

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

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.

**HOUSE SPONSORSHIP**

**deGruy Kennedy and Martinez**,

**Senate Committees**

Finance  
Appropriations

**House Committees**

**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.*

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.

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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.

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

4 **40-3-102.5. Limiting rate case expenses for investor-owned**  
5 **utilities - information included in rate case filings - gas cost or electric**  
6 **commodity adjustment filings - rules - definitions.** (1) **Limiting**  
7 **recovery of rate case expenses.** (a) THE COMMISSION SHALL ESTABLISH  
8   RULES TO LIMIT THE AMOUNT OF RATE CASE EXPENSES THAT A UTILITY  
9 MAY RECOVER FROM RATEPAYERS. IN ESTABLISHING THE   RULES, THE  
10 COMMISSION MAY CONSIDER:

11 (I) IMPLEMENTING A SYMMETRICAL INCENTIVE TO MOTIVATE THE  
12 UTILITY TO LIMIT EXPENSES;

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

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

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

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

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

25 (C) A TEST YEAR BASED ON A RECENTLY COMPLETED  
26 TWELVE-MONTH PERIOD AND FOR WHICH ACTUAL COSTS AND  
27 INVESTMENTS ARE ANALYZED; AND

1 (D) ANY OTHER INFORMATION OR DOCUMENTATION, AS  
2 DETERMINED BY THE COMMISSION; OR

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

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

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

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

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

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

25 (III) "UTILITY" MEANS AN INVESTOR-OWNED ELECTRIC OR GAS  
26 UTILITY.

27 (2) **Requirements for filings to increase a rate, charge, fee,**

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

- 7 (I) THE AMOUNT OF EACH APPROVED INCREASE OR DECREASE;
- 8 (II) THE INCREMENTAL INCREASE OR DECREASE FROM THE MOST  
9 RECENT APPROVED CHANGE;
- 10 (III) THE DATES THAT EACH APPROVED INCREASE OR DECREASE  
11 WENT INTO EFFECT;
- 12 (IV) THE PROCEEDING NUMBER RELATED TO EACH APPROVED  
13 INCREASE OR DECREASE;
- 14 (V) A CHART, GRAPH, OR OTHER VISUALIZATION DEMONSTRATING  
15 THE TEN-YEAR HISTORICAL TREND REGARDING EACH RATE, CHARGE, FEE,  
16 FARE, TOLL, RENTAL, OR CLASSIFICATION, INCLUDING ALL UTILITY BILL  
17 LINE ITEMS SUCH AS RATES AND RATE RIDERS; AND
- 18 (VI) FOR EACH OF THE TEN YEARS, THE ANNUAL TOTAL AMOUNT  
19 OF THE RATE, CHARGE, FEE, FARE, TOLL, RENTAL, OR CLASSIFICATION.

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

26 (3) **Gas cost or electric commodity adjustment filing**  
27 **requirements.** A UTILITY THAT FILES A GAS COST ADJUSTMENT FILING OR

1 AN ELECTRIC COMMODITY ADJUSTMENT FILING SHALL PROVIDE COPIES OF  
2 ALL CONFIDENTIAL MATERIALS AND ALL EXECUTABLE MATERIALS  
3 RELATED TO THE FILING TO THE COMMISSION'S STAFF AND THE OFFICE OF  
4 THE UTILITY CONSUMER ADVOCATE CREATED IN SECTION 40-6.5-102 (1).

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

7 **40-3-114. Cost recovery - prohibitions - reporting - penalties**  
8 **- definitions.** (1) The commission shall ensure that regulated electric and  
9 gas utilities do not use ratepayer funds to subsidize nonregulated  
10 activities.

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

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

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

18 (c) INVESTOR-RELATION EXPENSES;

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

24 (I) COMMUNICATIONS TO PROMOTE OR IMPROVE THE UTILITY'S  
25 BRAND;

26 (II) EXPENSES FOR THE PURPOSE OF INFLUENCING PUBLIC OPINION  
27 ABOUT THE UTILITY; AND

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

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

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

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

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

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

21 (j) ENTERTAINMENT OR GIFT EXPENSES;

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

24 (l) EXPENSES RELATED TO MARKETING AND ADMINISTRATION OR  
25 CUSTOMER SERVICE FOR UNREGULATED PRODUCTS OR SERVICES PROVIDED  
26 OR SOLD BY THE UTILITY OR THE UTILITY'S AFFILIATES.

