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S.B. 275

	ENERGY AMENDMENTS
	2013 GENERAL SESSION
	STATE OF UTAH
	Chief Sponsor: J. Stuart Adams
	House Sponsor: Jack R. Draxler
LON	G TITLE
Gener	ral Description:
	This bill enacts provisions relating to facilitating the conversion to alternative fuel
vehicl	es and the provision of facilities for alternative fuel vehicles.
Highl	ighted Provisions:
	This bill:
	• establishes the composition of a governing body of an interlocal entity created to
facilit	ate conversion to alternative fuel vehicles or to facilitate the construction,
operat	ion, and maintenance of facilities for alternative fuel vehicles;
	<ul> <li>directs the Public Service Commission to initiate and conduct proceedings to</li> </ul>
explor	re options and opportunities for advancing and promoting measures designed
to resu	alt in cleaner air in the state; and
	<ul> <li>provides for a cost recovery mechanism for a gas corporation that pays for natural</li> </ul>
gas fu	eling stations and related facilities.
Mone	y Appropriated in this Bill:
	None
Other	Special Clauses:
	This bill provides an immediate effective date.
Utah	Code Sections Affected:
ENAC	CTS:
	11-13-224, Utah Code Annotated 1953

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28	54-1-13, Utah Code Annotated 1953
29	<b>54-4-13.4</b> , Utah Code Annotated 1953
30	
31	Be it enacted by the Legislature of the state of Utah:
32	Section 1. Section <b>11-13-224</b> is enacted to read:
33	<b><u>11-13-224.</u></b> Governing body requirements for Utah interlocal entity for alternative
34	fuel vehicles and facilities Contributing toward funding for facilities.
35	(1) As used in this section, "commission" means the Public Service Commission of
36	Utah, established in Section 54-1-1.
37	(2) The governing body of a Utah interlocal entity created to facilitate the conversion to
38	alternative fuel vehicles or to facilitate the construction, operation, and maintenance of
39	facilities for alternative fuel vehicles, or both, shall consist of:
40	(a) an individual from the executive branch of state government, appointed by the
41	governor;
42	(b) a member of the Senate, appointed by the president of the Senate;
43	(c) a member of the House of Representatives, appointed by the speaker of the House
44	of Representatives;
45	(d) an individual from the Utah Association of Counties, appointed by the president of
46	the Senate;
47	(e) an individual from the Utah League of Cities and Towns, appointed by the speaker
48	of the House of Representatives;
49	(f) an individual employed by a school district in the state, appointed by the governor;
50	(g) an individual appointed by the public transit district under Title 17B, Chapter 2a,
51	Part 8, Public Transit District Act, with the largest budget of all public transit districts in the
52	state; $\hat{\mathbf{H}} \rightarrow [\hat{\mathbf{S}} \rightarrow and \leftarrow \hat{\mathbf{S}}] \leftarrow \hat{\mathbf{H}}$
53	(h) an individual employed by a gas corporation in the state, appointed by the
54	governor $\hat{S}$ → $\hat{H}$ → [f] ; and [f] ← $\hat{H}$ . ← $\hat{S}$
55	$\hat{S} \rightarrow [\underline{(i)} \text{ an individual employed by an electrical corporation, appointed by the governor.}] \leftarrow \hat{S}$
55a	$\hat{H} \rightarrow \underline{(i)}$ a representative of the Utah Petroleum Marketers and Retailers Association,
55b	appointed by the governor. 🗭 Ĥ
56	(3) A Utah interlocal entity described in Subsection (2):
57	(a) may contribute toward the funding required for the construction, operation, and
58	maintenance of facilities for alternative fuel vehicles that are used by or benefit the interlocal

