



ASSOCIATED GOVERNMENTS  
OF NORTHWEST COLORADO

March 23, 2015

The Honorable Max Tyler, Chair  
Transportation & Energy Committee  
200 East Colfax  
Denver, CO 80203

Dear Representative Tyler and Transportation and Energy Committee Members:

Associated Governments of Northwest Colorado (AGNC) urge you to oppose HB15-1250 regarding the exploration of Performance Based Utility Regulation.

Affordable energy is one of the cornerstones to vibrant, dynamic communities and the development of business across the state. Affordable energy is also playing a significant role in the “re-shoring” of American manufacturing jobs. Colorado has enjoyed affordable energy prices for many years given our proximity to resources needed to heat and electrify our homes and businesses. The regulatory model that factors in short-term economic costs and a reasonable rate of return for investor owned utilities has served the state well in managing energy costs for all consumers.

The renewable energy standards implemented in the state have effectively increased electrical rates in Colorado. Additional regulatory burdens on resources produced in the state continue to change the dynamic of delivering energy to consumers, communities and businesses and further increase costs. These increased costs lay a heavy burden on many who cannot afford to pay their energy costs and results in more facing unaffordable energy costs. The impact has been felt most significantly by rural areas where the promise of new jobs for new energy sources has been replaced by job losses as well as increasing energy prices.

The idea of exploring subjective criteria, i.e. long-term economic sustainability, as suggested in HB 1250 as part of investor-owned utility revenue models will result in further energy price increases to consumers, communities and businesses. If a revenue model is too onerous and the utility cannot recover an appropriate return on investment, service will suffer. If a new revenue model reflects higher costs, based on subjective criteria, and those costs are passed on to customers of the utility then prices could increase substantially. Either way, these consequences would be significant to rural Colorado as it tries to climb out of a deep recession and could serve to short-circuit the robust recovery being experienced in the urban areas of the state.

For these reasons, we urge you to oppose HB15-1250. Thank you for your consideration.

Sincerely,

Handwritten signature of Mike Samson in black ink.

Mike Samson  
Chairman

Handwritten signature of Jeff Eskelson in black ink.

Jeff Eskelson  
Vice-Chairman

Handwritten signature of Martin Chazen in black ink.

Martin Chazen  
Treasurer