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**HOUSE BILL NO. 460****AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Corporations, Insurance and Banking  
on February 10, 2000)

(Patron Prior to Substitute—Delegate Morgan)

*A BILL to amend and reenact §§ 56-1.2 and 56-235.4 of the Code of Virginia, relating to utility services.*

**Be it enacted by the General Assembly of Virginia:****1. That §§ 56-1.2 and 56-235.4 of the Code of Virginia are amended and reenacted as follows:**

§ 56-1.2. Persons not designated as public utility, public service corporation, etc.

The terms public utility, public service corporation or public service company, as used in Chapters 1 (§ 56-1 et seq.), 10 (§ 56-232 et seq.), 10.1 (§ 56-265.1 et seq.) and 10.2:1 (§ 56-265.13:1 et seq.) of Title 56, shall not refer to any person who owns or operates property and provides electricity, natural gas or water to residents or tenants on the property, provided that (i) the electricity, natural gas or water provided to the residents or tenants is purchased by the person from a public utility, public service corporation, public service company, *or person licensed by the Commission as a competitive provider of energy services*, or a county, city or town, or other publicly regulated political subdivision or public body, (ii) the person or his agent charges to the resident or tenant on the property only that portion of the person's utility charges for the electricity, natural gas or water which is permitted by § 56-245.3, and (iii) the person maintains three years' billing records for such charges.

§ 56-235.4. Prohibition of multiple rate increases within any twelve-month period; exception.

A. The regulated operating revenues of a public utility shall not be increased pursuant to ~~Article 4 (§ 56-209 et seq.) of Chapter 9 or Chapters 9.1 (§ 56-231.15 et seq.), 10 (§ 56-232 et seq.), 16 (§ 56-485 et seq.), or 19 (§ 56-531 et seq.) of this title~~ more than once within any twelve-month period. This limitation shall not apply to increases in regulated operating revenues resulting from (i) increases in rates pursuant to § 56-245 or § 56-249.6, (ii) any automatic rate adjustment clause approved by the Commission, (iii) new rate schedules for service not offered under existing rate schedules or for expansion, reduction, or termination of existing services, (iv) initiation, modification or termination of experimental rates under § 56-234, or (v) the making permanent of an experimental program. Notwithstanding any other provisions of this section, a telephone company may apply to the Commission to pass on to its customers as a part of its rates any changes approved by the Commission in the carrier access charges.

B. The Commission may adopt such rules and regulations as may be necessary to carry out the provisions of this section. The Commission may specify, by rule, the time during the calendar year when application may be filed by electric utility and cooperatives, gas utilities, telephone utilities and cooperatives, and other utilities.

The Commission may by rule provide standards and procedures for expedited handling of rate increase applications, and such rules may provide that an expedited rate increase may take effect in less than twelve months after the preceding increase so long as regulated operating revenues are not increased pursuant to the provisions of subsection A of this section more than once in any calendar year.