

**First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 07-0230.01 Christy Chase

HOUSE BILL 07-1037

HOUSE SPONSORSHIP

Levy,

SENATE SPONSORSHIP

Fitz-Gerald,

House Committees

Transportation & Energy
Appropriations

Senate Committees

State, Veterans & Military Affairs
Appropriations

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO PROMOTE ENERGY EFFICIENCY, AND**
102 **MAKING AN APPROPRIATION THEREFOR.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Directs the public utilities commission (PUC) to adopt rules establishing funding and cost-recovery mechanisms for distributors of natural gas to engage in conservation and energy efficiency programs. Directs distributors of natural gas to develop and implement cost-effective energy efficiency programs once such rules are adopted. Requires periodic reports from the utilities and PUC review and approval of such programs. Specifies that this act does not extend PUC authority

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
April 23, 2007

HOUSE
3rd Reading Unamended
March 16, 2007

HOUSE
Amended 2nd Reading
March 13, 2007

to nonregulated utility businesses or affiliates.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 40-1-102 (5) and (6), Colorado Revised Statutes,
3 are amended, and the said 40-1-102 is further amended BY THE
4 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

5 **40-1-102. Definitions.** As used in articles 1 to 7 of this title,
6 unless the context otherwise requires:

7 (5) (a) "Person" means any individual, firm, partnership,
8 corporation, company, association, joint stock association, and other legal
9 entity. "COST-EFFECTIVE", WITH REFERENCE TO A NATURAL GAS OR
10 ELECTRIC DEMAND SIDE MANAGEMENT PROGRAM OR RELATED MEASURE,
11 MEANS HAVING A BENEFIT-COST RATIO GREATER THAN ONE.

12 (b) IN CALCULATING THE BENEFIT-COST RATIO, THE BENEFITS
13 SHALL INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING, AS
14 APPLICABLE:

15 (I) THE UTILITY'S AVOIDED GENERATION, TRANSMISSION,
16 DISTRIBUTION, CAPACITY, AND ENERGY COSTS;

17 (II) THE VALUATION OF AVOIDED EMISSIONS; AND

18 (III) NONENERGY BENEFITS AS DETERMINED BY THE COMMISSION.

19 (c) IN CALCULATING THE BENEFIT-COST RATIO, THE COSTS SHALL
20 INCLUDE, BUT ARE NOT LIMITED TO, UTILITY AND PARTICIPANT
21 EXPENDITURES FOR THE FOLLOWING, AS APPLICABLE:

22 (I) PROGRAM DESIGN, ADMINISTRATION, EVALUATION,
23 ADVERTISING, AND PROMOTION;

24 (II) CUSTOMER EDUCATION;

25 (III) INCENTIVES AND DISCOUNTS;

1 (IV) CAPITAL COSTS; AND

2 (V) OPERATION AND MAINTENANCE EXPENSES.

3 (6) "Renewable energy" means useful electrical, thermal, or
4 mechanical energy converted directly or indirectly from resources of
5 continuous energy flow or that are perpetually replenished and whose
6 utilization is sustainable indefinitely. The term includes, without
7 limitation, sunlight, the wind, geothermal energy, hydrodynamic forces,
8 and organic matter available on a renewable basis such as forest residues,
9 agricultural crops and wastes, wood and wood wastes, animal wastes,
10 livestock operation residue, aquatic plants, and municipal wastes.

11 "DEMAND-SIDE MANAGEMENT PROGRAMS" OR "DSM PROGRAMS" MEANS
12 ENERGY EFFICIENCY, CONSERVATION, LOAD MANAGEMENT, AND DEMAND
13 RESPONSE PROGRAMS OR ANY COMBINATION OF THESE PROGRAMS.

14 (7) "EDUCATION PROGRAM" MEANS A PROGRAM, INCLUDING BUT
15 NOT LIMITED TO AN ENERGY AUDIT, THAT CONTRIBUTES INDIRECTLY TO A
16 COST-EFFECTIVE DEMAND-SIDE MANAGEMENT PROGRAM. EDUCATION
17 PROGRAMS SHALL NOT BE SUBJECT TO INDEPENDENT COST-EFFECTIVENESS
18 REQUIREMENTS.

19 (8) "FULL SERVICE CUSTOMER" MEANS A RESIDENTIAL OR
20 COMMERCIAL CUSTOMER THAT PURCHASES NATURAL GAS OR ELECTRIC
21 SUPPLY FROM AN INVESTOR-OWNED UTILITY.

