

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

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 23-0876.02 Jennifer Berman x3286

SENATE BILL 23-291

SENATE SPONSORSHIP

Fenberg and Cutter, Buckner, Exum, Hansen, Jaquez Lewis, Marchman, Moreno, Priola, Winter F.

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Senate Committees

Finance
Appropriations

House Committees

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A BILL FOR AN ACT

101 **CONCERNING THE PUBLIC UTILITIES COMMISSION'S REGULATION OF**
102 **ENERGY UTILITIES, AND, IN CONNECTION THEREWITH, MAKING**
103 **AN APPROPRIATION.**

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>.)

Section 1 of the bill requires the public utilities commission (commission), if relying on a discount rate when calculating the net present value of future fuel costs as part of a utility's electric resource plan, to apply a discount rate that does not exceed the long-term rate of inflation.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

HOUSE
3rd Reading Unamended
May 6, 2023

HOUSE
Amended 2nd Reading
May 5, 2023

SENATE
3rd Reading Unamended
April 26, 2023

SENATE
Amended 2nd Reading
April 25, 2023

Section 2 requires the commission to establish mechanisms, guidelines, or rules to limit the amount of rate case expenses that an investor-owned electric or gas utility may recover from the utility's customers.

Section 3 prohibits an investor-owned electric or gas utility from recovering various costs from its customers, including:

- More than 50% of annual total compensation or of expense reimbursement for a utility's board of directors;
- Tax penalties or fines issued against the utility;
- Certain advertising and public relations expenses;
- Lobbying and other expenses intended to influence the outcome of local, state, or federal legislation or ballot measures;
- Certain organizational and membership dues;
- Travel, lodging, food, or beverage expenses for the utility's board of directors and officers; and
- Gift or entertainment expenses.

If an investor-owned utility recovers prohibited costs, the commission is required to assess a nonrecoverable penalty against the utility in an amount that is not less than the total amount improperly recovered and order the utility to refund the amount improperly recovered to its customers, plus interest.

Section 4 requires that, on or before November 1, 2023, an investor-owned gas utility file with the commission for the commission's approval, amendment, or denial a gas price risk management plan that includes proposals for addressing the volatility of fuel costs recovered from the utility's ratepayers.

Section 4 requires the commission to adopt rules, on or before January 1, 2025, to:

- Help protect investor-owned gas utility customers from the volatility of gas prices by establishing a mechanism that aligns an investor-owned utility's financial incentives with the financial interests of its customers; and
- Establish a mechanism to create a financial incentive for an investor-owned utility to improve its electricity production cost efficiency while minimizing its fuel costs.

As part of its rules, the commission may also consider requiring each investor-owned electric utility to bear a percentage of its total fuel costs in order to incentivize the utility to find efficiencies and reduce fuel waste.

Section 4 also requires the commission to open a proceeding to investigate the extent to which residential and other development in certain geographic areas drive natural gas infrastructure costs for any natural gas utility that serves more than 500,000 customers in the state.

Section 5 requires:

- On or before December 31, 2023, each regulated gas utility to remove from the utility's rate tariffs any incentives offered to an applicant applying for natural gas service to establish gas service to a property;
- The Colorado energy office to contract with an independent third party, on or before July 1, 2024, to evaluate the risk that stranded or underutilized natural gas infrastructure investments pose and the annual projected rate impact that such stranded assets have on ratepayers;
- The commission to determine whether any changes to rules or depreciation schedules are warranted based on its review of the evaluation contracted by the Colorado energy office;
- An investor-owned gas utility to provide the commission information, including a map, about the utility's gas distribution system pipes;
- An investor-owned gas utility to refrain from penalizing or charging a fee to a customer that voluntarily terminates gas service. The commission may adopt rules to establish standards for a customer's voluntary disconnection from an investor-owned gas utility's gas distribution system.
- On or before July 1, 2024, the commission to examine existing investor-owned electric utility tariffs, policies, and practices to determine if the tariffs, policies, and practices pose a barrier to the beneficial electrification of buildings with respect to charges imposed for the cost of transformer or service upgrades.

Section 6 authorizes the commission to allow a wholesale customer of an investor-owned utility to intervene in a proceeding regarding the commission's consideration of the investor-owned utility's application for cost recovery from customers.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 40-2-138 as
 3 follows:

4 **40-2-138. Investor-owned utility electric resource planning -**
 5 **maximum discount rate authorized.** IF THE COMMISSION RELIES ON THE
 6 USE OF A DISCOUNT RATE WHEN CALCULATING NET PRESENT VALUE OF
 7 FUTURE CARBON-BASED FUEL COSTS IN AN ELECTRIC RESOURCE PLAN, THE
 8 DISCOUNT RATE MUST NOT EXCEED THE LONG-TERM RATE OF INFLATION,

1 AS DETERMINED BY THE COMMISSION. IN DETERMINING THE LONG-TERM
2 RATE OF INFLATION, THE COMMISSION SHALL DETERMINE AN APPROPRIATE
3 RATE OF INFLATION SPECIFICALLY FOR FUEL COSTS.

4 **SECTION 2.** In Colorado Revised Statutes, **add** 40-3-102.5 as
5 follows:

6 **40-3-102.5. Limiting rate case expenses for investor-owned**
7 **utilities - information included in rate case filings - gas cost or electric**
8 **commodity adjustment filings - rules - definitions. (1) Limiting**
9 **recovery of rate case expenses. (a) THE COMMISSION SHALL ESTABLISH**
10 **RULES TO LIMIT THE AMOUNT OF RATE CASE EXPENSES THAT A UTILITY**
11 **MAY RECOVER FROM RATEPAYERS. IN ESTABLISHING THE RULES, THE**
12 **COMMISSION MAY CONSIDER:**

13 (I) IMPLEMENTING A SYMMETRICAL INCENTIVE TO MOTIVATE THE
14 UTILITY TO LIMIT EXPENSES;

15 (II) LIMITING THE AMOUNT OF EXPENSES FOR OUTSIDE EXPERTS,
16 CONSULTANTS, AND LEGAL RESOURCES THAT ARE RECOVERABLE;

17 (III) SETTING AN OVERALL PERCENTAGE OF THE UTILITY'S
18 EXPENSES IN A RATE CASE THAT ARE NOT RECOVERABLE;

19 (IV) ESTABLISHING DISCOVERY PARAMETERS AND WHAT
20 INFORMATION IN A COMMISSION PROCEEDING MUST BE DISCLOSED TO
21 INTERVENERS OR TO THE COMMISSION TO REDUCE TIME AND COSTS
22 ASSOCIATED WITH A LENGTHY DISCOVERY PROCESS, WHICH INFORMATION
23 MAY INCLUDE:

24 (A) A SOURCE MODEL SHOWING ALL RATE ADJUSTMENTS;

25 (B) EXECUTABLE SPREADSHEETS, ALSO REFERRED TO AS
26 WORKPAPERS, WITH LINKS AND FORMULAS INTACT;

27 (C) A TEST YEAR BASED ON A RECENTLY COMPLETED

1 TWELVE-MONTH PERIOD AND FOR WHICH ACTUAL COSTS AND
2 INVESTMENTS ARE ANALYZED; AND

3 (D) ANY OTHER INFORMATION OR DOCUMENTATION, AS
4 DETERMINED BY THE COMMISSION; OR

5 (V) REQUIRING A TECHNICAL CONFERENCE WITH INTERVENING
6 PARTIES TO ADDRESS INTERVENING PARTIES' QUESTIONS AND TO PROVIDE
7 THE ABILITY FOR INTERVENERS TO ANALYZE THE UTILITY'S ASSUMPTIONS
8 AND CALCULATIONS SUPPORTING A RATE CASE FILING.

