

1 **ENERGY AMENDMENTS**

2 2013 GENERAL SESSION

3 STATE OF UTAH

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

5 House Sponsor: Jack R. Draxler

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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



28 54-1-13, Utah Code Annotated 1953

29 54-4-13.4, Utah Code Annotated 1953



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

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

33 **11-13-224. 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;

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

55 (i) an individual employed by an electrical corporation, appointed by the governor.

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

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, including:

67 (a) consideration of the role that public utilities should play in 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) 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.

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**