



**Colorado
Legislative
Council
Staff**

HB16-1376

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-0710
Prime Sponsor(s): Rep. Esgar; Winter
Sen. Carroll

Date: June 22, 2016
Bill Status: Postponed Indefinitely
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: EXPAND AUTHORITY OFFICE OF CONSUMER COUNSEL

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	<u>\$145,238</u>	<u>\$162,172</u>
Cash Funds	145,238	162,172
State Expenditures	<u>\$145,238</u>	<u>\$162,172</u>
Cash Funds	131,800	147,326
Centrally Appropriated Costs	13,438	14,846
TABOR Impact		\$151,746
FTE Position Change	1.0 FTE	1.2 FTE
Appropriation Required: \$131,800 - Department of Regulatory Agencies (FY 2016-17).		
Future Year Impacts: Ongoing revenue and expenditure increase.		

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

Summary of Legislation

Under current law, the Office of Consumer Counsel (OCC) in the Department of Regulatory Agencies (DORA) represents customers of electric and gas utilities in proceedings before the Public Utilities Commission (PUC) and is funded from the PUC Fixed Utilities Fund. The bill expands the authority of the OCC to also represent customers of every common carrier, pipeline corporation, telephone corporation, water corporation, and transportation network company. Subject to annual appropriations, the bill allows the OCC to receive funding from the PUC Motor Carrier Fund and the Telecommunications Utility Fund (TUF) based on the allocation of resources during each fiscal year.

Background

The OCC was established in 1984 to advocate for the public interest and the specific interests of residential, small business, and agricultural consumers in electric, gas, and telephone rate and rulemaking cases before the PUC, federal regulatory agencies, and in the courts. The

OCC may also appeal any PUC decision to the Colorado courts. The OCC is a Type 1 agency in DORA, cash-funded through the Fixed Utility Fund (FUF). The Attorney General is charged with advising the OCC in all legal matters and providing representation in proceedings in which the OCC participates. The OCC participates in 80 to 100 utility cases a year. Telephone utilities were removed from the purview of the OCC by Senate Bill 15-271, but because this was not expected to significantly reduce workload, OCC appropriations were not reduced.

Assumptions

The fiscal note assumes that the majority of new OCC cases will be transportation related so the funding source for the bill is the Motor Carrier Fund rather than the FUF or the TUF.

State Revenue

Motor Carrier Fund. This bill is expected to increase state revenue by up to \$145,238 in FY 2016-17 and \$162,172 in FY 2017-18 credited to the Motor Carrier Fund. The administrative costs incurred by the OCC as a result of this bill and discussed in the State Expenditures section will be paid from the Motor Carrier Fund.

The Motor Carrier Fund receives its revenues from the fee for motor carrier vehicle stamps which was set by the PUC at \$35 for calendar year 2016. Any unexpended balance remaining in the Motor Carrier Fund at the end of a fiscal year remains in the fund. In certain situations, some of the fund balance may be transferred to the Motor Carrier Safety Fund. Depending on the fund balance, the fiscal note assumes the vehicle stamp fee will be increased to cover the costs of this bill.

State Expenditures

This bill increases expenditures of the OCC by \$145,238 and 0.8 FTE in FY 2016-17 and \$162,172 and 1.0 FTE in FY 2017-18 from the Motor Carrier Fund. The bill will also increase workload for the PUC. These costs and workload are shown in Table 1 and explained below.

Table 1. Expenditures Under HB16-1376		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$63,143	\$75,771
FTE*	1.0 FTE	1.2 FTE
Operating Expenses and Capital Outlay Costs	5,653	950
Legal Services	38,004	45,605
Contract Expenses	25,000	25,000
Centrally Appropriated Costs**	13,438	14,846
TOTAL	\$145,238	\$162,172

* Includes FTE for Department of Law.

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

Office of Consumer Counsel. The OCC will participate in an increased number of cases, the majority of which will be transportation-related, requiring an additional 1.0 FTE, prorated in FY 2016-17 to 0.8 FTE, assuming a September 1, 2016, hire date. The FTE will have expertise in transportation issues. To address advocacy issues with steam and water utility providers, the OCC is expected to use contract support of \$25,000 annually beginning in FY 2016-17. Because OCC staff were not reduced when its telecommunications authority was removed, no increase is indicated for its reinstatement.

The OCC requires 400 legal services hours (0.2 FTE) from the Department of Law in FY 2016-17 and 480 hours (0.2 FTE) in FY 2017-18 to address the legal issues created by the expanded scope.

Public Utilities Commission. Increased participation by the OCC in various PUC proceedings may increase workload for the PUC, such as the length of hearings or PUC staff efforts to perform analysis. However, based on the overall volume of PUC work, this increase in workload is minimal and can be accomplished within existing 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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,035	\$8,056
Supplemental Employee Retirement Payments	5,403	6,790
TOTAL	\$13,438	\$14,846

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 5, 2016.

State Appropriations

Consistent with this fiscal note, for FY 2016-17 the bill appropriates \$131,800 from the Motor Carrier Fund to the Department of Regulatory Agencies and allocates 0.8 FTE. The bill appropriates \$38,004 to the Department of Law from reappropriated funds and allocates 0.2 FTE.

State and Local Government Contacts

Information Technology Regulatory Agencies