9 (b) BEFORE THE COMMISSION MAY DETERMINE THAT AN
10 INVESTOR-OWNED UTILITY'S APPLICATION TO MODIFY BASE RATES IS
11 COMPLETE, THE COMMISSION SHALL CERTIFY THAT, FOR COMPARISON OF
12 TEST YEARS AND OTHER PURPOSES, THE FILING INCLUDES SUFFICIENT
13 INFORMATION, INCLUDING A COMPREHENSIVE COST AND REVENUE
14 REQUIREMENT ANALYSIS BASED ON ACTUAL, AUDITABLE, HISTORICAL
15 DATA, WHICH ANALYSIS MUST BE ACCOMPANIED BY APPROPRIATE
16 WORKPAPERS AND OTHER SUPPORTING MATERIALS.

17 (c) NOTHING IN THIS SECTION PROHIBITS A UTILITY FROM
18 INCLUDING MULTIPLE TEST YEARS FOR ANALYSIS OR CONSIDERATION IN A
19 RATE CASE FILING, INCLUDING INCLUSION OF A FUTURE TEST YEAR.

20 (d) AS USED IN THIS SUBSECTION (1):

21 (I) "BASE RATE" MEANS CHARGES USED TO RECOVER COSTS OF
22 UTILITY INFRASTRUCTURE AND OPERATIONS, INCLUDING A RETURN ON
23 CAPITAL INVESTMENT, NOT OTHERWISE RECOVERED THROUGH A UTILITY
24 RATE RIDER OR RATE ADJUSTMENT MECHANISM.

25 (II) "TEST YEAR" MEANS A TWELVE-MONTH PERIOD THAT IS
26 EXAMINED TO DETERMINE A UTILITY'S COSTS OF SERVICE IN A RATE CASE.

27 (III) "UTILITY" MEANS AN INVESTOR-OWNED ELECTRIC OR GAS

1 UTILITY.

2 (2) **Requirements for filings to increase a rate, charge, fee,**
3 **fare, toll, rental, or classification.** (a) AT THE TIME OF FILING A REQUEST
4 TO INCREASE ANY RATE, CHARGE, FEE, FARE, TOLL, RENTAL, OR
5 CLASSIFICATION, THE UTILITY SHALL PROVIDE THE COMMISSION A RATE
6 TREND REPORT FOR THE PREVIOUS TEN YEARS REGARDING ANY
7 HISTORICAL INCREASES OR DECREASES OF THE RATE, CHARGE, FEE, FARE,
8 TOLL, RENTAL, OR CLASSIFICATION, INCLUDING:

9 (I) THE AMOUNT OF EACH APPROVED INCREASE OR DECREASE;

10 (II) THE INCREMENTAL INCREASE OR DECREASE FROM THE MOST
11 RECENT APPROVED CHANGE;

12 (III) THE DATES THAT EACH APPROVED INCREASE OR DECREASE
13 WENT INTO EFFECT;

14 (IV) THE PROCEEDING NUMBER RELATED TO EACH APPROVED
15 INCREASE OR DECREASE;

16 (V) A CHART, GRAPH, OR OTHER VISUALIZATION DEMONSTRATING
17 THE TEN-YEAR HISTORICAL TREND REGARDING EACH RATE, CHARGE, FEE,
18 FARE, TOLL, RENTAL, OR CLASSIFICATION, INCLUDING ALL UTILITY BILL
19 LINE ITEMS SUCH AS RATES AND RATE RIDERS; AND

20 (VI) FOR EACH OF THE TEN YEARS, THE ANNUAL TOTAL AMOUNT
21 OF THE RATE, CHARGE, FEE, FARE, TOLL, RENTAL, OR CLASSIFICATION.

22 (b) EACH UTILITY SHALL POST AND KEEP CURRENT ON ITS WEBSITE
23 THE RATE TREND REPORT DATA, INCLUDING THE CHART, GRAPH, OR OTHER
24 VISUALIZATION DEMONSTRATING THE TEN-YEAR HISTORICAL TREND
25 SUBMITTED AS PART OF THE RATE TREND REPORT. ANY VISUALIZATION
26 MUST INCLUDE ALL UTILITY BILL LINE ITEMS, INCLUDING ALL RATES AND
27 RATE RIDERS.

1 (3) **Gas cost or electric commodity adjustment filing**
2 **requirements.** A UTILITY THAT FILES A GAS COST ADJUSTMENT FILING OR
3 AN ELECTRIC COMMODITY ADJUSTMENT FILING SHALL PROVIDE COPIES OF
4 ALL CONFIDENTIAL MATERIALS AND ALL EXECUTABLE MATERIALS
5 RELATED TO THE FILING TO THE COMMISSION'S STAFF AND THE OFFICE OF
6 THE UTILITY CONSUMER ADVOCATE CREATED IN SECTION 40-6.5-102 (1).

7 **SECTION 3.** In Colorado Revised Statutes, **amend** 40-3-114 as
8 follows:

9 **40-3-114. Cost recovery - prohibitions - reporting - penalties**
10 **- definitions.** (1) The commission shall ensure that regulated electric and
11 gas utilities do not use ratepayer funds to subsidize nonregulated
12 activities.

13 (2) A UTILITY SHALL NOT RECOVER THE FOLLOWING COSTS FROM
14 ITS CUSTOMERS, WHETHER AS PART OF PROPOSED BASE RATE COSTS, A
15 RIDER, OR OTHER CHARGES:

16 (a) MORE THAN FIFTY PERCENT OF ANNUAL TOTAL COMPENSATION
17 OR OF EXPENSE REIMBURSEMENT FOR MEMBERS OF THE BOARD OF
18 DIRECTORS OF THE UTILITY;

19 (b) TAX PENALTIES OR FINES ISSUED AGAINST THE UTILITY;

20 (c) INVESTOR-RELATION EXPENSES;

21 (d) ADVERTISING AND PUBLIC RELATIONS EXPENSES THAT DO NOT
22 DIRECTLY RELATE TO A PURPOSE OR PROGRAM THAT IS REQUIRED OR
23 AUTHORIZED UNDER STATUTE OR COMMISSION RULE OR ORDER.
24 ADVERTISING AND PUBLIC RELATIONS EXPENSES FOR WHICH COST
25 RECOVERY IS PROHIBITED INCLUDE:

26 (I) COMMUNICATIONS TO PROMOTE OR IMPROVE THE UTILITY'S
27 BRAND;

1 (II) EXPENSES FOR THE PURPOSE OF INFLUENCING PUBLIC OPINION
2 ABOUT THE UTILITY; AND

3 (III) EXPENSES INTENDED TO CREATE GOOD WILL TOWARD THE
4 UTILITY FROM THE GENERAL PUBLIC.