27 (3) SUBSECTIONS (2)(g) AND (2)(h) OF THIS SECTION SHALL NOT



1 BE CONSTRUED TO APPLY TO A UTILITY EMPLOYEE'S OR CONTRACT  
2 WORKER'S ACTIVITIES RESULTING FROM ANY VOLUNTARY DUES  
3 DEDUCTIONS THAT ARE PROCESSED THROUGH STANDARD PAYROLL  
4 PROCESSES.

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

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

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

21 (6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
22 REQUIRES:

23 (a) (I) "ADVERTISING" MEANS THE ACT OF PUBLISHING,  
24 DISSEMINATING, SOLICITING, OR CIRCULATING WRITTEN, ONLINE, VIDEO,  
25 OR AUDIO COMMUNICATION INTENDED TO INDUCE A PERSON TO PATRONIZE  
26 A PRODUCT, SERVICE, BUSINESS, OR INDUSTRY; PROMOTE A BUSINESS'S  
27 BRAND; OTHERWISE EMPHASIZE DESIRABLE QUALITIES ABOUT A PRODUCT,

1 SERVICE, BUSINESS, OR INDUSTRY; OR INFLUENCE PUBLIC OPINION WITH  
2 RESPECT TO LEGISLATIVE, ADMINISTRATIVE, OR ELECTORAL MATTERS.

3 (II) "ADVERTISING" DOES NOT INCLUDE:

4 (A) ADVERTISING REQUIRED OR AUTHORIZED BY LAW,  
5 REGULATION, OR ORDER;

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

11 (C) ADVERTISING REGARDING SERVICE INTERRUPTIONS, SAFETY  
12 MEASURES, OR EMERGENCY CONDITIONS; OR

13 (D) ADVERTISING CONCERNING EMPLOYMENT OPPORTUNITIES  
14 WITH THE UTILITY.

15 (b) "AIRCRAFT" HAS THE MEANING SET FORTH IN SECTION  
16 41-2-101 (1).

17 (c) "BASE RATE" HAS THE MEANING SET FORTH IN SECTION  
18 40-3-102.5 (1)(d)(I).

19 (d) "ELECTRIC UTILITY" MEANS AN INVESTOR-OWNED ELECTRIC  
20 UTILITY IN THE STATE.

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

24 (f) "GAS UTILITY" MEANS AN INVESTOR-OWNED GAS UTILITY IN  
25 THE STATE.

26 (g) "LOBBYING" MEANS DIRECTLY, OR THROUGH THE SOLICITATION  
27 OF OTHERS, COMMUNICATING WITH A PERSON THAT IS IN A POSITION TO

1 MAKE A POLICY DECISION IN ORDER TO INFLUENCE THE OUTCOME OF  
2 LOCAL, STATE, OR FEDERAL LEGISLATION.

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

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

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

10 **SECTION 4.** In Colorado Revised Statutes, **add** 40-3-120 and  
11 40-3-121 as follows:

12 **40-3-120. Fuel cost sharing - gas utilities- electric utilities -**  
13 **rules.** (1) (a) ON OR BEFORE NOVEMBER 1, 2023, AN INVESTOR-OWNED  
14 GAS UTILITY SHALL FILE WITH THE COMMISSION A GAS PRICE RISK  
15 MANAGEMENT PLAN THAT INCLUDES PROPOSALS FOR LEVELING OR  
16 REDUCING THE VOLATILITY OF FUEL COSTS THAT ARE RECOVERED  
17 PURSUANT TO THE UTILITY'S GAS COST ADJUSTMENT FILINGS. SUCH PLAN  
18 MUST INCLUDE A MAXIMUM PER-MONTH FUEL COST THAT ACCOUNTS FOR  
19 PRICE FLUCTUATIONS BASED ON SEASONALITY AND CAN BE  
20 AUTOMATICALLY RECOVERED THROUGH THE GAS COST ADJUSTMENT  
21 MECHANISM. THE PLAN MAY INCLUDE OTHER ELEMENTS SUCH AS  
22 PHYSICAL HEDGING, FINANCIAL HEDGING, FUEL STORAGE, OR LONG-TERM  
23 CONTRACTING.

