

1 **ENERGY AMENDMENTS**

2 2013 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: J. Stuart Adams**

5 House Sponsor: Jack R. Draxler

7 **LONG TITLE**

8 **General Description:**

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

11 **Highlighted Provisions:**

12 This bill:

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

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 This bill provides an immediate effective date.

25 **Utah Code Sections Affected:**

26 ENACTS:

27 **11-13-224**, Utah Code Annotated 1953



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 **54-1-13** 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 cleaner air in the state ~~it~~ → **through the enhanced use of alternative fuel vehicles** ← ~~it~~ , including:

67 (a) consideration of the role that ~~it~~ → **[public utilities] gas corporations** ← ~~it~~ 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) ~~it~~ → **[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 **Committee, and the Public Utilities and Technology Interim Committee by September 30,**
85 **2013.] By September 30, 2013, the commission and the interlocal entity described in Subsection**
85a **11-13-224(2) shall report to the governor, the Legislative Management Committee, and the**
85b **Public Utilities and Technology Interim Committee:**

85c (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 ← ~~it~~ .

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

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