5 (e) EXPENSES FOR LOBBYING OR OTHER ACTIVITIES MEANT TO
6 INFLUENCE THE OUTCOME OF ANY LOCAL, STATE, OR FEDERAL
7 LEGISLATION, ORDINANCE, RESOLUTION, OR BALLOT MEASURE;

8 (f) CHARITABLE GIVING EXPENSES, INCLUDING CONTRIBUTIONS TO
9 ORGANIZATIONS QUALIFIED UNDER SECTION 501 (c)(3) OR 501 (c)(4) OF
10 THE FEDERAL "INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 501,
11 AS AMENDED;

12 (g) ORGANIZATIONAL OR MEMBERSHIP DUES, OR OTHER
13 CONTRIBUTIONS, TO ANY ORGANIZATION, ASSOCIATION, INSTITUTION,
14 CORPORATION, OR OTHER ENTITY THAT ENGAGES IN LOBBYING OR OTHER
15 SIMILAR ACTIVITIES INTENDED TO INFLUENCE THE OUTCOME OF ANY
16 LOCAL, STATE, OR FEDERAL LEGISLATION, ORDINANCE, RESOLUTION, RULE,
17 BALLOT MEASURE, OR OTHER REGULATORY DECISION;

18 (h) CONTRIBUTIONS TO POLITICAL CANDIDATES, CAMPAIGN
19 COMMITTEES, ISSUE COMMITTEES, OR INDEPENDENT EXPENDITURE
20 COMMITTEES OR SIMILAR POLITICAL EXPENSES;

21 (i) TRAVEL, LODGING, FOOD, AND BEVERAGE EXPENSES FOR THE
22 UTILITY'S BOARD OF DIRECTORS AND OFFICERS;

23 (j) ENTERTAINMENT OR GIFT EXPENSES;

24 (k) EXPENSES RELATED TO ANY OWNED, LEASED, OR CHARTERED
25 AIRCRAFT FOR THE UTILITY'S BOARD OF DIRECTORS AND OFFICERS; OR

26 (l) EXPENSES RELATED TO MARKETING AND ADMINISTRATION OR
27 CUSTOMER SERVICE FOR UNREGULATED PRODUCTS OR SERVICES PROVIDED

1 OR SOLD BY THE UTILITY OR THE UTILITY'S AFFILIATES.

2 (3) SUBSECTIONS (2)(g) AND (2)(h) OF THIS SECTION SHALL NOT
3 BE CONSTRUED TO APPLY TO A UTILITY EMPLOYEE'S OR CONTRACT
4 WORKER'S ACTIVITIES RESULTING FROM ANY VOLUNTARY DUES
5 DEDUCTIONS THAT ARE PROCESSED THROUGH STANDARD PAYROLL
6 PROCESSES.

7 (4) (a) NOTWITHSTANDING PENALTIES SET FORTH IN ARTICLE 7 OF
8 THIS TITLE 40, IF THE COMMISSION DETERMINES THAT A UTILITY
9 IMPROPERLY RECOVERED COSTS PURSUANT TO SUBSECTION (2) OF THIS
10 SECTION, THE COMMISSION MAY ASSESS A NONRECOVERABLE PENALTY
11 AGAINST THE UTILITY.

12 (b) IN ADDITION TO ASSESSING A NONRECOVERABLE PENALTY
13 AGAINST A UTILITY PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION, THE
14 COMMISSION SHALL ORDER THE UTILITY TO REFUND THE AMOUNT
15 IMPROPERLY RECOVERED PURSUANT TO SUBSECTION (2) OF THIS SECTION,
16 PLUS INTEREST, TO CUSTOMERS.

17 (5) THE COMMISSION SHALL REQUIRE A UTILITY TO FILE AN
18 ANNUAL REPORT WITH THE COMMISSION TO ENSURE THE UTILITY'S
19 COMPLIANCE WITH THIS SECTION. THE REPORT MUST INCLUDE THE
20 PURPOSE, PAYEE, AND AMOUNT OF ANY EXPENSES ASSOCIATED WITH THE
21 COSTS AND ACTIVITIES THAT ARE NOT PERMITTED TO BE RECOVERED FROM
22 CUSTOMERS PURSUANT TO THIS SECTION.

23 (6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
24 REQUIRES:

25 (a) (I) "ADVERTISING" MEANS THE ACT OF PUBLISHING,
26 DISSEMINATING, SOLICITING, OR CIRCULATING WRITTEN, ONLINE, VIDEO,
27 OR AUDIO COMMUNICATION INTENDED TO INDUCE A PERSON TO PATRONIZE

1 A PRODUCT, SERVICE, BUSINESS, OR INDUSTRY; PROMOTE A BUSINESS'S
2 BRAND; OTHERWISE EMPHASIZE DESIRABLE QUALITIES ABOUT A PRODUCT,
3 SERVICE, BUSINESS, OR INDUSTRY; OR INFLUENCE PUBLIC OPINION WITH
4 RESPECT TO LEGISLATIVE, ADMINISTRATIVE, OR ELECTORAL MATTERS.

5 (II) "ADVERTISING" DOES NOT INCLUDE:

6 (A) ADVERTISING REQUIRED OR AUTHORIZED BY LAW,
7 REGULATION, OR ORDER;

8 (B) ADVERTISING DIRECTLY RELATED TO A PURPOSE OR PROGRAM
9 REGARDING INCOME-BASED SERVICE, SPECIAL RATES, PILOT PROGRAMS,
10 ENERGY CONSERVATION, ENERGY EFFICIENCY, BENEFICIAL
11 ELECTRIFICATION, RENEWABLE ENERGY, TRANSPORTATION
12 ELECTRIFICATION, OR OTHER CONSUMER EDUCATION INFORMATION;

13 (C) ADVERTISING REGARDING SERVICE INTERRUPTIONS, SAFETY
14 MEASURES, OR EMERGENCY CONDITIONS; OR

15 (D) ADVERTISING CONCERNING EMPLOYMENT OPPORTUNITIES
16 WITH THE UTILITY.

17 (b) "AIRCRAFT" HAS THE MEANING SET FORTH IN SECTION
18 41-2-101 (1).

19 (c) "BASE RATE" HAS THE MEANING SET FORTH IN SECTION
20 40-3-102.5 (1)(d)(I).

21 (d) "ELECTRIC UTILITY" MEANS AN INVESTOR-OWNED ELECTRIC
22 UTILITY IN THE STATE.