22 (9) "NET PRESENT VALUE OF REVENUE REQUIREMENTS" MEANS
23 THE CURRENT WORTH OF THE EXPECTED STREAM OF FUTURE REVENUE
24 REQUIREMENTS ASSOCIATED WITH A PARTICULAR RESOURCE PORTFOLIO,
25 EXPRESSED IN DOLLARS IN THE YEAR THE PLAN IS FILED. TO DETERMINE
26 THE CURRENT WORTH OF THE EXPECTED STREAM OF FUTURE REVENUE
27 REQUIREMENTS, A DISCOUNT RATE AT THE UTILITY'S WEIGHTED AVERAGE

1 COST OF CAPITAL SHALL BE APPLIED TO THE EXPECTED STREAM OF FUTURE
2 REVENUE REQUIREMENTS.

3 (10) "PERSON" MEANS ANY INDIVIDUAL, FIRM, PARTNERSHIP,
4 CORPORATION, COMPANY, ASSOCIATION, JOINT STOCK ASSOCIATION, AND
5 OTHER LEGAL ENTITY.

6 (11) "RENEWABLE ENERGY" MEANS USEFUL ELECTRICAL,
7 THERMAL, OR MECHANICAL ENERGY CONVERTED DIRECTLY OR INDIRECTLY
8 FROM RESOURCES OF CONTINUOUS ENERGY FLOW OR THAT ARE
9 PERPETUALLY REPLENISHED AND WHOSE UTILIZATION IS SUSTAINABLE
10 INDEFINITELY. THE TERM INCLUDES, WITHOUT LIMITATION, SUNLIGHT,
11 THE WIND, GEOTHERMAL ENERGY, HYDRODYNAMIC FORCES, AND ORGANIC
12 MATTER AVAILABLE ON A RENEWABLE BASIS SUCH AS FOREST RESIDUES,
13 AGRICULTURAL CROPS AND WASTES, WOOD AND WOOD WASTES, ANIMAL
14 WASTES, LIVESTOCK OPERATION RESIDUE, AQUATIC PLANTS, AND
15 MUNICIPAL WASTES.

16 **SECTION 2.** 40-3.2-101, Colorado Revised Statutes, is amended
17 to read:

18 **40-3.2-101. Legislative declaration.** THE GENERAL ASSEMBLY
19 HEREBY FINDS, DETERMINES, AND DECLARES THAT COST-EFFECTIVE
20 NATURAL GAS AND ELECTRICITY DEMAND-SIDE MANAGEMENT PROGRAMS
21 WILL SAVE MONEY FOR CONSUMERS AND UTILITIES AND PROTECT
22 COLORADO'S ENVIRONMENT. The general assembly ~~hereby~~ FURTHER finds,
23 determines, and declares that providing a funding ~~mechanism~~
24 MECHANISMS to encourage Colorado's public utilities to reduce emissions
25 or air pollutants ~~is a matter~~ AND TO INCREASE ENERGY EFFICIENCY ARE
26 MATTERS of statewide concern, ~~The general assembly further finds~~ AND
27 that the public interest is served by providing such funding ~~mechanism~~

1 MECHANISMS. Such ~~reduction~~ EFFORTS will result in an improvement in
2 the quality of life and health of Colorado citizens and an increase in the
3 attractiveness of Colorado as a place to live and conduct business.

4 **SECTION 3.** Article 3.2 of title 40, Colorado Revised Statutes,
5 is amended BY THE ADDITION OF THE FOLLOWING NEW
6 SECTIONS to read:

7 **40-3.2-103. Gas distribution utility demand-side management**
8 **programs - rules - recovery of costs.** (1) ON OR BEFORE SEPTEMBER 30,
9 2007, THE COMMISSION SHALL COMMENCE A RULE-MAKING PROCEEDING,
10 AS DESCRIBED IN SUBSECTION (2) OF THIS SECTION, TO DEVELOP
11 EXPENDITURE AND NATURAL GAS SAVINGS TARGETS, FUNDING AND
12 COST-RECOVERY MECHANISMS, AND A FINANCIAL BONUS STRUCTURE FOR
13 DEMAND-SIDE MANAGEMENT PROGRAMS IMPLEMENTED BY AN
14 INVESTOR-OWNED GAS DISTRIBUTION UTILITY, ALSO REFERRED TO IN THIS
15 SECTION AS A "GAS UTILITY".

