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**HOUSE BILL NO. 665**

Offered January 9, 2008

Prefiled January 8, 2008

A *BILL to amend and reenact § 56-90 of the Code of Virginia, relating to the Utility Transfers Act; cooperatives to be held harmless.*

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Patron—Marshall, R.G.

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Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:****1. That § 56-90 of the Code of Virginia is amended and reenacted as follows:**

§ 56-90. Procedure for authority to acquire or dispose of utility assets or securities.

A. Application for authority to acquire or dispose of utility assets or utility securities under § 56-89 shall be by petition to the Commission. The petition may be joint or several. It shall be signed and verified by the president or any vice-president and the secretary or any assistant secretary of the petitioner. The petition shall clearly summarize the object in view, the proposed procedure and the terms and conditions thereof. Upon the filing of the petition, if the Commission shall deem a hearing necessary, the Commission shall assign the matter for prompt hearing.

B. If and when the Commission, with or without hearing, shall be satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition, *and that the conditions set forth in subsection C have been satisfied*, the Commission shall make such order in the premises as it may deem proper and the circumstances require, and thereupon it shall be lawful to do the things provided for in such order, subject, however, to the exception contained in § 56-89 as to counties and municipalities.

C. *The Commission shall not approve an application by a utility consumer services cooperative formed under or subject to Article 1 (§ 56-231.15 et seq.) of Chapter 9.1 for authority to acquire utility assets or utility securities unless the Commission finds that the acquisition will not cause an increase in the rates of any other utility consumer services cooperative by, inter alia, increasing the amount of electric energy that a power supply cooperative formed under or subject to Article 2 (§ 56-231.38 et seq.) of Chapter 9.1, and of which the utility consumer services cooperatives are members, will be required to purchase in the wholesale electric power market. However, the Commission may approve such an application if the petitioning utility consumer services cooperative agrees to hold harmless the other utility consumer services cooperatives from any increase in rates resulting from the acquisition.*

D. *In any rate case proceeding under this title initiated by a utility consumer services cooperative formed under or subject to Article 1 (§ 56-231.15 et seq.) of Chapter 9.1 that received approval by the Commission, between July 1, 2007, and July 1, 2008, of an application under §§ 56-89 and this section, the Commission shall ensure that the utility's rates are set at an amount that provides for the collection of contributions, to be distributed to any other utility consumer services cooperative that has had its cost of wholesale power increased as a result of the Commission's approval of the application, sufficient to hold the other utility consumer services cooperatives harmless for such cost increases.*

INTRODUCED

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