24 (b) THE COMMISSION SHALL ALLOW ANY PRUDENTLY INCURRED  
25 COSTS ABOVE THE MAXIMUM MONTHLY FUEL COST INCLUDED IN AN  
26 INVESTOR-OWNED GAS UTILITY'S PLAN PURSUANT TO SUBSECTION (1)(a)  
27 OF THIS SECTION TO BE RECORDED IN A DEFERRED BALANCE THAT IS

1 RECOVERABLE AND AMORTIZED OVER AN APPROPRIATE TIMELINE OF NO  
2 MORE THAN FIVE YEARS WITH FINANCING COSTS, AS DETERMINED BY THE  
3 COMMISSION.

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

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

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

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

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

24 (a) SHALL CONSIDER:

25 (I) SYMMETRICALLY ALLOCATING AN AMOUNT OF FUEL PRICE RISK  
26 TO THE INVESTOR-OWNED ELECTRIC OR GAS UTILITY, SUBJECT TO  
27 REASONABLE PARAMETERS, INCLUDING:

1           (A) A RANGE OF OUTCOMES WITHIN WHICH NO RISK SHARING  
2           OCCURS; AND

3           (B) A CAPON ANY INCENTIVE OR COST SHARE THAT RESULTS FROM  
4           THE RISK-MITIGATION MECHANISM; AND

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

10           (b) MAY CONSIDER, TO THE EXTENT SUCH INFORMATION IS  
11           RELEVANT:

12           (I) THE FINANCIAL HEALTH OF THE UTILITY AND CORRESPONDING  
13           IMPACTS ON CUSTOMER AFFORDABILITY; AND

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

17           (4) NOTHING IN THIS SECTION:

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

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

22           **40-3-121. Natural gas cost causation study - commission**  
23           **proceeding - reporting - repeal.** (1) (a) WITHIN SIXTY DAYS AFTER THE  
24           COMMISSION ISSUES A FINAL, NONAPPEALABLE DECISION REGARDING THE  
25           FIRST CLEAN HEAT PLAN FILED PURSUANT TO SECTION 40-3.2-108 BY A  
26           NATURAL GAS UTILITY THAT SERVES MORE THAN FIVE HUNDRED  
27           THOUSAND CUSTOMERS, THE COMMISSION SHALL OPEN A PROCEEDING TO

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

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

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

19 ==  
20 (2) AFTER COMPLETION OF THE INVESTIGATION, THE COMMISSION  
21 SHALL HOLD A HEARING, AT WHICH THE COMMISSION SHALL CONSIDER THE  
22 INFORMATION GATHERED IN THE INVESTIGATION AND PUBLIC COMMENTS,  
23 TO DETERMINE WHETHER ALTERNATIVE COST-RECOVERY MECHANISMS OR  
24 ACTIONS TAKEN BY A NATURAL GAS UTILITY THAT SERVES MORE THAN  
25 FIVE HUNDRED THOUSAND CUSTOMERS IN THE STATE ARE NECESSARY AND  
26 APPROPRIATE OR COULD MITIGATE IMPACTS ON NONPARTICIPATING  
27 INCOME-QUALIFIED CUSTOMERS.

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

2           **SECTION 5.** In Colorado Revised Statutes, **add** 40-3.2-104.3,  
3 40-3.2-104.4, 40-3.2-104.5, and 40-3.2-104.6 as follows:

4           **40-3.2-104.3. Eliminating incentives for gas service to**  
5 **properties - gas line extension allowances - exemptions - definitions.**

6           (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
7 REQUIRES:

8           (a) "APPLICANT" MEANS A PERSON THAT REQUESTS NATURAL GAS  
9 SERVICE AND THAT OWNS THE REAL PROPERTY REQUIRING THE SERVICE.  
10 "APPLICANT" INCLUDES A DEVELOPER, BUILDER, LEGAL ENTITY, OR OTHER  
11 PERSON THAT HAS LEGAL AUTHORITY OVER THE PROPERTY.

