

# STATE OF COLORADO

## Colorado General Assembly

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## MEMORANDUM

**To:** Sidra Aghababian and Jessica Arhontoulis

**From:** Legislative Council Staff and Office of Legislative Legal Services

**Date:** March 27, 2026

**Subject:** Proposed Initiative Measure 2025-2026 #312, Cost of Natural Gas Pipeline Extensions

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Legislative Council Staff and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado Constitution. We hereby submit our comments and questions to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the directors of the Legislative Council Staff and the Office of Legislative Legal Services is to provide comments and questions intended to aid designated representatives, and the proponents they represent, in determining the language of their proposal and to avail the public of the contents of the proposal. Our first objective is to be sure we understand your intended purposes of the proposal. We hope that the comments and questions in this memorandum provide a basis for discussion and understanding of the proposal. Discussion between designated representatives or their legal representatives and employees of the Legislative Council Staff and the Office of Legislative Legal Services is encouraged during review and comment meetings, but comments or discussion from anyone else is not permitted.

This proposed initiative 2025-2026 #312 was submitted by the same designated representatives as a part of a group of related proposed initiatives, including proposed initiatives 2025-2026 #310, #311, and #313. The comments and questions raised in this memorandum do not include comments and questions that were addressed in the memoranda for proposed initiatives 2025-2026 #310, #311, and #313, except as necessary to fully understand proposed initiative 2025-2026 #312. Comments and questions

addressed in those memoranda may also be relevant, and those questions and comments are considered part of this memorandum.

## **Purpose**

The major purpose of the proposed amendment to the Colorado Constitution appears to be to prohibit distributors and utilities from requiring existing customers to bear the costs of a natural gas pipeline extension and its eventual decommissioning undertaken to serve new customers.

## **Substantive Comments and Questions**

The substance of the proposed initiative raises the following comments and questions:

1. Article V, section 1 (5.5) of the Colorado Constitution requires all proposed initiatives to have a single subject. What is the single subject of the proposed initiative?
2. Article V, section 1 (4)(a) of the Colorado Constitution requires that when the majority of voters approve an initiative, the initiative is effective on and after the date of the official declaration of the vote and proclamation of the governor.

Because the proposed initiative does not contain an effective date, this would be the default effective date. Does this default effective date satisfy your intent? If not, you should include the desired effective date that is not earlier than the default effective date to comply with this constitutional requirement.

3. What is meant by “utilities”? Is it meant to include investor-owned utilities, cooperative electric associations, and municipally owned utilities?
4. What is meant by “distributors”? What kind of distributors is the proposed initiative referring to?
5. You may consider revising the language to clarify what “existing customers” means. It is not clear whether this refers to:
  - a. Customers existing at the time of the effective date of the proposed initiative;

- b. Customers existing at the time of the start of construction of a natural gas pipeline extension or at the end of construction; or
  - c. Customers existing at the time of decommissioning of the natural gas pipeline extension.
- 6. Is the intent to prohibit distributors and utilities from recovering the costs of a natural gas pipeline extension by charging its customers through utility bills? If so, you may consider revising or defining the phrase “bear the costs” to specify that.
- 7. What types of costs is the proposed initiative intended to cover? Is the intent to just prohibit cost recovery for the costs of the construction and decommissioning of the natural gas pipeline extension or is the intent to also prohibit cost recovery for the costs of maintaining the natural gas pipeline extension? You may consider providing a definition for “costs” to further clarify.
- 8. Is “its eventual decommissioning” referring to the decommissioning of the natural gas pipeline or just the natural gas pipeline extension? You may consider clarifying.
- 9. What is the purpose of using the word “eventual” in the proposed initiative?
- 10. The proposed initiative prohibits cost recovery for a natural gas pipeline extension that is undertaken to serve new customers. Does this mean that distributors and utilities could recover the costs of a natural gas pipeline extension that would serve existing customers? If that is not the intent, you may consider revising the language by removing “undertaken to serve new customers.” On the other hand, if the intent is to limit the language of the proposed initiative to natural gas pipeline extensions that serve only new customers, you may consider adding “only” before “new customers” in the language of the proposed initiative.
- 11. Many of the distributors and utilities that the language of the proposed initiative would apply to likely already have existing contracts determining how costs are allocated. Article II, section 11 of the Colorado Constitution and article I, section 10 of the United States Constitution prohibit laws impairing the obligation of contracts. Because of these constitutional provisions, you may consider adding language to the proposed initiative clarifying that the proposed initiative applies to contracts entered into on or after the applicable effective date of the proposed initiative.

## Technical Comments

The following comments address technical issues raised by the form of the proposed initiative. These comments will be read aloud at the public meeting only if the designated representatives so request. You will have the opportunity to ask questions about these comments at the review and comment meeting. Please consider revising the proposed initiative as follows:

1. Only the first letter of the first word of a headnote should be capitalized, as shown below:

**SECTION 17. No cost shifting to existing customers.** DISTRIBUTORS AND ...