

# An Act

SENATE BILL 18-134

BY SENATOR(S) Cooke, Baumgardner, Crowder, Donovan, Fenberg, Fields, Guzman, Lambert, Lundberg, Marble, Neville T., Sonnenberg, Tate; also REPRESENTATIVE(S) Arndt, Bridges, Coleman, Gray, Hamner, Hansen, Herod, Hooton, Humphrey, Kraft-Tharp, Leonard, Lontine, Melton, Pabon, Reyher, Roberts, Valdez, Young.

CONCERNING THE EXEMPTION OF NONPROFIT WATER COMPANIES FROM REGULATION BY THE PUBLIC UTILITIES COMMISSION.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, **amend** 40-3-104.4 as follows:

**40-3-104.4. Simplified regulatory treatment for small or nonprofit water companies.** (1) The commission, with due consideration to public interest, quality of service, financial condition, and just and reasonable rates, shall grant regulatory treatment that is less comprehensive than otherwise provided for under this ~~article~~ **ARTICLE 3** to small, privately owned water companies that serve fewer than one thousand five hundred customers. The commission, when considering policy statements and rules, shall balance reasonable regulatory oversight with the cost of regulation in relation to the benefit derived from ~~such~~ **THE** regulation.

*Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

(2) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(b) OF THIS SECTION, A WATER COMPANY REGISTERED AS A NONPROFIT ORGANIZATION UNDER SECTION 501 (c) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, 26 U.S.C. SEC. 501 (c), IS EXEMPT FROM REGULATION UNDER THE "PUBLIC UTILITIES LAW", ARTICLES 1 TO 7 OF THIS TITLE 40.

(b) NOTWITHSTANDING SUBSECTION (2)(a) OF THIS SECTION, ALL RATES, CHARGES, AND TERMS AND CONDITIONS OF SERVICE BETWEEN A WATER COMPANY DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION AND ITS CUSTOMERS MUST BE JUST AND REASONABLE. THE COMMISSION SHALL RESOLVE ANY COMPLAINT ALLEGING A VIOLATION OF THIS SUBSECTION (2)(b) IN ACCORDANCE WITH ARTICLES 6 AND 7 OF THIS TITLE 40 IF THE COMPLAINT IS SIGNED BY:

(I) THE MAYOR, THE PRESIDENT OF THE BOARD OF TRUSTEES, OR A MAJORITY OF THE COUNCIL, COMMISSION, OR OTHER GOVERNING BODY OF AN AFFECTED CITY, COUNTY, CITY AND COUNTY, OR TOWN;

(II) THE CHIEF EXECUTIVE OFFICER OF AN AFFECTED PUBLIC UTILITY;  
OR

(III) THE LESSER OF:

(A) AT LEAST TWENTY-FIVE CUSTOMERS OR PROSPECTIVE CUSTOMERS OF THE WATER COMPANY COMPLAINED OF; OR

(B) AT LEAST TWENTY-FIVE PERCENT OF THE CURRENT CUSTOMERS OF THE WATER COMPANY COMPLAINED OF.

**SECTION 2. Act subject to petition - effective date - applicability.** (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the

official declaration of the vote thereon by the governor.

(2) This act applies to complaints filed on or after the applicable effective date of this act.



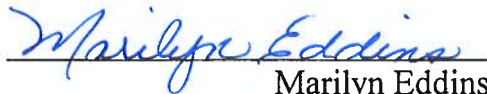
Kevin J. Grantham  
PRESIDENT OF  
THE SENATE



Crisanta Duran  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

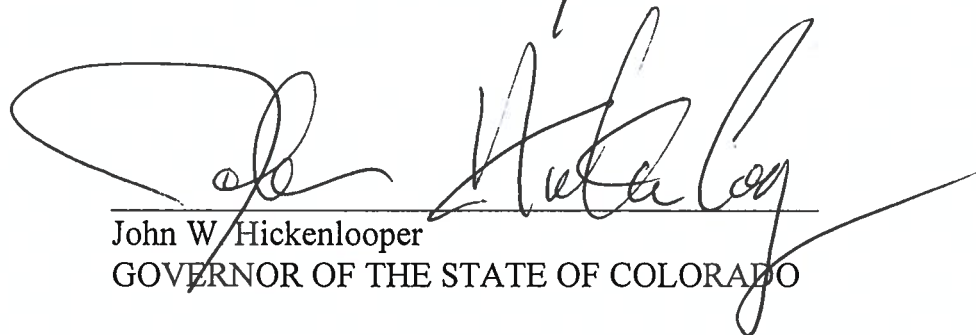


Effie Ameen  
SECRETARY OF  
THE SENATE



Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED 3:00 PM 4/2/18



John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO