

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 56-580 of the Code of Virginia, relating to the transmission and*  
3 *distribution of electricity by municipal electric utilities.*

4 [H 1935]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 56-580 of the Code of Virginia is amended and reenacted as follows:**

8 § 56-580. Transmission and distribution of electric energy.

9 A. The Commission shall continue to regulate pursuant to this title the distribution of retail electric  
10 energy to retail customers in the Commonwealth and, to the extent not prohibited by federal law, the  
11 transmission of electric energy in the Commonwealth.

12 B. The Commission shall continue to regulate, to the extent not prohibited by federal law, the  
13 reliability, quality and maintenance by transmitters and distributors of their transmission and retail  
14 distribution systems.

15 C. The Commission shall develop codes of conduct governing the conduct of incumbent electric  
16 utilities and affiliates thereof when any such affiliates provide, or control any entity that provides,  
17 generation, distribution, transmission or any services made competitive pursuant to § 56-581.1, to the  
18 extent necessary to prevent impairment of competition.

19 D. The Commission may permit the construction and operation of electrical generating facilities upon  
20 a finding that such generating facility and associated facilities including transmission lines and  
21 equipment (i) will have no material adverse effect upon reliability of electric service provided by any  
22 regulated public utility and (ii) are not otherwise contrary to the public interest. In review of its petition  
23 for a certificate to construct and operate a generating facility described in this subsection, the  
24 Commission shall give consideration to the effect of the facility and associated facilities, including  
25 transmission lines and equipment, on the environment and establish such conditions as may be desirable  
26 or necessary to minimize adverse environmental impact as provided in § 56-46.1.

27 E. Nothing in this section shall impair the distribution service territorial rights of incumbent electric  
28 utilities, and incumbent electric utilities shall continue to provide distribution services within their  
29 exclusive service territories as established by the Commission. Nothing in this chapter shall impair the  
30 Commission's existing authority over the provision of electric distribution services to retail customers in  
31 the Commonwealth including, but not limited to, the authority contained in Chapters 10 (§ 56-232 et  
32 seq.) and 10.1 (§ 56-265.1 et seq.) of this title.

33 F. Nothing in this chapter shall impair the exclusive territorial rights of an electric utility owned or  
34 operated by a municipality as of July 1, 1999, nor shall any provision of this chapter apply to any such  
35 electric utility unless (i) that municipality elects to have this chapter apply to that utility or (ii) that  
36 utility, directly or indirectly, sells, offers to sell or seeks to sell electric energy to any retail customer  
37 outside the geographic area that was served by such municipality as of July 1, 1999, *except any area*  
38 *within the municipality that was served by an incumbent public utility as of that date but was thereafter*  
39 *served by an electric utility owned or operated by a municipality pursuant to the terms of a franchise*  
40 *agreement between the municipality and the incumbent public utility.*

ENROLLED

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