12           (b) "GAS UTILITY" MEANS A GAS UTILITY THAT THE COMMISSION  
13 REGULATES WITH RESPECT TO RATES AND CHARGES.

14           (c) "LINE EXTENSION ALLOWANCE" MEANS A BUNDLE OF COSTS  
15 THAT INCLUDES CONSTRUCTION ALLOWANCES FOR NEW SERVICE LINES,  
16 METERS, AND OTHER INFRASTRUCTURE ASSOCIATED WITH THE ADDITION  
17 OF A NEW CUSTOMER TO A GAS UTILITY'S DISTRIBUTION SYSTEM.

18           (2) (a) A GAS UTILITY SHALL NOT PROVIDE AN APPLICANT AN  
19 INCENTIVE, INCLUDING A LINE EXTENSION ALLOWANCE, TO ESTABLISH GAS  
20 SERVICE TO A PROPERTY.

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

25           (c) NOTWITHSTANDING SUBSECTION (2)(b) OF THIS SECTION, A  
26 UTILITY MAY EXEMPT FROM THE UPDATED TARIFF ANY APPLICANT THAT:

27           (I) HAS ALREADY SUBMITTED AN APPLICATION THAT HAS BEEN

1 APPROVED OR IS PENDING AS OF THE EFFECTIVE DATE OF THIS SECTION; OR  
2 (II) CAN DEMONSTRATE OR ATTEST THAT THE APPLICANT HAS  
3 SUBMITTED A PERMIT APPLICATION TO THE LOCAL GOVERNMENT WITH  
4 PERMITTING AUTHORITY IN THE LOCATION OF THE PROPERTY AND THAT  
5 THE APPLICATION IS EITHER APPROVED OR PENDING AS OF THE EFFECTIVE  
6 DATE OF THIS SECTION.

7 **40-3.2-104.4. Colorado energy office gas investment asset**  
8 **depreciation study - third-party evaluation - commission rules.**

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

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

19 (c) THE INDEPENDENT THIRD PARTY SHALL CONDUCT AN ANALYSIS  
20 OF, AND INCLUDE POLICY RECOMMENDATIONS RELATED TO, THE  
21 POTENTIAL IMPACTS OF STRANDED OR UNDERUTILIZED NATURAL GAS  
22 INFRASTRUCTURE ON UTILITY EMPLOYEES WHO WORK FOR, OR CONTRACT  
23 WORKERS WHO PERFORM WORK FOR, INVESTOR-OWNED GAS UTILITIES. IN  
24 CONDUCTING THE STUDY, THE INDEPENDENT THIRD PARTY SHALL CONSULT  
25 WITH APPROPRIATE LABOR ORGANIZATIONS THAT REPRESENT UTILITY  
26 EMPLOYEES WHO WORK FOR, AND CONTRACT WORKERS WHO PERFORM  
27 WORK FOR, INVESTOR-OWNED GAS UTILITIES AND OTHER RELEVANT



1     STAKEHOLDERS.

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

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

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

19          (c) THE COMMISSION SHALL ENSURE THAT THE CONTENT OF THE  
20   MAP PROVIDED TO THE COMMISSION AND SHARING PROCEDURES ARE IN  
21   COMPLIANCE WITH THE PARAMETERS RELATED TO CRITICAL  
22   INFRASTRUCTURE REPORTING STANDARDS OF THE CALIFORNIA INSTITUTE  
23   FOR ENERGY AND ENVIRONMENT, OR ITS SUCCESSOR ORGANIZATION, AND  
24   THE SAFETY AND SYSTEM INTEGRITY STANDARDS OF THE AMERICAN  
25   PETROLEUM INSTITUTE, OR ITS SUCCESSOR ORGANIZATION.

26           **40-3.2-104.5. Customer disconnection from investor-owned**  
27   **gas utility service - rules.** (1) AN INVESTOR-OWNED GAS UTILITY SHALL

1 NOT PENALIZE OR CHARGE A FEE TO A CUSTOMER THAT VOLUNTARILY  
2 TERMINATES GAS SERVICE. ONCE A CUSTOMER HAS TERMINATED THE  
3 INVESTOR-OWNED UTILITY'S GAS SERVICE, THE UTILITY SHALL NOT  
4 CONTINUE TO CHARGE THE CUSTOMER ANY FEES. ANY COSTS ASSOCIATED  
5 WITH TERMINATION SHALL BE CONSIDERED PART OF GENERAL  
6 DISTRIBUTION SYSTEM INVESTMENTS AND ARE ELIGIBLE FOR COST  
7 RECOVERY.

