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IN THE MATTER OF POSSIBLE REVISIONS TO THE COMMISSION'S ELECTRIC, GAS, AND PROCEDURAL RULES TO CONSIDER THE UTILITY-RELATED COMPONENT OF COLORADO'S BID FOR ECONOMIC STIMULUS FUNDS AND THE APPROPRIATE POLICIES FOR COST RECOVERY OF ANY INVESTMENT REQUIRED BY UTILITIES

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The economic stimulus package being considered by the Congress will likely make available, in a competitive grant process, very large financial resources for investment in energy infrastructure. Access to these resources will require rapid response by Colorado utilities. The Commission desires that Colorado's investor-owned electric and gas utilities maximize the scale and scope of the funding they seek in a Colorado proposal.

Some of the federal funds may require utility matching investment, which could be very substantial. The utilities might reasonably ask for guidance in advance from the Commission about the rate making treatment of such investments.

1. Should the Commission participate in a comprehensive, statewide response from the energy industry to the national legislation? How does such a process effectively involve all utilities throughout Colorado (including municipal utilities, investor-owned utilities and co-operative electric associations.) as well as other stakeholders impacted by the legislation (*i.e.*, independent power producers, trade organizations, energy development companies with an interest in Colorado) as part of such an initiative?
2. If a comprehensive, statewide response is appropriate, how can you or your organization be of assistance in preparing such a response?
3. In light of these extraordinary circumstances, is it appropriate for the Commission to consider special incentives to encourage the utilities to aggressively seek funding from the stimulus package?
4. Assuming the Commission authorizes special incentives, what types of incentives would be most effective in encouraging Colorado utilities and their consumers to meet the energy goals of the legislation?
5. What types of projects should be considered as eligible for the special incentives? Should the projects include a mix of investments that provide both short-term and long-term benefits to Colorado ratepayers? What criteria should the Commission consider as it establishes the definition of eligible projects?

6. The economic stimulus package may contain provisions that are advantageous to utilities, such as making funds available for projects already started or under consideration by the utilities. How should this be factored into the discussion of what incentives are appropriate?
7. What safeguards should the Commission require to ensure that funds received by utilities from stimulus legislation are prudently spent; are used to meet goals consistent with national and state energy policies; and are used consistent with their intended purposes?
8. Are there legal impediments to the Commission pre-approving cost recovery for investments or expenses related to federal grant programs, subject to a prudence review after the fact?
9. What are the policy reasons for and against such pre-approval of cost recovery?