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HOUSE BILL NO. 2108

Offered January 9, 2013

Prefiled January 9, 2013

A BILL to amend the Code of Virginia by adding sections numbered 56-236.3 and 58.1-438.2, relating to reduced electricity rates to be charged to certain low-income residential customers; tax credit for utility revenue deficiency.

Patron—Morefield

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 sections numbered 56-236.3 and 58.1-438.2 as follows:

§ 56-236.3. Electric services rates for low-income residential customers.

A. As used in this section, unless the context requires a different meaning:

"Billing cycle" means a period of time during the course of which an electric utility either bills for or measures, by meter reading or any other means, the usage of its electric utility services by all of its customers a single time. An electric utility may elect whether it wishes to determine its billing cycles by date of measurement or by date of billing. An electric utility that employs 12 billing cycles per year shall be deemed to employ monthly billing cycles. An electric utility that employs more or fewer than 12 billing cycles per year shall be deemed to employ nonmonthly billing cycles. For an electric utility employing monthly billing cycles, a billing cycle identified by the name of a particular calendar month shall include at least 12 days of that calendar month.

"Billing month" as applied:

1. To a utility employing nonmonthly billing cycles and to its customers means the calendar month to which that billing month correlates under subsection B; and

2. To a utility employing monthly billing cycles and to its customers means the period of customer usage reflected on any bill that, in the case of a utility with billing-date billing cycles, is issued during that particular monthly billing cycle or for which, in the case of a utility with measurement-date billing cycles, the measurement of usage is made during that particular monthly billing cycle.

"Eligible customer" means a residential utility customer, 60 years of age or older, receiving (i) supplemental security income (SSI) benefits under the program administered by the Social Security Administration, (ii) Temporary Assistance for Needy Families (TANF), or (iii) food stamps.

"Utility" means an investor-owned electric utility subject to the jurisdiction of the Commission.

B. The Commission shall order each utility to offer eligible customers reduced rates applicable to electric service for the billing months of December, January, February, March, and April of each year, beginning with the billing month of December 2013. The reduced rate offered by each utility to its eligible customers shall be 20 percent less than the rate that would be applicable to such customers if they did not qualify as an "eligible customer" as defined in subsection A.

C. A customer of a utility offering reduced rates shall be eligible to receive such rates for each of the billing months of December, January, February, March, and April that correlates to a calendar month during which that customer is an eligible customer, except as otherwise provided in this section. The correlation of billing months to calendar months of eligibility to participate in a qualifying program is as follows: (i) a December billing month correlates to the calendar month of November; (ii) a January billing month correlates to the calendar month of December; (iii) a February billing month correlates to the calendar month of January; (iv) a March billing month correlates to the calendar month of February; and (v) an April billing month correlates to the calendar month of March. No customer shall be eligible to receive the reduced rates until the billing month in which that customer applies for such rates. Before any individual may qualify to receive the reduced rates, the following requirements shall be met:

1. The reduced rates shall apply only to current customers or to those persons who subsequently become customers of a utility in their own name. If an SSI, TANF, or food stamp recipient age 60 or older is living in a household that is served under the name of a person who is not an SSI, TANF, or food stamp recipient, that service may not be changed or have been changed after July 1, 2013, to the name of the SSI, TANF, or food stamp recipient in order to qualify for service under the reduced rates;

2. The burden of proving eligibility for the reduced rates shall be on the customer requesting such rates; and

3. No eligible customer who is a recipient of more than one of the forms of assistance described in

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59 clause (i), (ii), or (iii) of the definition of "eligible customer" in subsection A shall be eligible for more
60 than one 20 percent discount for electric service during each billing month that said customer is eligible
61 to receive the reduced rates.

62 D. The Department of Social Services shall adopt regulations establishing procedures (i) to inform
63 persons receiving any of the forms of assistance that confer eligibility for the reduced rates about the
64 availability of the reduced rates, (ii) to assist applicants for the reduced rates in proving their eligibility
65 therefor, and (iii) to assist utilities in determining on a continuing basis the eligibility therefor of
66 persons receiving or applying for such rates.

67 E. The Commission shall adopt regulations establishing procedures for the application for and
68 provision of service under the reduced rates and for the determination and certification of revenue
69 deficiencies resulting from the reduced rates.

70 F. The Commission shall each year, beginning in 2014, determine, upon application by any affected
71 utility, the amount of the utility's revenue deficiency that resulted in the previous year from the reduced
72 rates. Upon determining any utility's revenue deficiency, the Commission shall issue an order certifying
73 the amount of that deficiency. The certified amount of the deficiency shall be used in determining the
74 amount of the tax credit available to the utility pursuant to § 58.1-438.2.

75 **§ 58.1-438.2. Electric utility revenue deficiency tax credit.**

76 A. For taxable years beginning on and after January 1, 2013, every investor-owned electric utility
77 subject to the jurisdiction of the State Corporation Commission shall be allowed as a tax credit against
78 the liability of the utility pursuant to the provisions of Article 10 (§ 58.1-400 et seq.) an amount equal
79 to 1.45 percent of the utility's certified revenue deficiency resulting from reduced rates as determined by
80 the State Corporation Commission pursuant to subsection F of § 56-236.3. The tax credit shall not be
81 refundable or transferable. Any tax credit not usable for the taxable year may be carried over to the
82 extent usable for the next five succeeding taxable years or until the full credit is utilized, whichever is
83 sooner.

84 B. The provisions of this section shall expire on July 1, 2018.

85 **2. That expeditious implementation of the provisions of this act providing eligible residential**
86 **utility customers reduced rates for the billing months of December 2013 through April 2014 shall**
87 **be deemed to be an emergency situation pursuant to § 2.2-4011 of the Code of Virginia; therefore,**
88 **to meet this emergency situation, the State Corporation Commission and Department of Social**
89 **Services shall promulgate temporary emergency regulations to implement the provisions of this act**
90 **to be effective by October 1, 2013, which temporary emergency regulations shall not be subject to**
91 **the requirements of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia)**
92 **except that they shall be filed with the Registrar of Regulations and published in the Virginia**
93 **Register of Regulations in accordance with the provisions of subsection B of § 2.2-4031 of the Code**
94 **of Virginia. These temporary regulations shall remain in effect until supplanted by permanent**
95 **rules and regulations, which shall be adopted by the State Corporation Commission and**
96 **Department of Social Services within 280 days of the effective date of this act.**