23 (e) "EXPENSES" MEANS ANY PAYMENT MADE IN THE FORM OF
24 COMPENSATION THAT A UTILITY PAYS TO AN EXTERNAL FIRM, A
25 CORPORATE AFFILIATE, OR AN EMPLOYEE OF THE UTILITY.

26 (f) "GAS UTILITY" MEANS AN INVESTOR-OWNED GAS UTILITY IN
27 THE STATE.

1 (g) "LOBBYING" MEANS DIRECTLY, OR THROUGH THE SOLICITATION
2 OF OTHERS, COMMUNICATING WITH A PERSON THAT IS IN A POSITION TO
3 MAKE A POLICY DECISION IN ORDER TO INFLUENCE THE OUTCOME OF
4 LOCAL, STATE, OR FEDERAL LEGISLATION.

5 (h) "RATE CASE" MEANS A FORMAL HEARING OF THE COMMISSION
6 TO DETERMINE IF THE BASE RATES OF AN ELECTRIC UTILITY OR GAS
7 UTILITY ARE JUST AND REASONABLE PURSUANT TO SECTION 40-3-101.

8 (i) "RIDER" MEANS A CHARGE ADDED TO A UTILITY BILL TO
9 RECOVER A SPECIFIC COST THAT IS NOT PART OF THE BASE RATE.

10 (j) "UTILITY" MEANS AN INVESTOR-OWNED ELECTRIC UTILITY OR
11 GAS UTILITY IN THE STATE.

12 **SECTION 4.** In Colorado Revised Statutes, **add** 40-3-120 and
13 40-3-121 as follows:

14 **40-3-120. Fuel cost sharing - gas utilities- electric utilities -**
15 **rules.** (1) (a) ON OR BEFORE NOVEMBER 1, 2023, AN INVESTOR-OWNED
16 GAS UTILITY SHALL FILE WITH THE COMMISSION A GAS PRICE RISK
17 MANAGEMENT PLAN THAT INCLUDES PROPOSALS FOR LEVELING OR
18 REDUCING THE VOLATILITY OF FUEL COSTS THAT ARE RECOVERED
19 PURSUANT TO THE UTILITY'S GAS COST ADJUSTMENT FILINGS. SUCH PLAN
20 MUST INCLUDE A MAXIMUM PER-MONTH FUEL COST THAT ACCOUNTS FOR
21 PRICE FLUCTUATIONS BASED ON SEASONALITY AND CAN BE
22 AUTOMATICALLY RECOVERED THROUGH THE GAS COST ADJUSTMENT
23 MECHANISM. THE PLAN MAY INCLUDE OTHER ELEMENTS SUCH AS
24 PHYSICAL HEDGING, FINANCIAL HEDGING, FUEL STORAGE, OR LONG-TERM
25 CONTRACTING.

26 (b) THE COMMISSION SHALL ALLOW ANY PRUDENTLY INCURRED
27 COSTS ABOVE THE MAXIMUM MONTHLY FUEL COST INCLUDED IN AN

1 INVESTOR-OWNED GAS UTILITY'S PLAN PURSUANT TO SUBSECTION (1)(a)
2 OF THIS SECTION TO BE RECORDED IN A DEFERRED BALANCE THAT IS
3 RECOVERABLE AND AMORTIZED OVER AN APPROPRIATE TIMELINE OF NO
4 MORE THAN FIVE YEARS WITH FINANCING COSTS, AS DETERMINED BY THE
5 COMMISSION.

6 (c) THE COMMISSION SHALL APPROVE, AMEND, OR DENY A PLAN
7 SUBMITTED PURSUANT TO THIS SUBSECTION (1) BASED ON A _____
8 DETERMINATION OF THE BEST INTERESTS OF A UTILITY'S RATEPAYERS,
9 INSOFAR AS THE COMMISSION FINDS THAT THE PLAN IS IN THE PUBLIC
10 INTEREST.

11 (2) (a) ON OR BEFORE JANUARY 1, 2025, THE COMMISSION SHALL
12 ADOPT RULES TO ESTABLISH MECHANISMS TO ALIGN THE FINANCIAL
13 INCENTIVES OF AN INVESTOR-OWNED ELECTRIC OR GAS UTILITY WITH THE
14 INTERESTS OF THE UTILITY'S CUSTOMERS REGARDING INCURRED FUEL
15 COSTS.

16 (b) THE MECHANISMS ESTABLISHED BY RULE PURSUANT TO
17 SUBSECTION (2)(a) OF THIS SECTION MUST BE DESIGNED TO PROTECT
18 CUSTOMERS AND TO IMPROVE THE UTILITY'S MANAGEMENT OF FUEL
19 COSTS. THE COMMISSION SHALL TAILOR THE MECHANISMS TO APPLY TO
20 DIFFERENT UTILITIES BASED ON A UTILITY'S SIZE OR ABILITY TO
21 IMPLEMENT THE MECHANISMS.

22 (c) THE COMMISSION MAY ESTABLISH A SYMMETRICAL INCENTIVE
23 FOR THE UTILITY TO SUCCESSFULLY IMPLEMENT THE MECHANISMS.

24 (3) IN ADOPTING THE RULES PURSUANT TO SUBSECTION (2)(a) OF
25 THIS SECTION, THE COMMISSION:

26 (a) SHALL CONSIDER:

27 (I) SYMMETRICALLY ALLOCATING AN AMOUNT OF FUEL PRICE RISK

1 TO THE INVESTOR-OWNED ELECTRIC OR GAS UTILITY, SUBJECT TO
2 REASONABLE PARAMETERS, INCLUDING:

3 (A) A RANGE OF OUTCOMES WITHIN WHICH NO RISK SHARING
4 OCCURS; AND

5 (B) A CAP ON ANY INCENTIVE OR COST SHARE THAT RESULTS FROM
6 THE RISK-MITIGATION MECHANISM; AND

7 (II) MECHANISMS TO IMPROVE ELECTRICITY PRODUCTION COST
8 EFFICIENCY WHILE MINIMIZING FUEL COSTS, SUCH AS SYMMETRICALLY
9 ALLOCATING A PORTION OF IMPROVEMENTS OR DEGRADATIONS IN
10 ELECTRICITY PRODUCTION PER DOLLAR OF FUEL OR PER DOLLAR OF
11 ACQUISITION COSTS INCURRED; AND

12 (b) SHALL CONSIDER, TO THE EXTENT SUCH INFORMATION IS
13 RELEVANT:

14 (I) THE FINANCIAL HEALTH OF THE UTILITY AND CORRESPONDING
15 IMPACTS ON CUSTOMER AFFORDABILITY; AND

16 (II) THE UTILITY'S ABILITY TO MAKE INVESTMENTS TO ACHIEVE
17 THE STATE'S ENERGY POLICY OBJECTIVES IN AN AFFORDABLE MANNER FOR
18 CUSTOMERS.

19 (4) NOTHING IN THIS SECTION:

20 (a) SHALL BE CONSTRUED TO AUTOMATICALLY SHIFT RISK TO THE
21 INVESTOR-OWNED ELECTRIC OR GAS UTILITY; OR

22 (b) WARRANTS AN AUTOMATIC ADJUSTMENT TO THE AMOUNT OF
23 ALLOWABLE RETURN ON EQUITY OR ANY OTHER RATE-MAKING METRIC.