8 (2) THE COMMISSION MAY ADOPT RULES TO ESTABLISH  
9 STANDARDS FOR A CUSTOMER'S VOLUNTARY DISCONNECTION FROM AN  
10 INVESTOR-OWNED GAS UTILITY'S GAS DISTRIBUTION SYSTEM. IF THE  
11 COMMISSION ADOPTS THE DISCONNECTION RULES, THE COMMISSION MUST  
12 CONSIDER:

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

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

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

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

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

24 (f) ANY OTHER CONSIDERATION THAT THE COMMISSION DEEMS  
25 APPROPRIATE.

26 (3) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO MEAN  
27 THAT A UTILITY CANNOT CHARGE AN INDIVIDUAL CUSTOMER FOR

1 EXCAVATION OR CONSTRUCTION ACTIVITIES TO REMOVE EXISTING GAS  
2 INFRASTRUCTURE IF THE CUSTOMER HAS DECLINED THE MORE  
3 COST-EFFECTIVE METHODS TO DISCONNECT SERVICE.

4 **40-3.2-104.6. Commission study on beneficial electrification -**  
5 **repeal.** (1) ON OR BEFORE JULY 1, 2024, THE COMMISSION SHALL  
6 COMPLETE A STUDY EXAMINING EXISTING INVESTOR-OWNED ELECTRIC  
7 UTILITY TARIFFS AND INTERCONNECTION POLICIES AND PRACTICES TO  
8 DETERMINE:

9 (a) IF THE TARIFFS, POLICIES, AND PRACTICES POSE A BARRIER TO  
10 THE BENEFICIAL ELECTRIFICATION OF BUILDINGS AND THE OFFSETTING OF  
11 THAT ENERGY USE WITH DISTRIBUTED GENERATION; AND

12 (b) WHETHER REQUIRING A CUSTOMER THAT SEEKS TO  
13 INTERCONNECT A DISTRIBUTED GENERATION RESOURCE TO AN  
14 INVESTOR-OWNED UTILITY'S ELECTRIC GRID FOR THE PURPOSE OF  
15 BENEFICIAL ELECTRIFICATION OF BUILDINGS TO BEAR THE FULL  
16 INCREMENTAL COST OF TRANSFORMER OR SERVICE UPGRADES NEEDED TO  
17 INTERCONNECT THE RESOURCE IMPOSES AN UNDUE BURDEN ON THE  
18 CUSTOMER.

19 (2) IN CONDUCTING THE STUDY PURSUANT TO SUBSECTION (1) OF  
20 THIS SECTION, THE COMMISSION SHALL CONSIDER WHETHER TO DIRECT:

21 (a) AN INVESTOR-OWNED ELECTRIC UTILITY TO ALLOCATE ALL OR  
22 SOME OF THE COST OF TRANSFORMER OR SERVICE UPGRADES AS PART OF  
23 THE UTILITY'S INVESTMENT IN ITS DISTRIBUTION SYSTEM; AND

24 (b) THAT AN INVESTOR-OWNED ELECTRIC UTILITY MAKE CHANGES  
25 TO ITS DISTRIBUTION SYSTEM PLANNING PROCESS IN ORDER TO BETTER  
26 PLAN FOR AND ACCOMMODATE FUTURE BENEFICIAL ELECTRIFICATION AND  
27 DISTRIBUTED GENERATION INVESTMENTS.

