

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

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

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.

SENATE
Amended 2nd Reading
April 25, 2017

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. Investor-owned utilities' service extension policies**
5 **- commission review - rules. (1) WITHIN ONE HUNDRED EIGHTY DAYS**
6 **AFTER THE EFFECTIVE DATE OF THIS SECTION, THE COMMISSION SHALL**
7 **OPEN A NONADJUDICATORY PROCEEDING TO EVALUATE INVESTOR-OWNED**
8 **UTILITIES' CURRENT SERVICE EXTENSION POLICIES FOR SERVING NEW LOAD**
9 **APPLICATIONS; EXCEPT THAT GAS-ONLY, INVESTOR-OWNED UTILITIES ARE**
10 **NOT SUBJECT TO THE COMMISSION'S NONADJUDICATORY PROCEEDING.**
11 **BASED ON THE COMMISSION'S EVALUATION, THE COMMISSION SHALL ISSUE**
12 **A DECISION CONTAINING RECOMMENDATIONS TO INVESTOR-OWNED**
13 **UTILITIES FOR POTENTIAL IMPLEMENTATION.**

14 **(2) IN THE COMMISSION'S NONADJUDICATORY PROCEEDING, THE**
15 **COMMISSION SHALL CONSIDER, WITHOUT LIMITATION, THE FOLLOWING**
16 **INFORMATION FROM INVESTOR-OWNED UTILITIES:**

1 (a) THE UTILITIES' GENERAL LOAD EXTENSION PROCEDURES USED
2 BY THE UTILITY AND REQUESTING CUSTOMERS, INCLUDING:

3 (I) THE USE OF CONSTRUCTION AGREEMENTS, REVENUE
4 ASSURANCE AGREEMENTS, ASSIGNMENT OF ESTIMATED COSTS,
5 PREDEVELOPMENT SYSTEM INVESTMENT PROTOCOLS, AND OPTIONS FOR
6 COST AND SCHEDULE TRANSPARENCY; AND

7 (II) POTENTIAL SYSTEM AUTOMATION BENEFITS TO ENHANCE
8 CLARITY OF THE REQUIREMENTS AND PROCESS;

9 (b) EQUITABLE ALLOCATION OF COSTS ASSOCIATED WITH AN
10 EXTENSION OF FACILITIES AND ANY OTHER FACTORS AFFECTING THE COST
11 OF AN EXTENSION OF FACILITIES; AND

12 (c) VARIABLES THAT AFFECT TIME LINES FOR CONSTRUCTION AND
13 IMPLEMENTATION OF AN EXTENSION OF FACILITIES.

14 (3) WITHIN NINETY DAYS AFTER THE CONCLUSION OF THE
15 NONADJUDICATORY PROCEEDING, THE COMMISSION MAY PROMULGATE
16 RULES CONSISTENT WITH THE FINDINGS OF THE NONADJUDICATORY
17 PROCEEDING.

18 **SECTION 2. Act subject to petition - effective date.** This act
19 takes effect at 12:01 a.m. on the day following the expiration of the
20 ninety-day period after final adjournment of the general assembly (August
21 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
22 referendum petition is filed pursuant to section 1 (3) of article V of the
23 state constitution against this act or an item, section, or part of this act
24 within such period, then the act, item, section, or part will not take effect
25 unless approved by the people at the general election to be held in
26 November 2018 and, in such case, will take effect on the date of the
27 official declaration of the vote thereon by the governor.