

## COLORADO DEPARTMENT OF REGULATORY AGENCIES

### Public Utilities Commission

#### 4 CODE OF COLORADO REGULATIONS (CCR) 723-3

#### PART 3 RULES REGULATING ELECTRIC UTILITIES

##### FUEL COST RECOVERY AND ELECTRICITY PRODUCTION COST EFFICIENCY

##### 3860. Overview and Purpose.

Rules 3860 through 3861 address a utility's recovery of natural gas commodity costs incurred in the production of electricity.

##### 3861. Gas Commodity Fuel Performance Incentive Mechanism.

- (a) Each electric utility shall implement a symmetric incentive mechanism that shares the risk of natural gas commodity costs between the utility and its customers in its rate adjustment filings used for the recovery of purchased fuel costs for electricity production.
- (b) Each utility shall file an application to establish the gas commodity fuel performance incentive mechanism required by paragraph 3861(a) within its tariffs for the rate adjustment used for the recovery of purchased fuel costs for electricity production within 180 days of the effective date of these rules. Any future modifications to a gas commodity fuel performance incentive mechanism shall be accomplished through an application filing separate from a standard filing of the associated rate adjustment used for the recovery of purchased fuel costs for electricity production.
- (c) The Commission may examine the implementation of the gas commodity fuel performance incentive mechanism in any prudence review process for the rate adjustment mechanism used for the recovery of purchased fuel costs.

**3860~~2~~ – 3874. [Reserved].**