

State Corporation Commission 2011 Fiscal Impact Statement

1. Bill Number: HB2514

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Merricks

3. Committee: Commerce and Labor

4. Title: Electric utility regulation.

5. Summary: Electric utility regulation. Excludes any investor-owned electric utility that was as of July 1, 1999, not bound by a rate case settlement adopted by the State Corporation Commission (SCC) that extended in its application beyond January 1, 2002, from provisions of the Virginia Electric Utility Regulation Act that establish floors on a utility's rate of return based on returns reported by peer group utilities in other Southeastern states. Petitions by such investor-owned electric utilities for rate adjustment clauses are required to be consolidated into a single annual proceeding. Changes in the rates of such a utility resulting from biennial reviews and annual rate adjustment clause proceedings will be effective no later than May 1 of the year following the filing of the application. In rate adjustment clause proceedings involving such utilities, the SCC is required to ensure that rate riders do not provide revenues that allow the utility to earn in excess of the authorized rate of return. The SCC will also be allowed to adjust rate riders in the future based on earnings.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission

8. Fiscal Implications: None on the State Corporation Commission.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/25/2011 SDL