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

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

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

7 **40-6-109. Hearings - orders - record - review - representation**  
8 **of entities in nonadjudicatory proceedings.** (1) (a) (I) At the time fixed  
9 for any hearing before the commission, any commissioner, or an  
10 administrative law judge or at the time to which the ~~same~~ HEARING may  
11 have been continued, ~~the applicant, petitioner, complainant, the person,~~  
12 ~~firm, or corporation complained of, and such persons, firms, or~~  
13 ~~corporations as the commission may allow to intervene and such persons,~~  
14 ~~firms, or corporations as will be interested in or affected by any order that~~  
15 ~~may be made by the commission in such proceeding and who shall have~~  
16 ~~become parties to the proceeding shall be~~ THE FOLLOWING PERSONS ARE  
17 entitled to be heard, examine and cross-examine witnesses, and introduce  
18 evidence:

19 (A) THE APPLICANT;

20 (B) THE PETITIONER;

21 (C) THE COMPLAINANT;

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

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

25 (F) SUCH PERSONS, FIRMS, OR CORPORATIONS AS WILL BE  
26 INTERESTED IN OR AFFECTED BY ANY ORDER THAT MAY BE MADE BY THE  
27 COMMISSION IN SUCH PROCEEDING AND WHO SHALL HAVE BECOME

1 PARTIES TO THE PROCEEDING.

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

4 (b) IN A PROCEEDING BEFORE THE COMMISSION THAT RELATES TO  
5 AN INVESTOR-OWNED UTILITY'S APPLICATION FOR COST RECOVERY, THE  
6 COMMISSION SHALL PERMIT A WHOLESALE CUSTOMER OF THE UTILITY TO  
7 INTERVENE IF THE CUSTOMER DEMONSTRATES A PECUNIARY OR TANGIBLE  
8 INTEREST IN THE PROCEEDING.

9 (c) A REPORTER APPOINTED BY THE COMMISSION, A COMMISSIONER  
10 IF DEEMED APPROPRIATE BY THE COMMISSION, OR, AS APPLICABLE, AN  
11 ADMINISTRATIVE LAW JUDGE SHALL TAKE DOWN AND RECORD  
12 ELECTRONICALLY a full and complete record of all proceedings had before  
13 the commission, any commissioner, or an administrative law judge in any  
14 formal hearing and all testimony. ~~shall be taken down by any reporter  
15 appointed by the commission or, as deemed appropriate by the  
16 commission, a commissioner, or an administrative law judge, as  
17 applicable, recorded electronically. All parties in interest shall be entitled  
18 to be heard in person or by attorney.~~

19 SECTION 7. Appropriation. (1) For the 2023-24 state fiscal  
20 year, \$1,265,551 is appropriated to the department of regulatory agencies.  
21 This appropriation is from the public utilities commission fixed utility  
22 fund created in section 40-2-114 (1)(b)(II), C.R.S. To implement this act,  
23 the department may use this appropriation as follows:

24 (a) \$233,630 for use by the public utilities commission for  
25 personal services, which amount is based on an assumption that the  
26 commission will require an additional 2.5 FTE;

27 (b) \$23,385 for use by the public utilities commission for

1 operating expenses;

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

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

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

8 (2) For the 2023-24 state fiscal year, \$713,745 is appropriated to  
9 the department of law. This appropriation is from reappropriated funds  
10 received from the department of regulatory agencies under subsection  
11 (1)(e) of this section and is based on an assumption that the department  
12 of law will require an additional 3.8 FTE. To implement this act, the  
13 department of law may use this appropriation to provide legal services for  
14 the department of regulatory agencies.

15 (3) For the 2023-24 state fiscal year, \$142,749 is appropriated to  
16 the department of law. This appropriation is from the legal services cash  
17 fund created in section 24-31-108 (4), C.R.S., from revenue received  
18 from the Colorado energy office in the office of the governor that  
19 originates as custodial federal funds that the Colorado energy office has  
20 authority to expend. The appropriation to the department of law is based  
21 on an assumption that the department of law will require an additional 0.8  
22 FTE. To implement this act, the department of law may use this  
23 appropriation to provide legal services for the Colorado energy office in  
24 the office of the governor.

25 **SECTION 8. Act subject to petition - effective date -**  
26 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
27 the expiration of the ninety-day period after final adjournment of the

1 general assembly; except that, if a referendum petition is filed pursuant  
2 to section 1 (3) of article V of the state constitution against this act or an  
3 item, section, or part of this act within such period, then the act, item,  
4 section, or part will not take effect unless approved by the people at the  
5 general election to be held in November 2024 and, in such case, will take  
6 effect on the date of the official declaration of the vote thereon by the  
7 governor.

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