

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-1050.01 Jennifer Berman x3286

SENATE BILL 17-271

SENATE SPONSORSHIP

Cooke,

HOUSE SPONSORSHIP

Pabon,

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE DEVELOPMENT OF A TRANSPARENT PROCESS BY**
102 **WHICH AN INVESTOR-OWNED UTILITY MAY RECOVER ACTUAL**
103 **COSTS FROM A PROPERTY OWNER ON WHOSE BEHALF THE**
104 **UTILITY HAS EXTENDED ITS SERVICE BY CONNECTING THE**
105 **PROPERTY OWNER'S PROPERTY TO THE UTILITY'S SERVICE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires an investor-owned gas or electric utility, within 35 days after receiving an application for an extension of the utility's

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

service to the applicant's property, to provide the applicant with a written cost estimate and schedule of the work involved in extending the service to the applicant's property. The applicant must sign and return the cost estimate and schedule, along with payment of the estimated costs, before the utility may commence work on extending service to the applicant's property. After completion of the work, the utility is required to send the applicant an itemized statement of the actual costs of the work. If the actual costs are more than the estimated costs that the applicant paid, the applicant, within 35 days after delivery of the itemized statement of actual costs, is required to pay the utility the difference. If the actual costs are less than the estimated costs that the applicant paid, the utility is required to refund the applicant the difference when the utility sends the itemized statement of actual costs.

The bill further establishes a procedure for adding additional properties to the service line extension and a mechanism for enforcing the procedures set forth in the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 40-5-101.5 as
3 follows:

4 **40-5-101.5. Cost recovery for service extension by**
5 **investor-owned utilities - process - enforcement - definitions.** (1) AS
6 USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "APPLICANT" MEANS A PROPERTY OWNER OR HIS OR HER
8 ASSIGNEE WITH PROPERTY LOCATED IN AN UNSERVED PORTION OF A
9 UTILITY'S SERVICE AREA THAT APPLIES TO THE UTILITY FOR SERVICE TO BE
10 EXTENDED TO THE PROPERTY.

11 (b) "UTILITY" MEANS A GAS OR ELECTRIC INVESTOR-OWNED
12 UTILITY.

13 (2) (a) WITHIN THIRTY-FIVE DAYS AFTER A UTILITY RECEIVES A
14 WRITTEN REQUEST FROM AN APPLICANT TO EXTEND SERVICE TO THE
15 APPLICANT'S PROPERTY, THE UTILITY SHALL PROVIDE THE APPLICANT WITH
16 A WRITTEN ESTIMATE OF THE ACTUAL COSTS OF THE WORK INVOLVED IN

1 EXTENDING SERVICE AND A SCHEDULE SETTING FORTH THE ESTIMATED
2 TIME TO COMPLETE EACH ACTIVITY INVOLVED IN EXTENDING THE SERVICE.
3 THE APPLICANT MUST SIGN AND RETURN TO THE UTILITY THE COST
4 ESTIMATE AND SCHEDULE ALONG WITH THE AMOUNT OF MONEY
5 INDICATED IN THE COST ESTIMATE BEFORE THE UTILITY BEGINS THE WORK
6 TO EXTEND SERVICE TO THE APPLICANT'S PROPERTY. WITHIN THIRTY-FIVE
7 DAYS AFTER THE UTILITY HAS COMPLETED THE WORK, THE UTILITY SHALL
8 PROVIDE THE APPLICANT WITH A WRITTEN, ITEMIZED STATEMENT OF THE
9 ACTUAL COSTS REASONABLY INCURRED IN COMPLETING THE PROJECT.

10 (b) IF THE ACTUAL COSTS LISTED IN THE ITEMIZED STATEMENT ARE
11 MORE THAN THE ESTIMATED COSTS THAT THE APPLICANT PAID FOR THE
12 PROJECT, THE APPLICANT SHALL PAY THE DIFFERENCE TO THE UTILITY
13 WITHIN THIRTY-FIVE DAYS AFTER DELIVERY OF THE ITEMIZED STATEMENT.