24 **40-3-121. Natural gas cost causation study - commission**
25 **proceeding - reporting - repeal.** (1) (a) WITHIN SIXTY DAYS AFTER THE
26 COMMISSION ISSUES A FINAL, NONAPPEALABLE DECISION REGARDING THE
27 FIRST CLEAN HEAT PLAN FILED PURSUANT TO SECTION 40-3.2-108 BY A

1 NATURAL GAS UTILITY THAT SERVES MORE THAN FIVE HUNDRED
2 THOUSAND CUSTOMERS, THE COMMISSION SHALL OPEN A PROCEEDING TO
3 INVESTIGATE WHETHER AND HOW RESIDENTIAL DEVELOPMENT AND OTHER
4 DEVELOPMENT IN CERTAIN GEOGRAPHIC AREAS DRIVE NATURAL GAS
5 INFRASTRUCTURE COSTS FOR ANY NATURAL GAS UTILITY THAT SERVES
6 MORE THAN FIVE HUNDRED THOUSAND CUSTOMERS IN THE STATE,
7 PARTICULARLY WITH REGARD TO THE IMPACT THAT THE DEVELOPMENT
8 HAS ON NONPARTICIPATING INCOME-QUALIFIED CUSTOMERS.

9 (b) THE PROCEEDING MUST IDENTIFY SPECIFIC, NEW LARGE
10 NATURAL GAS INFRASTRUCTURE INVESTMENTS AND, FOR EACH
11 INVESTMENT IDENTIFIED, DETERMINE THE EXTENT TO WHICH NEW
12 RESIDENTIAL DEVELOPMENT OR OTHER DEVELOPMENT BY A GEOGRAPHIC
13 AREA IS DISPROPORTIONATELY NECESSITATING THAT INVESTMENT.

14 (c) THE PROCEEDING MUST INCLUDE A CALCULATION OF THE
15 BENEFITS AND COSTS OF THE GROWTH IN NEW RESIDENTIAL DEVELOPMENT
16 AND OTHER DEVELOPMENT TO BOTH THE NATURAL GAS UTILITY
17 CUSTOMERS FOR WHOM THE INFRASTRUCTURE INVESTMENT IS BEING MADE
18 AND NONPARTICIPATING RETAIL AND WHOLESALE NATURAL GAS UTILITY
19 CUSTOMERS, PARTICULARLY THOSE NONPARTICIPATING CUSTOMERS WHO
20 ARE INCOME-QUALIFIED CUSTOMERS.

21 ==
22 (2) AFTER COMPLETION OF THE INVESTIGATION, THE COMMISSION
23 SHALL HOLD A HEARING IN THE INVESTIGATORY PROCEEDING, AT WHICH
24 THE COMMISSION SHALL CONSIDER THE INFORMATION GATHERED IN THE
25 INVESTIGATION AND PUBLIC COMMENTS WITH RESPECT TO A NATURAL GAS
26 UTILITY THAT SERVES MORE THAN FIVE HUNDRED THOUSAND CUSTOMERS
27 IN THE STATE, TO:

1 (a) DETERMINE WHETHER ALTERNATIVE INFRASTRUCTURE,
2 SERVICE INVESTMENTS, OR OTHER UTILITY ACTIONS COULD MITIGATE
3 IMPACTS ON NONPARTICIPATING OR INCOME-QUALIFIED CUSTOMERS IN A
4 MANNER THAT IS NECESSARY, APPROPRIATE, AND COULD HELP REDUCE
5 GREENHOUSE GAS EMISSIONS IN ALIGNMENT WITH THE "COLORADO
6 GREENHOUSE GAS POLLUTION REDUCTION ROADMAP", PUBLISHED BY THE
7 COLORADO ENERGY OFFICE; AND

8 (b) IDENTIFY THE UP-FRONT AND SERVICE LIFE ANNUALIZED COSTS
9 AND BENEFITS OF THE ALTERNATIVES IDENTIFIED IN SUBSECTION (2)(a) OF
10 THIS SECTION.

11 (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.

12 SECTION 5. In Colorado Revised Statutes, add 40-3.2-104.3,
13 40-3.2-104.4, 40-3.2-104.5, and 40-3.2-104.6 as follows:

14 **40-3.2-104.3. Eliminating incentives for gas service to**
15 **properties - gas line extension allowances - exemptions - definitions.**

16 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
17 REQUIRES:

18 (a) "APPLICANT" MEANS A PERSON THAT REQUESTS NATURAL GAS
19 SERVICE AND THAT OWNS THE REAL PROPERTY REQUIRING THE SERVICE.
20 "APPLICANT" INCLUDES A DEVELOPER, BUILDER, LEGAL ENTITY, OR OTHER
21 PERSON THAT HAS LEGAL AUTHORITY OVER THE PROPERTY.

22 (b) "DUAL-FUEL UTILITY" MEANS A UTILITY THAT OFFERS ITS
23 CUSTOMERS BOTH ELECTRIC AND GAS SERVICE.

24 (c) "GAS UTILITY" MEANS A GAS UTILITY THAT THE COMMISSION
25 REGULATES WITH RESPECT TO RATES AND CHARGES.

26 (d) "LINE EXTENSION ALLOWANCE" MEANS A BUNDLE OF COSTS
27 THAT INCLUDES CONSTRUCTION ALLOWANCES FOR NEW SERVICE LINES,

1 METERS, AND OTHER INFRASTRUCTURE ASSOCIATED WITH THE ADDITION
2 OF A NEW CUSTOMER TO A GAS UTILITY'S DISTRIBUTION SYSTEM.

3 (2) (a) A GAS UTILITY SHALL NOT PROVIDE AN APPLICANT AN
4 INCENTIVE, INCLUDING A LINE EXTENSION ALLOWANCE, TO ESTABLISH GAS
5 SERVICE TO A PROPERTY.

6 (b) THE COMMISSION MAY REQUIRE A DUAL-FUEL UTILITY TO
7 PROVIDE ITS CUSTOMERS THAT RECEIVE GAS AND ELECTRIC SERVICE FROM
8 THE UTILITY WITH RELEVANT INFORMATION REGARDING OPTIONS FOR
9 SWITCHING TO HIGH-EFFICIENCY ELECTRIC SPACE HEATING OR WATER
10 HEATING, INCLUDING:

11 (I) A LIST OF APPLIANCES, FOR WHICH THE UTILITY PROVIDES
12 INCENTIVES OR REBATES; AND

13 (II) FOR EXISTING OR PROSPECTIVE CUSTOMERS THAT ARE
14 GOVERNMENT ENTITIES, A COST-BENEFIT ANALYSIS OF ELECTRIFICATION
15 OPTIONS THAT INCLUDES UP-FRONT AND LIFETIME COSTS, WHICH ANALYSIS
16 MUST TAKE INTO ACCOUNT AVAILABLE INCENTIVES AND REBATES AND USE
17 A REASONABLE COST THAT REFLECTS GAS PRICE VOLATILITY.