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59	entity; and
60	(b) shall participate with the commission in proceedings the commission conducts
61	under Section 54-1-13.
62	Section 2. Section <b>54-1-13</b> is enacted to read:
63	54-1-13. Commission exploration of cleaner air options.
64	(1) The commission shall immediately initiate and conduct proceedings to explore and
65	develop options and opportunities for advancing and promoting measures designed to result in
66	<u>cleaner air in the state</u> $\hat{H} \rightarrow \underline{hrough \ the \ enhanced \ use \ of \ alternative \ fuel \ vehicles} \leftarrow \hat{H}$ , including:
67	(a) consideration of the role that $\hat{S} \rightarrow [public utilities]$ gas corporations $\leftarrow \hat{S}$ should play in
67a	the enhancement and
68	expansion of the infrastructure and maintenance and other facilities for alternative fuel
69	vehicles;
70	(b) the potential funding options available to pay for the enhancement and expansion of
71	infrastructure and facilities for alternative fuel vehicles;
72	(c) the role local government, including any local government entity established for the
73	purpose of facilitating conversion to alternative fuel vehicles and of promoting the
74	enhancement and expansion of the infrastructure and facilities for those vehicles, can or should
75	play; and
76	(d) the most effective ways to overcome any obstacles to converting to alternative fuel
77	vehicles and to enhancing and expanding the infrastructure and facilities for alternative fuel
78	vehicles.
79	(2) As soon as an interlocal entity described in Subsection 11-13-224(2) is created, the
80	commission shall seek, encourage, and accept the interlocal entity's participation in the
81	commission's proceedings under this section.
82	(3) $\$ \rightarrow$ [The commission shall report the results of its proceedings under Subsection (1),
83	including any conclusions and recommendations, to the governor, the Legislative Management
84	<u>Committee, and the Public Utilities and Technology Interim Committee by September 30,</u>
85	<b><u>2013.</u></b> ] By September 30, 2013, the commission and the interlocal entity described in Subsection
85a	<u>11-13-224(2) shall report to the governor, the Legislative Management Committee, and the</u>
85b 85c	<u>Public Utilities and Technology Interim Committee:</u> (a) the results of the commission proceedings under Subsection (1); and
85d	(b) recommendations for specific actions to implement mechanisms to provide funding
85e	for the enhancement and expansion of the infrastructure and facilities for alternative fuel
85f	vehicles (+\$).
86	Section 3. Section 54-4-13.4 is enacted to read:
87	54-4-13.4. Natural gas fueling stations and facilities Recovery of expenditures
88	for stations and facilities.
89	(1) The commission shall find that a gas corporation's expenditures for the

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90	construction, operation, and maintenance of natural gas fueling stations and appurtenant natural
91	gas facilities for use by the state, political subdivisions of the state, and the public are in the
92	public interest and are just and reasonable, if:
93	(a) the gas corporation's expenditures for the fueling stations and appurtenant facilities:
94	(i) are prudently incurred; and
95	(ii) do not exceed \$5,000,000 in any calendar year;
96	(b) the gas corporation shows that the estimated annual incremental increase in revenue
97	related to the stations and facilities exceeds 50% of the annual revenue requirement of the
98	stations and facilities; and
99	(c) the stations and facilities are in service and are being used and are useful.
100	(2) (a) A gas corporation may seek the recovery of expenditures under Subsection (1)
101	through a mechanism designed to track and collect the expenditures between general rate cases.
102	(b) (i) The commission shall allow a gas corporation to recover, through an incremental
103	surcharge to all of its rate classes, expenditures that the gas corporation incurs that are directly
104	related to the construction, operation, and maintenance of the stations and facilities described
105	in Subsection (1), reduced by revenues the gas corporation receives during the same time
106	period directly attributable to the stations and facilities.
107	(ii) The commission shall assign a surcharge under Subsection (2)(b)(i) to each rate
108	class based upon the pro rata share, approved by the commission, of the tariff revenue ordered
109	in the gas corporation's most recent general rate case.
110	(iii) A gas corporation may file an application to adjust a surcharge under Subsection
111	(2)(b)(i) as frequently as semiannually.
112	(iv) At the gas corporation's next general rate case, the commission shall include in
113	base rates all expenditures that the gas corporation prudently incurs associated with a surcharge
114	under Subsection (2)(b)(i).
115	Section 4. Effective date.
116	If approved by two-thirds of all the members elected to each house, this bill takes effect
117	upon approval by the governor, or the day following the constitutional time limit of Utah
118	Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
119	the date of veto override.

Legislative Review Note as of 3-1-13 2:14 PM

Office of Legislative Research and General Counsel