16 (2) AS PART OF THE RULE-MAKING PROCEEDING REQUIRED BY
17 SUBSECTION (1) OF THIS SECTION, THE COMMISSION SHALL:

18 (a) ADOPT DSM PROGRAM EXPENDITURE TARGETS EQUAL TO AT
19 LEAST ONE-HALF OF ONE PERCENT OF A NATURAL GAS UTILITY'S REVENUES
20 FROM ITS FULL SERVICE CUSTOMERS IN THE YEAR PRIOR TO SETTING SUCH
21 TARGETS;

22 (b) ESTABLISH DSM PROGRAM SAVINGS TARGETS THAT ARE
23 COMMENSURATE WITH PROGRAM EXPENDITURES AND EXPRESSED IN TERMS
24 OF AN AMOUNT OF GAS SAVED PER UNIT OF PROGRAM EXPENDITURES;

25 (c) (I) ADOPT PROCEDURES FOR ALLOWING GAS UTILITIES TO
26 RECOVER THEIR PRUDENTLY INCURRED COSTS OF DSM PROGRAMS
27 WITHOUT HAVING TO FILE A RATE CASE. SUCH COSTS SHALL INCLUDE, BUT

1 ARE NOT LIMITED TO, FACILITY INVESTMENTS; REBATES; INTEREST RATE
2 BUYDOWNS; INCREMENTAL LABOR COSTS, EMPLOYEE BENEFITS, CARRYING
3 COSTS, AND EMPLOYEE-RELATED ADMINISTRATIVE COSTS; AND OTHER
4 ADMINISTRATIVE COSTS. ALL SUCH COSTS SHALL BE RECOVERED
5 THROUGH A COST ADJUSTMENT MECHANISM THAT IS SET ON AN ANNUAL
6 BASIS, OR MORE FREQUENTLY IF DEEMED APPROPRIATE.

7 (II) COST ADJUSTMENT PROCEDURES SHALL GIVE GAS UTILITIES
8 THE OPTION OF OBTAINING COST RECOVERY EITHER THROUGH EXPENSING
9 DSM PROGRAM EXPENDITURES OR ADDING THEM TO BASE RATES, WITH AN
10 AMORTIZATION PERIOD TO BE DETERMINED BY THE COMMISSION. IN
11 ADDITION, SUCH PROCEDURES SHALL PROVIDE THAT COST RECOVERY FOR
12 PROGRAMS DIRECTED AT RESIDENTIAL CUSTOMERS ARE TO BE COLLECTED
13 FROM RESIDENTIAL CUSTOMERS ONLY AND THAT COST RECOVERY FOR
14 PROGRAMS DIRECTED AT NONRESIDENTIAL CUSTOMERS ARE TO BE
15 COLLECTED FROM NONRESIDENTIAL CUSTOMERS ONLY.

16 (d) ADOPT A BONUS STRUCTURE TO REWARD GAS UTILITIES FOR
17 INVESTMENTS IN COST-EFFECTIVE DSM PROGRAMS. FOR EACH YEAR OF
18 OPERATION, THE BONUS SHALL BE CAPPED AT TWENTY-FIVE PERCENT OF
19 THE EXPENDITURES OR TWENTY PERCENT OF THE NET ECONOMIC BENEFITS
20 OF THE DSM PROGRAMS, WHICHEVER AMOUNT IS LOWER. THE AMOUNT
21 OF THE BONUS AWARDED EACH YEAR SHALL BE DETERMINED BASED ON
22 THE EXTENT TO WHICH THE GAS UTILITY HAS ACHIEVED THE TARGETS
23 ESTABLISHED BY THE COMMISSION IN ACCORDANCE WITH PARAGRAPHS (a)
24 AND (b) OF THIS SUBSECTION (2). THE BONUS SHALL NOT COUNT AGAINST
25 A GAS UTILITY'S AUTHORIZED RATE OF RETURN OR BE CONSIDERED IN RATE
26 PROCEEDINGS.

27 (e) CONSIDER THE FACT THAT IMPLEMENTING THE NEW DSM

1 PROGRAMS MAY REQUIRE A PHASE-IN PERIOD BEFORE A GAS UTILITY IS
2 ABLE TO ACHIEVE THE FUNDING LEVEL DETERMINED BY THE COMMISSION
3 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2). A GAS UTILITY
4 THAT IMPLEMENTS A NEW DSM PROGRAM IN PHASES SHALL BE ELIGIBLE
5 TO RECEIVE A BONUS UNDER THE BONUS STRUCTURE ADOPTED PURSUANT
6 TO PARAGRAPH (d) OF THIS SUBSECTION (2) DURING ITS PHASE-IN PERIOD.