18 (c) ON OR BEFORE DECEMBER 31, 2023, EACH GAS UTILITY SHALL
19 FILE WITH THE COMMISSION AN UPDATED TARIFF TO REFLECT THE
20 REMOVAL OF ANY INCENTIVES FOR AN APPLICANT TO ESTABLISH GAS
21 SERVICE TO A PROPERTY.

22 (d) NOTWITHSTANDING SUBSECTION (2)(c) OF THIS SECTION, A
23 UTILITY MAY EXEMPT FROM THE UPDATED TARIFF ANY APPLICANT THAT:

24 (I) HAS ALREADY SUBMITTED AN APPLICATION THAT HAS BEEN
25 APPROVED OR IS PENDING AS OF THE EFFECTIVE DATE OF THIS SECTION;

26 (II) CAN DEMONSTRATE OR ATTEST THAT THE APPLICANT HAS
27 SUBMITTED A PERMIT APPLICATION TO THE LOCAL GOVERNMENT WITH

1 PERMITTING AUTHORITY IN THE LOCATION OF THE PROPERTY AND THAT
2 THE APPLICATION IS EITHER APPROVED OR PENDING AS OF THE EFFECTIVE
3 DATE OF THIS SECTION; OR

4 (III) CAN DEMONSTRATE OR ATTEST THAT THE APPLICANT HAS
5 SUBMITTED TO A LOCAL GOVERNMENT A SITE DEVELOPMENT PLAN OR PLAT
6 THAT IS EITHER APPROVED OR PENDING AS OF THE EFFECTIVE DATE OF THIS
7 SECTION; EXCEPT THAT, AN APPLICANT THAT HAS SUBMITTED A SITE
8 DEVELOPMENT PLAN OR PLAT FOR WHICH A PERMIT APPLICATION TO THE
9 LOCAL GOVERNMENT HAS NOT BEEN APPROVED ON OR BEFORE DECEMBER
10 31, 2024, IS NOT EXEMPT.

11 **40-3.2-104.4. Colorado energy office gas investment asset**
12 **depreciation study - third-party evaluation - commission rules.**

13 (1) (a) ON OR BEFORE JULY 1, 2024, THE COLORADO ENERGY OFFICE
14 CREATED IN SECTION 24-38.5-101 (1) SHALL CONTRACT WITH AN
15 INDEPENDENT THIRD PARTY TO EVALUATE THE RISK OF STRANDED OR
16 UNDERUTILIZED NATURAL GAS INFRASTRUCTURE INVESTMENTS AND THE
17 ANNUAL PROJECTED RATE IMPACT ON RATEPAYERS.

- 18 (b) THE EVALUATION MUST TAKE INTO ACCOUNT:
- 19 (I) ANY PROJECTED DECLINE IN GAS SALES;
 - 20 (II) THE DECLINE IN THE NUMBER OF GAS CUSTOMERS; AND
 - 21 (III) MEASURES TO ACHIEVE THE GREENHOUSE GAS EMISSION
- 22 REDUCTION GOALS SET FORTH IN SECTION 25-7-102 (2)(g).

23 (c) THE INDEPENDENT THIRD PARTY SHALL CONDUCT AN ANALYSIS
24 OF, AND INCLUDE POLICY RECOMMENDATIONS RELATED TO, THE
25 POTENTIAL IMPACTS OF STRANDED OR UNDERUTILIZED NATURAL GAS
26 INFRASTRUCTURE ON UTILITY EMPLOYEES WHO WORK FOR, OR CONTRACT
27 WORKERS WHO PERFORM WORK FOR, INVESTOR-OWNED GAS UTILITIES. IN

1 CONDUCTING THE STUDY, THE INDEPENDENT THIRD PARTY SHALL CONSULT
2 WITH APPROPRIATE LABOR ORGANIZATIONS THAT REPRESENT UTILITY
3 EMPLOYEES WHO WORK FOR, AND CONTRACT WORKERS WHO PERFORM
4 WORK FOR, INVESTOR-OWNED GAS UTILITIES AND OTHER RELEVANT
5 STAKEHOLDERS.

6 (2) AFTER THE INDEPENDENT THIRD-PARTY EVALUATION
7 DESCRIBED IN SUBSECTION (1) OF THIS SECTION IS COMPLETED, THE
8 COLORADO ENERGY OFFICE SHALL SUBMIT A WRITTEN COPY OF THE
9 FINDINGS AND CONCLUSIONS OF THE EVALUATION TO THE COMMISSION.
10 THE COMMISSION SHALL REVIEW THE EVALUATION AND CONSIDER
11 WHETHER ANY CHANGES TO RULES OR DEPRECIATION SCHEDULES ARE
12 WARRANTED.

13 (3)(a) AN INVESTOR-OWNED GAS UTILITY SHALL PROVIDE AS PART
14 OF ANY GAS INFRASTRUCTURE PLAN, OR AS OTHERWISE DIRECTED BY THE
15 COMMISSION, A MAP SHOWING SYSTEM-WIDE LOCATIONS, AGES, AND
16 MATERIALS OR TYPES OF GAS DISTRIBUTION SYSTEM PIPES, CONSISTENT
17 WITH 49 CFR 191 AND SECTION 40-2-115 (1)(d).

18 (b) AS PART OF THE FILING, THE INVESTOR-OWNED GAS UTILITY
19 SHALL ALSO PROVIDE INFORMATION ABOUT PIPES THAT MAY NEED TO BE
20 UPGRADED OR REPLACED WITHIN TEN YEARS AFTER THE DATE THAT THE
21 UTILITY FILES THE PLAN, UNLESS OTHERWISE DIRECTED BY THE
22 COMMISSION.

23 (c) THE COMMISSION SHALL ENSURE THAT THE CONTENT OF THE
24 MAP PROVIDED TO THE COMMISSION AND SHARING PROCEDURES ARE IN
25 COMPLIANCE WITH THE PARAMETERS RELATED TO CRITICAL
26 INFRASTRUCTURE REPORTING STANDARDS OF THE CALIFORNIA INSTITUTE
27 FOR ENERGY AND ENVIRONMENT, OR ITS SUCCESSOR ORGANIZATION, AND

1 THE SAFETY AND SYSTEM INTEGRITY STANDARDS OF THE AMERICAN
2 PETROLEUM INSTITUTE, OR ITS SUCCESSOR ORGANIZATION.

3 (d) (I) AN INVESTOR-OWNED GAS UTILITY MAY DESIGNATE ANY
4 MAP OR ASSOCIATED INFORMATION PROVIDED PURSUANT TO THIS
5 SUBSECTION (3) AS CONTAINING CRITICAL INFRASTRUCTURE
6 INFORMATION. IF THE COMMISSION DETERMINES THAT THE DESIGNATED
7 MAP OR ASSOCIATED INFORMATION DOES NOT CONTAIN CRITICAL
8 INFRASTRUCTURE INFORMATION, THE INVESTOR-OWNED GAS UTILITY MAY
9 APPEAL THE COMMISSION'S DETERMINATION IN A COURT OF COMPETENT
10 JURISDICTION BY FILING THE APPEAL WITHIN TEN DAYS AFTER THE
11 COMMISSION'S DETERMINATION.

