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**HOUSE BILL NO. 2315**

Offered January 14, 2009

Prefiled January 14, 2009

A *BILL to amend the Code of Virginia by adding a section numbered 56-585.4, relating to electric utility rates; deferral of increases.*

Patrons—Carrico and Kilgore; Senator: Puckett

Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:****1. That the Code of Virginia is amended by adding a section numbered 56-585.4, as follows:**

*§ 56-585.4. Deferral of electric utility rate increases.*

*A. As used in this section:*

*"Base rate burden" means the average of all rates and charges paid by an investor-owned electric utility's residential retail customers in the calendar year preceding the year in which the Commission approved an increase in the rates and charges of an electric utility for residential retail customers under its basic residential service tariff, expressed on a per-kilowatt-hour basis.*

*"Deferred increase amount" means the amount of revenue that would be collected by the investor-owned electric utility over the 36 months following an order of the Commission deferring collection of the deferred increase amount, which amount shall be based on the difference between the revised rate burden and 115 percent of the base rate burden.*

*"Revised rate burden" means the rates and charges that will be payable by an investor-owned electric utility's residential retail customers following an increase in rates and charges, expressed on a per-kilowatt-hour basis.*

*B. Upon approving any increase in the rates and charges of an electric utility for residential retail customers under its basic residential service tariff, including an increase in base rates or any rate adjustment clause pursuant to § 56-585.1 or fuel factor charges approved pursuant to § 56-249.6, the Commission shall determine if the revised rate burden exceeds 115 percent of the base rate burden. If it so finds, the Commission shall order that the electric utility's recovery of the deferred increase amount shall be deferred, with interest at such rate as the Commission finds is appropriate and in the public interest.*

*C. An electric utility shall recover a deferred increase amount, with interest, from its residential retail customers as follows:*

*1. In the 12-month period following entry of the Commission's order deferring collection of the deferred increase amount, the entire amount shall be deferred;*

*2. In the 13th through 24th months following entry of the Commission's order deferring collection of the deferred increase amount, one third of the deferred increase amount, with interest that accrued thereon during the period from the entry of the Commission's order until through such 24th month, shall be recovered; and*

*3. In the 25th through 36th months following entry of the Commission's order deferring collection of the deferred increase amount, the balance of the deferred increase amount, with interest accruing during such period, shall be recovered.*

INTRODUCED

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