7 (f) NOT ADOPT ANY MEASURE AUTHORIZING A FINANCIAL PENALTY
8 AGAINST A GAS UTILITY THAT FAILS TO MEET THE TARGETS IN ANY
9 PARTICULAR YEAR.

10 (3) WITHIN TWELVE MONTHS AFTER THE COMPLETION OF THE
11 RULE-MAKING REQUIRED BY SUBSECTION (1) OF THIS SECTION, EACH GAS
12 UTILITY SHALL:

13 (a) DEVELOP AND BEGIN IMPLEMENTING A SET OF COST-EFFECTIVE
14 DSM PROGRAMS FOR ITS FULL SERVICE CUSTOMERS. SUCH PROGRAMS
15 SHALL BE OF THE GAS UTILITY'S CHOOSING, TAKING INTO ACCOUNT THE
16 CHARACTERISTICS OF THE GAS UTILITY AND ITS CUSTOMERS. ONE OR
17 MORE PROGRAMS MAY BE TARGETED TO LOW-INCOME CUSTOMERS AND,
18 IF SO, MAY BE PROVIDED DIRECTLY BY THE GAS UTILITY OR INDIRECTLY
19 THROUGH FINANCIAL SUPPORT OF CONSERVATION PROGRAMS FOR
20 LOW-INCOME HOUSEHOLDS ADMINISTERED BY THE STATE.

21 (b) IN IMPLEMENTING DSM PROGRAMS, USE REASONABLE EFFORTS
22 TO MAXIMIZE ENERGY SAVINGS CONSISTENT WITH THE ANNUAL ENERGY
23 EFFICIENCY BUDGET.

24 (4) IN IMPLEMENTING DSM PROGRAMS, GAS UTILITIES MAY SPEND
25 A DISPROPORTIONATE SHARE OF TOTAL EXPENDITURES ON ONE OR MORE
26 CLASSES OF CUSTOMERS.

27 (5) THE COMMISSION SHALL AUTHORIZE EACH GAS UTILITY TO

1 RECOVER MONEYS SPENT FOR EDUCATION PROGRAMS, IMPACT AND
2 PROCESS EVALUATIONS, AND PROGRAM PLANNING RELATED TO NATURAL
3 GAS DSM PROGRAMS OFFERED BY THE GAS UTILITY WITHOUT HAVING TO
4 SHOW THAT SUCH EXPENDITURES, ON AN INDEPENDENT BASIS, ARE
5 COST-EFFECTIVE. THE COMMISSION MAY LIMIT THE AMOUNT SPENT FOR
6 THESE ACTIVITIES.

7 (6) (a) GAS UTILITIES SHALL SUBMIT ANNUAL REPORTS TO THE
8 COMMISSION, AS DETERMINED BY THE COMMISSION BY RULE. THE ANNUAL
9 REPORT SHALL DESCRIBE THE GAS UTILITY'S DSM PROGRAMS AND
10 SHALL DOCUMENT PROGRAM EXPENDITURES, ENERGY SAVINGS IMPACTS
11 AND THE TECHNIQUES USED TO ESTIMATE THESE IMPACTS, THE ESTIMATED
12 COST-EFFECTIVENESS OF PROGRAM EXPENDITURES, AND ANY OTHER
13 INFORMATION THE COMMISSION MAY REQUIRE.

14 (b) THE COMMISSION SHALL REVIEW EACH REPORT SUBMITTED
15 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (6) AND SHALL
16 DETERMINE THE LEVEL OF BONUS, IF ANY, THAT THE GAS UTILITY IS
17 ELIGIBLE TO COLLECT ON THE BASIS OF THE INFORMATION INCLUDED IN
18 THE REPORT. THE COMMISSION'S DETERMINATION SHALL BE MADE WITHIN
19 THREE MONTHS AFTER RECEIVING THE REPORT. ANY SUCH BONUS SHALL
20 BE AUTHORIZED AS A SUPPLEMENT TO THE COST ADJUSTMENT MECHANISM
21 OR ALTERNATIVE MECHANISM APPROVED BY THE COMMISSION AND SHALL
22 BE APPLIED OVER A TWELVE-MONTH PERIOD AFTER APPROVAL OF THE
23 BONUS.