14 (c) IF THE ACTUAL COSTS LISTED IN THE ITEMIZED STATEMENT ARE
15 LESS THAN THE ESTIMATED COSTS THAT THE APPLICANT PAID FOR THE
16 PROJECT, THE UTILITY SHALL REMIT TO THE APPLICANT, WITH THE
17 ITEMIZED STATEMENT, A REFUND OF THE DIFFERENCE.

18 (3) (a) IF, AFTER COMPLETION OF THE SERVICE EXTENSION
19 REQUESTED BY AN APPLICANT PURSUANT TO SUBSECTION (2) OF THIS
20 SECTION, ANOTHER PROPERTY IS CONNECTED TO THE COMPLETED SERVICE
21 LINE, THE UTILITY SHALL EQUITABLY DIVIDE THE ACTUAL COSTS OF
22 EXTENDING THE SERVICE THAT WERE CHARGED TO THE APPLICANT
23 BETWEEN THE APPLICANT AND THE PROPERTY OWNER OF THE NEWLY
24 CONNECTED PROPERTY AND:

25 (I) REIMBURSE THE APPLICANT BASED ON THE EQUITABLE
26 DISTRIBUTION OF THE ACTUAL COSTS BETWEEN THE PROPERTIES
27 CONNECTED TO THE SERVICE LINE; AND

1 (II) CHARGE THE OWNER OF THE PROPERTY WITH THE ADDED
2 CONNECTION THE PROPERTY OWNER'S PORTION OF THE EQUITABLE
3 DISTRIBUTION OF THE ACTUAL COSTS ACCORDING TO THE COST-RECOVERY
4 PROCEDURE SET FORTH IN SUBSECTION (2) OF THIS SECTION.

5 (b) EACH TIME A NEW PROPERTY IS CONNECTED TO THE SERVICE
6 LINE, THE UTILITY SHALL EQUITABLY DISTRIBUTE THE ACTUAL COSTS PAID
7 FOR THE EXTENDED SERVICE PROJECT IN ACCORDANCE WITH SUBSECTION
8 (3)(a) OF THIS SECTION, REIMBURSING THE PROPERTY OWNERS THAT HAVE
9 ALREADY PAID A PORTION OF THE ACTUAL COSTS OF THE EXTENDED
10 SERVICE PROJECT AND CHARGING THE PROPERTY OWNERS THAT HAVE
11 ADDED A CONNECTION TO THE SERVICE LINE.

12 (4) AN APPLICANT MAY FILE A COMPLAINT WITH THE COMMISSION
13 TO ENFORCE THE APPLICANT'S RIGHTS UNDER THIS SECTION. IN A
14 PROCEEDING HELD PURSUANT TO THIS SUBSECTION (4), THE UTILITY BEARS
15 THE BURDEN OF PROOF THAT IT COMPLIED WITH THIS SECTION. IF AN
16 APPLICANT PREVAILS IN THE PROCEEDING, THE APPLICANT MAY RECOVER
17 FROM THE UTILITY THE APPLICANT'S REASONABLE ATTORNEY FEES
18 INCURRED IN CONNECTION WITH THE PROCEEDING. IF THE COMMISSION
19 DETERMINES AFTER RECEIVING A COMPLAINT FROM AN APPLICANT, OR
20 AFTER ITS OWN INVESTIGATION, THAT A UTILITY HAS VIOLATED THIS
21 SECTION, THE COMMISSION SHALL IMPOSE CIVIL PENALTIES AGAINST THE
22 UTILITY IN ACCORDANCE WITH SECTION 40-7-105.

23 **SECTION 2. Act subject to petition - effective date -**
24 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
25 the expiration of the ninety-day period after final adjournment of the
26 general assembly (August 9, 2017, if adjournment sine die is on May 10,
27 2017); except that, if a referendum petition is filed pursuant to section 1

1 (3) of article V of the state constitution against this act or an item, section,
2 or part of this act within such period, then the act, item, section, or part
3 will not take effect unless approved by the people at the general election
4 to be held in November 2018 and, in such case, will take effect on the
5 date of the official declaration of the vote thereon by the governor.

6 (2) This act applies to applications for an extension of a utility's
7 service filed on or after the applicable effective date of this act.