



Initiative 93

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Impact Statement

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LCS TITLE: PERCENTAGE OF UTILITY RATES PAID BY INVESTOR-OWNED UTILITIES

Fiscal Impact Summary		FY 2022-23	FY 2023-24
Revenue	Cash Funds	\$300,000	\$300,000
Expenditures	Cash Funds	\$300,000	\$300,000

Disclaimer. This initial fiscal impact statement has been prepared for an initiative approved for petition circulation by the Secretary of State. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.

Summary of Measure

Initiative 93 requires investor-owned utilities that supply electric or gas service in Colorado to pay a percentage of all rates from their profits. The percentage will be determined by the Colorado Public Utilities Commission but must be at least 5 percent of the total rates approved or modified as of the effective date of the measure. The Public Utilities Commission (PUC) must adopt rules to implement these requirements within 12 months of the effective date.

Background

State Public Utilities Law requires that rates charged by public utilities be just and reasonable. Rates for electric and gas services of investor-owned utilities must be approved by the PUC. Investor-owned utilities file rate cases with the PUC seeking approval to change rates for services provided to customers.

The Public Utilities Commission is made up of three commissioners appointed by the Governor to four-year terms. The full-time commissioners oversee rates, services, infrastructure, reliability, and safety of utilities providing electric, gas, steam, and water services to utility customers.

State Revenue

By increasing the administrative costs incurred by the Public Utilities Commission, Initiative 93 will increase fee revenue to the Department of Regulatory Agencies by about \$300,000 per year starting in FY 2022-23. This revenue, which is deposited to the Fixed Utility Fund and generated through an annual assessment on the state's regulated utilities, will be used to cover the additional administrative expenses described in the State Expenditures section below.

State Expenditures

The measure will increase state expenditures in the Department of Regulatory Agencies by approximately \$300,000 annually from the Fixed Utility Fund starting in FY 2022-23. These costs are associated with legal services that will be provided by the Department of Law to support anticipated litigation and lengthier rate-setting cases resulting from the measure.

State government agencies that purchase gas or electric service from investor-owned utilities may have decreased utility costs if all other rate-setting factors are held constant.

Local Government

Local governments that purchase gas or electric service from investor-owned utilities may have decreased utility costs if all other rate-setting factors are held constant.

Effective Date

If approved by voters at the 2022 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Law Regulatory Agencies

Revisions from Fiscal Summary

This fiscal impact statement estimates the administrative costs that will be incurred by the Department of Regulatory Agencies to implement this measure, which were not estimated in the fiscal summary.