24 (7) GAS UTILITIES MAY CONTINUE DSM PROGRAMS THAT WERE
25 IN EXISTENCE ON OR BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (7),
26 AND SHALL NOT BE REQUIRED TO OBTAIN APPROVAL FROM THE
27 COMMISSION FOR SUCH PROGRAMS.

1 (8) THIS SECTION SHALL NOT BE CONSTRUED TO EXTEND THE
2 COMMISSION'S AUTHORITY TO ANY NONREGULATED UTILITY BUSINESSES
3 OR AFFILIATES OF A GAS UTILITY.

4 **40-3.2-104. Electricity utility demand-side management**
5 **programs - rules - annual report.** (1) IT IS THE POLICY OF THE STATE
6 OF COLORADO THAT A PRIMARY GOAL OF ELECTRIC UTILITY LEAST-COST
7 RESOURCE PLANNING IS TO MINIMIZE THE NET PRESENT VALUE OF
8 REVENUE REQUIREMENTS. THE COMMISSION MAY ADOPT RULES AS
9 NECESSARY TO IMPLEMENT THIS POLICY.

10 (2) THE COMMISSION SHALL ESTABLISH ENERGY SAVINGS AND
11 PEAK DEMAND REDUCTION GOALS TO BE ACHIEVED BY AN
12 INVESTOR-OWNED ELECTRIC UTILITY, TAKING INTO ACCOUNT THE
13 UTILITY'S COST-EFFECTIVE DSM POTENTIAL, THE NEED FOR ELECTRICITY
14 RESOURCES, THE BENEFITS OF DSM INVESTMENTS, AND OTHER FACTORS
15 AS DETERMINED BY THE COMMISSION. THE ENERGY SAVINGS AND PEAK
16 DEMAND REDUCTION GOALS SHALL BE AT LEAST FIVE PERCENT OF THE
17 UTILITY'S RETAIL SYSTEM PEAK DEMAND MEASURED IN MEGAWATTS IN
18 THE BASE YEAR AND AT LEAST FIVE PERCENT OF THE UTILITY'S RETAIL
19 ENERGY SALES MEASURED IN MEGAWATT-HOURS IN THE BASE YEAR. THE
20 BASE YEAR SHALL BE 2006. THE GOALS SHALL BE MET IN 2018, COUNTING
21 SAVINGS IN 2018 FROM DSM MEASURES INSTALLED STARTING IN 2006.
22 THE COMMISSION MAY ESTABLISH INTERIM GOALS AND MAY REVISE THE
23 GOALS AS IT DEEMS APPROPRIATE.

24 (3) THE COMMISSION SHALL PERMIT ELECTRIC UTILITIES TO
25 IMPLEMENT COST-EFFECTIVE ELECTRICITY DSM PROGRAMS TO REDUCE
26 THE NEED FOR ADDITIONAL RESOURCES THAT WOULD OTHERWISE BE MET
27 THROUGH A COMPETITIVE ACQUISITION PROCESS.

1 (4) THE COMMISSION SHALL ENSURE THAT UTILITIES DEVELOP AND
2 IMPLEMENT DSM PROGRAMS THAT GIVE ALL CLASSES OF CUSTOMERS AN
3 OPPORTUNITY TO PARTICIPATE AND SHALL GIVE DUE CONSIDERATION TO
4 THE IMPACT OF DSM PROGRAMS ON NONPARTICIPANTS AND ON
5 LOW-INCOME CUSTOMERS.

6 (5) THE COMMISSION SHALL ALLOW AN OPPORTUNITY FOR A
7 UTILITY'S INVESTMENTS IN COST-EFFECTIVE DSM PROGRAMS TO BE MORE
8 PROFITABLE TO THE UTILITY THAN ANY OTHER UTILITY INVESTMENT THAT
9 IS NOT ALREADY SUBJECT TO SPECIAL INCENTIVES. IN COMPLYING WITH
10 THIS SUBSECTION (5), THE COMMISSION SHALL CONSIDER, WITHOUT
11 LIMITATION, THE FOLLOWING INCENTIVE MECHANISMS, WHICH SHALL TAKE
12 INTO CONSIDERATION THE PERFORMANCE OF THE DSM PROGRAM:

13 (a) AN INCENTIVE TO ALLOW A RATE OF RETURN ON DSM
14 INVESTMENTS THAT IS HIGHER THAN THE UTILITY'S RATE OF RETURN ON
15 OTHER INVESTMENTS;

