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FISCAL IMPACT REPORT



SPONSOR: Salazar DATE TYPED: 2/5/02 HB HJM 69

SHORT TITLE: PRC Representation of Public Interest SB _____

ANALYST: Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Legislative Finance Committee files
 Public Regulation Commission
 Office of the Attorney General

SUMMARY

Synopsis of Bill

House Joint Memorial 69 requests the Public Regulation Commission revise its definition and application in rate cases of the term “public interest” to reflect “consumer interest” to ensure consumer concerns are represented and considered in these proceedings. The joint memorial requires the PRC to report on its efforts before the Legislative Finance Committee, during its annual budget hearing.

Significant Issues

The intent of the joint memorial is to ensure the PRC utility division focus attention on the interest of consumers. Currently, the PRC attempts to balance the interests of public utility companies with those of the ratepayers. An implicit message in the joint memorial is that consumer interests have not been represented.

Deregulation of the electricity (delayed until 2007) and telecommunications markets has spawned concern for consumers about fairness and equity in the promulgation of rules. Complicated issues such as stranded costs, the impact of wholesale power markets, interconnection agreements, the quality of service standards, etc., have become the primary and debatable policy issues, as opposed

to the rate-of-return analyses performed pre-deregulation. The joint memorial notes that individual consumers, who have engaged in the rulemaking process, could be at a substantial disadvantage in presenting its case against the utility company's experienced legal counsel.

The Attorney General's Office states that its statutory authority is to represent consumer interests before the PRC.

FISCAL IMPLICATIONS

HJM 69 does not carry an appropriation and should not have an administrative or fiscal impact on the PRC or Attorney General's Office.

OTHER SUBSTANTIVE ISSUES

Consumers may be unaware that the AG Office represents its interests, which may result from confusion over the appropriate agency to contact regarding complaints or concerns about utility policy. Both the PRC and the Attorney General have offices that receive consumer complaints and concerns.

POSSIBLE QUESTIONS

Does the utility division staff consider only formal testimony of individual consumers or does it consider relevant consumer complaints or concerns about utility companies or policy in its formulation of its filings to the PRC?

How does the Attorney General receive consumer concerns to understand their impact on utility issues before the PRC and how does it represent those concerns? Does AG staff meet with consumers on a routine basis? Does the AG staff meet only with consumer special interest groups ?

MV/njw:ar