FROM THE COLORADO PUBLIC UTILITIES COMMISSION TO THE OFFICE OF CONSUMER COUNSEL.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
General Fund	\$26,634	\$25,354
Cash Funds - Fixed Utility Fund	861,158	831,258
State Expenditures		
Cash Funds - Fixed Utility Fund	\$761,906	\$720,520
FTE Position Change	8.8 FTE	8.8 FTE
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

Effective July 1, 2013, this bill transfers the trial advocacy staff of the Colorado Public Utilities Commission (PUC) to the Office of Consumer Counsel (OCC) within the Department of Regulatory Agencies. The bill expands the jurisdiction of the OCC to all public utility customers, instead of its existing charge of agricultural customers, residential customers, and small business customers. The bill then directs the OCC to represent the interests of all customers by appearing in proceedings before the PUC.

State Revenue

To cover the PUC's expenditures described below, state cash fund revenue will increase by \$861,158 in FY 2013-14 and \$831,258 in FY 2014-15. In addition, General Fund revenue will increase by \$26,634 in FY 2013-14 and \$25,354 in FY 2014-15.

Staffing and other costs incurred by the PUC are paid from the Fixed Utility Fund (FUF) from an annual fee assessed on regulated utilities. The fee is based on a statutory formula (Section 40-2-112, C.R.S.) that depends on the utility's "gross operating revenue derived from intrastate utility business." Whenever additional expenses are incurred against the FUF, this assessment must be raised to increase revenue to cover these costs, plus pay an additional 3 percent to the General Fund. Thus, fees will have to be increased sufficiently to cover the direct and indirect expenses detailed in Tables 1 and 2, plus credit 3 percent to the General Fund.

State Expenditures

Department of Regulatory Agencies, Public Utilities Commission. The bill transfers the PUCs "trial advocacy staff" to the OCC and expands the OCC's jurisdiction but makes no substantive changes to the PUC's statutory responsibilities. Thus, the transferred staff will need to be replaced in order for the PUC to continue to meet its statutory requirements. Accordingly, the PUC will incur additional expenditures of **\$761,906 and 8.8 FTE in FY 2013-14** and \$720,520 and 8.8 FTE in FY 2014-15 to comply with the provisions of this bill, as shown in Table 1.

Table 1. PUC Expenses Under House Bill 13-1218		
Cost Components	FY 2013-14	FY 2013-14
Personal Services	\$712,160	\$712,160
FTE	8.8	8.8
Operating Expenses	\$8,360	\$8,360
Capital Outlay (one-time cost)	\$41,386	\$0
TOTAL	\$761,906	\$720,520

The expenses in Table 1 are based on the following assumptions:

- currently, approximately 24.5 PUC staff have some "trial advocacy" responsibilities in the OCC's areas of jurisdiction (electric, gas and telecom);
- an average of 36 percent of their time is spent on trial advocacy, which is equivalent to 8.8 FTE, including 3.0 FTE of Professional Engineer I and 5.8 FTE Rate Financial Analyst IV; and
- because the bill does not substantively alter PUC responsibilities, transferred staff will need to be replaced.

Expenditures Not Included

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. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under House Bill 13-1218*		
Cost Components	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,664	\$4,664
Supplemental Employee Retirement Payments	\$37,969	\$49,456
Indirect Costs	\$56,619	\$56,619
TOTAL	\$99,252	\$110,739

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

In FY 2013-14, the Public Utilities Commission in the Department of Regulatory Agencies will require a cash funds appropriation of \$761,906 from the Fixed Utility Fund.

Departments Contacted

Regulatory Agencies