12 (II) IF THE COMMISSION DETERMINES THAT THE DISCLOSURE OF
13 THE DESIGNATED MAP OR ASSOCIATED INFORMATION MAY EXPOSE OR
14 CREATE VULNERABILITY TO CRITICAL INFRASTRUCTURE FACILITIES OR
15 SYSTEMS, THE COMMISSION:

16 (A) SHALL LIMIT ACCESS TO THE DESIGNATED MAP OR ASSOCIATED
17 INFORMATION TO INDIVIDUALS AT STATE AGENCIES THAT ARE PARTIES TO
18 THE PROCEEDING IN WHICH THE MAP OR ASSOCIATED INFORMATION WAS
19 PROVIDED; AND

20 (B) EXCEPT AS PROVIDED IN SUBSECTION (3)(d)(II)(A) OF THIS
21 SECTION, SHALL NOT PROVIDE THE DESIGNATED MAP OR ASSOCIATED
22 INFORMATION TO ANY PERSONS AND MAY ORDER THE INVESTOR-OWNED
23 GAS UTILITY TO PROVIDE A PUBLIC REDACTED VERSION OF THE MAP OR
24 ASSOCIATED INFORMATION THAT INCLUDES A GENERAL DESCRIPTION OF
25 THE INFORMATION WITHOUT DETAILED LOCATION INFORMATION.

26 (III) A CUSTODIAN, AS DEFINED IN SECTION 24-72-202 (1.1), SHALL
27 NOT RELEASE A MAP OR ASSOCIATED INFORMATION FOR WHICH THE

1 COMMISSION HAS LIMITED ACCESS PURSUANT TO SUBSECTION (3)(d)(II) OF
2 THIS SECTION IN RESPONSE TO ANY REQUEST TO INSPECT PUBLIC RECORDS
3 PURSUANT TO THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE
4 72 OF TITLE 24.

5 **40-3.2-104.5. Customer disconnection from investor-owned**
6 **gas utility service - rules.** (1) AN INVESTOR-OWNED GAS UTILITY SHALL
7 NOT PENALIZE OR CHARGE A FEE TO A CUSTOMER THAT VOLUNTARILY
8 TERMINATES GAS SERVICE. ONCE A CUSTOMER HAS TERMINATED THE
9 INVESTOR-OWNED UTILITY'S GAS SERVICE, THE UTILITY SHALL NOT
10 CONTINUE TO CHARGE THE CUSTOMER ANY FEES. ANY COSTS ASSOCIATED
11 WITH TERMINATION SHALL BE CONSIDERED PART OF GENERAL
12 DISTRIBUTION SYSTEM INVESTMENTS AND ARE ELIGIBLE FOR COST
13 RECOVERY.

14 (2) THE COMMISSION MAY ADOPT RULES TO ESTABLISH
15 STANDARDS FOR A CUSTOMER'S VOLUNTARY DISCONNECTION FROM AN
16 INVESTOR-OWNED GAS UTILITY'S GAS DISTRIBUTION SYSTEM. IF THE
17 COMMISSION ADOPTS THE DISCONNECTION RULES, THE COMMISSION MUST
18 CONSIDER:

19 (a) THE HEALTH AND SAFETY RISKS RELATED TO THE CUSTOMER
20 NO LONGER USING THE GAS DISTRIBUTION SYSTEM;

21 (b) THE COST EFFECTIVENESS OF THE METHOD OF DISCONNECTION;

22 (c) THE USE OF, OR REQUIRING THE INSTALLATION OF, SHUT-OFF
23 VALVES OR PIPELINE CAPS AS AN OPTION IN LIEU OF POTENTIALLY MORE
24 COST-PROHIBITIVE EXCAVATION OR CONSTRUCTION ACTIVITIES TO
25 REMOVE EXISTING GAS INFRASTRUCTURE;

26 (d) THE IMPACT ON STAFFING, INCLUDING ANY REQUIREMENTS AND
27 PROCEDURES FOR UTILITY EMPLOYEES AND CONTRACT WORKERS;

1 (e) THE IMPACT ON CRITICAL REPAIRS, SCHEDULED MAINTENANCE,
2 LEAK MITIGATION, AND OTHER RELATED ACTIVITIES; AND

3 (f) ANY OTHER CONSIDERATION THAT THE COMMISSION DEEMS
4 APPROPRIATE.

5 (3) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO MEAN
6 THAT A UTILITY CANNOT CHARGE AN INDIVIDUAL CUSTOMER FOR
7 EXCAVATION OR CONSTRUCTION ACTIVITIES TO REMOVE EXISTING GAS
8 INFRASTRUCTURE IF THE CUSTOMER HAS DECLINED THE MORE
9 COST-EFFECTIVE METHODS TO DISCONNECT SERVICE.

10 **40-3.2-104.6. Commission study on beneficial**
11 **electrification - repeal.** (1) ON OR BEFORE JANUARY 1, 2024, THE
12 COMMISSION SHALL CONDUCT A STUDY TO BE COMPLETED NO LATER THAN
13 MARCH 15, 2024, EXAMINING EXISTING INVESTOR-OWNED ELECTRIC
14 UTILITY TARIFFS AND INTERCONNECTION POLICIES AND PRACTICES TO
15 DETERMINE:

16 (a) IF THE TARIFFS, POLICIES, AND PRACTICES POSE A BARRIER TO
17 THE BENEFICIAL ELECTRIFICATION OF TRANSPORTATION AND BUILDINGS
18 AND THE OFFSETTING OF THAT ENERGY USE WITH DISTRIBUTED ENERGY
19 RESOURCES;

20 (b) IF THE APPLICATION OF TRADITIONAL COST-CAUSATION AND
21 COST RECOVERY PRINCIPLES POSE A BARRIER TO SUCH BENEFICIAL
22 ELECTRIFICATION AND THE OFFSETTING OF THAT ENERGY USE WITH
23 DISTRIBUTED ENERGY RESOURCES; AND

24 (c) WHETHER REQUIRING A CUSTOMER THAT SEEKS TO
25 INTERCONNECT DISTRIBUTED ENERGY RESOURCES OR BENEFICIAL
26 ELECTRIFICATION RESOURCES TO THE INVESTOR-OWNED ELECTRIC
27 UTILITY'S ELECTRIC GRID TO BEAR THE FULL INCREMENTAL COST OF

1 TRANSFORMER OR SERVICE UPGRADES NEEDED AT THE TIME OF
2 INTERCONNECTION IMPOSES AN UNDUE BURDEN ON THE CUSTOMER, WITH
3 CONSIDERATION GIVEN TO METHODS FOR SHARING THE COST RECOVERY
4 AMONG CUSTOMERS.

