

SB0275S01 compared with SB0275

~~text~~ shows text that was in SB0275 but was deleted in SB0275S01.

text shows text that was not in SB0275 but was inserted into SB0275S01.

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Representative Jack R. Draxler proposes the following substitute bill:

ENERGY AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: ~~_____~~ Jack R. Draxler

LONG TITLE

General Description:

This bill enacts provisions relating to facilitating the conversion to alternative fuel vehicles and the provision of facilities for alternative fuel vehicles.

Highlighted Provisions:

This bill:

- ▶ establishes the composition of a governing body of an interlocal entity created to facilitate conversion to alternative fuel vehicles or to facilitate the construction, operation, and maintenance of facilities for alternative fuel vehicles;
- ▶ directs the Public Service Commission to initiate and conduct proceedings to explore options and opportunities for advancing and promoting measures designed to result in cleaner air in the state; ~~and~~
- ▶ provides for a cost recovery mechanism for a gas corporation that pays for natural

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gas fueling stations and related facilities~~(-); and~~

► provides for the repeal of certain language.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

63I-1-254, as renumbered and amended by Laws of Utah 2008, Chapter 382

ENACTS:

11-13-224, Utah Code Annotated 1953

54-1-13, Utah Code Annotated 1953

54-4-13.4, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 11-13-224 is enacted to read:

11-13-224. Governing body requirements for Utah interlocal entity for alternative fuel vehicles and facilities -- Contributing toward funding for facilities.

(1) As used in this section, "commission" means the Public Service Commission of Utah, established in Section 54-1-1.

(2) The governing body of a Utah interlocal entity created to facilitate the conversion to alternative fuel vehicles or to facilitate the construction, operation, and maintenance of facilities for alternative fuel vehicles, or both, shall consist of:

(a) an individual from the executive branch of state government, appointed by the governor;

(b) a member of the Senate, appointed by the president of the Senate;

(c) a member of the House of Representatives, appointed by the speaker of the House of Representatives;

(d) an individual from the Utah Association of Counties, appointed by the president of the Senate;

(e) an individual from the Utah League of Cities and Towns, appointed by the speaker

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of the House of Representatives:

(f) an individual employed by a school district in the state, appointed by the governor;

(g) an individual appointed by the public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District Act, with the largest budget of all public transit districts in the state;

(h) an individual employed by a gas corporation in the state, appointed by the governor; and

(i) ~~an individual employed by an electrical corporation~~ a representative of the Utah Petroleum Marketers and Retailers Association, appointed by the governor.

(3) A Utah interlocal entity described in Subsection (2):

(a) may contribute toward the funding required for the construction, operation, and maintenance of facilities for alternative fuel vehicles that are used by or benefit the interlocal entity; and

(b) shall participate with the commission in proceedings the commission conducts under Section 54-1-13.

Section 2. Section **54-1-13** is enacted to read:

54-1-13. Commission exploration of cleaner air options.

(1) The commission shall immediately initiate and conduct proceedings to explore and develop options and opportunities for advancing and promoting measures designed to result in cleaner air in the state through the enhanced use of alternative fuel vehicles, including:

(a) consideration of the role that ~~public utilities~~ gas corporations should play in the enhancement and expansion of the infrastructure and maintenance and other facilities for alternative fuel vehicles;

(b) the potential funding options available to pay for the enhancement and expansion of infrastructure and facilities for alternative fuel vehicles;

(c) the role local government, including any local government entity established for the purpose of facilitating conversion to alternative fuel vehicles and of promoting the enhancement and expansion of the infrastructure and facilities for those vehicles, can or should play; and

(d) the most effective ways to overcome any obstacles to converting to alternative fuel vehicles and to enhancing and expanding the infrastructure and facilities for alternative fuel

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vehicles.

(2) As soon as an interlocal entity described in Subsection 11-13-224(2) is created, the commission shall seek, encourage, and accept the interlocal entity's participation in the commission's proceedings under this section.

(3) ~~{The commission shall report the results of its proceedings under Subsection (1), including any conclusions and recommendations.}~~ By September 30, 2013, the commission and the interlocal entity described in Subsection 11-13-224(2) shall report to the governor, the Legislative Management Committee, and the Public Utilities and Technology Interim Committee ~~{ by September 30, 2013 }~~:

(a) the results of the commission proceedings under Subsection (1); and

(b) recommendations for specific actions to implement mechanisms to provide funding for the enhancement and expansion of the infrastructure and facilities for alternative fuel vehicles.

Section 3. Section **54-4-13.4** is enacted to read:

54-4-13.4. Natural gas fueling stations and facilities -- Recovery of expenditures for stations and facilities.

(1) The commission shall find that a gas corporation's expenditures for the construction, operation, and maintenance of natural gas fueling stations and appurtenant natural gas facilities for use by the state, political subdivisions of the state, and the public are in the public interest and are just and reasonable, if:

(a) the gas corporation's expenditures for the fueling stations and appurtenant facilities:

(i) are prudently incurred; and

(ii) do not exceed \$5,000,000 in any calendar year, unless the commission determines after the first year, through the general rate making process, that a higher amount is appropriate and in the best interest of the public;

(b) the gas corporation shows that the estimated annual incremental increase in revenue related to the stations and facilities exceeds 50% of the annual revenue requirement of the stations and facilities; and

(c) the stations and facilities are in service and are being used and are useful.

(2) (a) A gas corporation may seek the recovery of expenditures under Subsection (1) through a mechanism designed to track and collect the expenditures between general rate cases.

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(b) (i) The commission shall allow a gas corporation to recover, through an incremental surcharge to all of its rate classes, expenditures that the gas corporation incurs that are directly related to the construction, operation, and maintenance of the stations and facilities described in Subsection (1), reduced by revenues the gas corporation receives during the same time period directly attributable to the stations and facilities.

(ii) The commission shall assign a surcharge under Subsection (2)(b)(i) to each rate class based upon the pro rata share, approved by the commission, of the tariff revenue ordered in the gas corporation's most recent general rate case.

(iii) A gas corporation may file an application to adjust a surcharge under Subsection (2)(b)(i) as frequently as semiannually.

(iv) At the gas corporation's next general rate case, the commission shall include in base rates all expenditures that the gas corporation prudently incurs associated with a surcharge under Subsection (2)(b)(i).

Section 4. Section 63I-1-254 is amended to read:

63I-1-254. Repeal dates, Title 54.

The language of Subsection 54-4-13.4(1)(a)(ii) after "do not exceed \$5,000,000 in any calendar year" is repealed July 1, 2018.

Section ~~{4}~~5. **Effective date.**

If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.

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Legislative Review Note

~~as of 3-1-13 2:14 PM~~

~~Office of Legislative Research and General Counsel}~~