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SENATE JOINT RESOLUTION NO. 145

Offered January 26, 2010

Directing the Commission on Electric Utility Regulation to study alternatives to the monopoly service provided by Appalachian Power in Southwest and Southside Virginia. Report.

Patrons—Wampler, Hurt, Puckett and Reynolds; Delegates: Armstrong, Carrico, Crockett-Stark, Griffith, Johnson, Kilgore, Marshall, D.W., Merricks, Morefield, Nutter, Phillips and Poindexter

Unanimous consent to introduce

Referred to Committee on Rules

WHEREAS, Appalachian Power (AEP), a subsidiary of American Electric Power, has been provided the exclusive right to provide electric service to over half a million customers within the utility's certificated service territory covering portions of Southwest and Southside Virginia; and

WHEREAS, between 2004 and 2009, the monthly cost to a residential customer of AEP using 1,000 kWh has increased from \$56.82 to \$98.65, which figure does not include the increase of approximately \$8 that went into effect on an interim basis on December 12, 2009; and

WHEREAS, in addition to their impact on residential customers, increases in electricity rates have placed commercial and industrial customers at a competitive disadvantage; and

WHEREAS, the inability of AEP's customers to purchase electricity service from other providers of electric service, except in the limited circumstances set forth in § 56-577 of the Code of Virginia, may be contributing to the rapid escalation in electric rates in AEP's certificated service territory; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Commission on Electric Utility Regulation be directed to study alternatives to the monopoly service provided by Appalachian Power in Southwest and Southside Virginia. In conducting its study, the Commission on Electric Utility Regulation shall determine (i) if customers within AEP's certificated service territory should be provided the option to purchase electric generation and other services from other providers of such services, including electric distribution cooperatives, investor-owned electric utilities, or licensed competitive service providers, and (ii) if it would be in the best interests of the Commonwealth if AEP were to be replaced by another entity, which may be a new or existing investor-owned electric utility or electric cooperative, as the certificated provider of electric utility services within AEP's service territory.

The Office of the Clerk of the Senate shall provide administrative staff support. The Division of Legislative Services shall provide legal, research, policy analysis, and other services as requested by the Commission on Electric Utility Regulation. Technical assistance shall be provided to the Commission on Electric Utility Regulation by the State Corporation Commission. All agencies of the Commonwealth shall provide assistance to the Commission on Electric Utility Regulation for this study, upon request.

The Commission on Electric Utility Regulation shall complete its meetings by November 30, 2010, and its chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2011 Regular Session of the General Assembly. The executive summary shall state whether the Commission on Electric Utility Regulation intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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