16 (b) AN INCENTIVE TO ALLOW THE UTILITY TO ACCELERATE THE
17 DEPRECIATION OR AMORTIZATION PERIOD FOR DSM INVESTMENTS;

18 (c) AN INCENTIVE TO ALLOW THE UTILITY TO RETAIN A PORTION OF
19 THE NET ECONOMIC BENEFITS ASSOCIATED WITH A DSM PROGRAM FOR ITS
20 SHAREHOLDERS;

21 (d) AN INCENTIVE TO ALLOW THE UTILITY TO COLLECT THE COSTS
22 OF DSM PROGRAMS THROUGH A COST ADJUSTMENT CLAUSE;

23 (e) OTHER INCENTIVE MECHANISMS THAT THE COMMISSION DEEMS
24 APPROPRIATE.

25 (6) EACH INVESTOR-OWNED ELECTRIC UTILITY SHALL SUBMIT AN
26 ANNUAL REPORT TO THE COMMISSION DESCRIBING THE DSM PROGRAMS
27 IMPLEMENTED BY THE ELECTRIC UTILITY IN THE PREVIOUS YEAR. THE

1 REPORT SHALL DOCUMENT THE FOLLOWING:

2 (a) PROGRAM EXPENDITURES, INCLUDING INCENTIVE PAYMENTS;

3 (b) PEAK DEMAND AND ENERGY SAVINGS IMPACTS AND THE
4 TECHNIQUES USED TO ESTIMATE THOSE IMPACTS;

5 (c) AVOIDED COSTS AND THE TECHNIQUES USED TO ESTIMATE
6 THOSE COSTS;

7 (d) THE ESTIMATED COST-EFFECTIVENESS OF THE DSM
8 PROGRAMS;

9 (e) THE NET ECONOMIC BENEFITS OF THE DSM PROGRAMS; AND

10 (f) ANY OTHER INFORMATION REQUIRED BY THE COMMISSION.

11 **40-3.2-105. Reporting requirement.** BY APRIL 30, 2009, AND BY
12 EACH APRIL 30 THEREAFTER, THE COMMISSION SHALL SUBMIT A REPORT
13 TO THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE,
14 OR ITS SUCCESSOR COMMITTEE, AND THE BUSINESS AFFAIRS AND LABOR OF
15 THE HOUSE OF REPRESENTATIVES, OR ITS SUCCESSOR COMMITTEE, ON THE
16 PROGRESS MADE BY INVESTOR-OWNED UTILITIES IN MEETING THEIR
17 NATURAL GAS AND ELECTRICITY DEMAND-SIDE MANAGEMENT GOALS.
18 THE REPORT SHALL INCLUDE ANY RECOMMENDED STATUTORY CHANGES
19 THE COMMISSION DEEMS NECESSARY TO FURTHER THE INTENT OF
20 SECTIONS 40-3.2-103 AND 40-3.2-104. ___

21 **SECTION 4. Appropriation.** (1) In addition to any other
22 appropriation, there is hereby appropriated, out of any moneys in the
23 public utilities commission fixed utilities fund created in section
24 40-2-114, Colorado Revised Statutes, not otherwise appropriated, to the
25 department of regulatory agencies, for allocation to the executive
26 director's office, for legal services, for the fiscal year beginning July 1,
27 2007, the sum of thirteen thousand five hundred fifty-four dollars

1 (\$13,554), or so much thereof as may be necessary, for the
2 implementation of this act.

3 (2) In addition to any other appropriation, there is hereby
4 appropriated, out of any moneys in the public utilities commission fixed
5 utilities fund created in section 40-2-114, Colorado Revised Statutes, not
6 otherwise appropriated, to the department of regulatory agencies, for
7 allocation to the public utilities commission, for the fiscal year beginning
8 July 1, 2007, one hundred seventy-eight thousand two hundred
9 twenty-two dollars (\$178,222) and 2.0 FTE, or so much thereof as may
10 be necessary, for the implementation of this act.

11 (3) In addition to any other appropriation, there is hereby
12 appropriated to the department of law, for the fiscal year beginning July
13 1, 2007, the sum of thirteen thousand five hundred fifty-four dollars
14 (\$13,554), or so much thereof as may be necessary, for the provision of
15 legal services to the department of regulatory agencies related to the
16 implementation of this act. Said sum shall be from cash funds exempt
17 received from the executive director's office out of the appropriation
18 made in subsection (1) of this section.

19 **SECTION 5. Safety clause.** The general assembly hereby finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, and safety.