5 (2) IN CONDUCTING THE STUDY PURSUANT TO SUBSECTION (1) OF
6 THIS SECTION, THE COMMISSION SHALL CONSIDER WHETHER TO DIRECT AN
7 INVESTOR-OWNED ELECTRIC UTILITY TO MAKE CHANGES:

8 (a) TO ITS TARIFFS, POLICIES, PRACTICES, OR COST ALLOCATION;

9 (b) IN THE ALLOCATION OF DISTRIBUTION SYSTEM COSTS,
10 INCLUDING THE COSTS OF TRANSFORMER, SUBSTATION, OR SERVICE
11 UPGRADES AS PART OF THE UTILITY'S INVESTMENT IN ITS DISTRIBUTION
12 SYSTEM; AND

13 (c) TO ITS DISTRIBUTION SYSTEM PLANNING PROCESS TO BETTER
14 PLAN FOR AND ACCOMMODATE FUTURE BENEFICIAL ELECTRIFICATION AND
15 DISTRIBUTED ENERGY RESOURCE INVESTMENTS TO ALIGN WITH THE
16 STATE'S GREENHOUSE GAS EMISSION REDUCTION GOALS SET FORTH IN
17 SECTION 25-7-102 (2)(g).

18 (3) UPON COMPLETION OF THE STUDY, THE COMMISSION SHALL
19 POST WRITTEN FINDINGS AND CONCLUSIONS FROM THE STUDY ON THE
20 COMMISSION'S WEBSITE.

21 (4) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.

22 **SECTION 6.** In Colorado Revised Statutes, 40-6-109, **amend** (1)
23 as follows:

24 **40-6-109. Hearings - orders - record - review - representation**
25 **of entities in nonadjudicatory proceedings.** (1) (a) (I) At the time fixed
26 for any hearing before the commission, any commissioner, or an
27 administrative law judge or at the time to which the ~~same~~ HEARING may

1 have been continued, ~~the applicant, petitioner, complainant, the person,~~
2 ~~firm, or corporation complained of, and such persons, firms, or~~
3 ~~corporations as the commission may allow to intervene and such persons,~~
4 ~~firms, or corporations as will be interested in or affected by any order that~~
5 ~~may be made by the commission in such proceeding and who shall have~~
6 ~~become parties to the proceeding shall be~~ THE FOLLOWING PERSONS ARE
7 entitled to be heard, examine and cross-examine witnesses, and introduce
8 evidence:

9 (A) THE APPLICANT;

10 (B) THE PETITIONER;

11 (C) THE COMPLAINANT;

12 (D) THE PERSON, FIRM, OR CORPORATION COMPLAINED OF;

13 (E) SUCH PERSONS, FIRMS, OR CORPORATIONS AS THE COMMISSION
14 MAY ALLOW TO INTERVENE; AND

15 (F) SUCH PERSONS, FIRMS, OR CORPORATIONS AS WILL BE
16 INTERESTED IN OR AFFECTED BY ANY ORDER THAT MAY BE MADE BY THE
17 COMMISSION IN SUCH PROCEEDING AND WHO SHALL HAVE BECOME
18 PARTIES TO THE PROCEEDING.

19 (II) ALL PARTIES IN INTEREST ARE ENTITLED TO BE HEARD IN
20 PERSON OR BY ATTORNEY.

21 (b) IN A PROCEEDING BEFORE THE COMMISSION THAT RELATES TO
22 AN INVESTOR-OWNED UTILITY'S APPLICATION FOR COST RECOVERY, THE
23 COMMISSION SHALL PERMIT A WHOLESALE CUSTOMER OF THE UTILITY TO
24 INTERVENE IF THE CUSTOMER DEMONSTRATES A PECUNIARY OR TANGIBLE
25 INTEREST IN THE PROCEEDING.

26 (c) A REPORTER APPOINTED BY THE COMMISSION, A COMMISSIONER
27 IF DEEMED APPROPRIATE BY THE COMMISSION, OR, AS APPLICABLE, AN

1 ADMINISTRATIVE LAW JUDGE SHALL TAKE DOWN AND RECORD
2 ELECTRONICALLY a full and complete record of all proceedings had before
3 the commission, any commissioner, or an administrative law judge in any
4 formal hearing and all testimony. ~~shall be taken down by any reporter~~
5 ~~appointed by the commission or, as deemed appropriate by the~~
6 ~~commission, a commissioner, or an administrative law judge, as~~
7 ~~applicable, recorded electronically. All parties in interest shall be entitled~~
8 ~~to be heard in person or by attorney.~~

9 **SECTION 7. Appropriation.** (1) For the 2023-24 state fiscal
10 year, \$1,347,554 is appropriated to the department of regulatory agencies.
11 This appropriation is from the public utilities commission fixed utility
12 fund created in section 40-2-114 (1)(b)(II), C.R.S. To implement this act,
13 the department may use this appropriation as follows:

14 (a) \$307,883 for use by the public utilities commission for
15 personal services, which amount is based on an assumption that the
16 commission will require an additional 3.3 FTE;

17 (b) \$31,135 for use by the public utilities commission for
18 operating expenses;

19 (c) \$271,406 for use by the office of the utility consumer advocate
20 for personal services, which amount is based on an assumption that the
21 office will require an additional 2.5 FTE;

22 (d) \$23,385 for use by the office of the utility consumer advocate
23 for operating expenses; and

24 (e) \$713,745 for the purchase of legal services.

25 (2) For the 2023-24 state fiscal year, \$713,745 is appropriated to
26 the department of law. This appropriation is from reappropriated funds
27 received from the department of regulatory agencies under subsection

1 (1)(e) of this section and is based on an assumption that the department
2 of law will require an additional 3.8 FTE. To implement this act, the
3 department of law may use this appropriation to provide legal services for
4 the department of regulatory agencies.

5 (3) For the 2023-24 state fiscal year, \$142,749 is appropriated to
6 the department of law. This appropriation is from the legal services cash
7 fund created in section 24-31-108 (4), C.R.S., from revenue received
8 from the Colorado energy office in the office of the governor that
9 originates as custodial federal funds that the Colorado energy office has
10 authority to expend. The appropriation to the department of law is based
11 on an assumption that the department of law will require an additional 0.8
12 FTE. To implement this act, the department of law may use this
13 appropriation to provide legal services for the Colorado energy office in
14 the office of the governor.

15 **SECTION 8. Act subject to petition - effective date -**
16 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
17 the expiration of the ninety-day period after final adjournment of the
18 general assembly; except that, if a referendum petition is filed pursuant
19 to section 1 (3) of article V of the state constitution against this act or an
20 item, section, or part of this act within such period, then the act, item,
21 section, or part will not take effect unless approved by the people at the
22 general election to be held in November 2024 and, in such case, will take
23 effect on the date of the official declaration of the vote thereon by the
24 governor.

25 (2) This act applies to conduct occurring on or after the applicable
26 effective date of this act.