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**SENATE BILL NO. 956**

Offered January 9, 2013

Prefiled January 7, 2013

A *BILL to amend the Code of Virginia by adding a section numbered 56-585.4, relating to electric utility ratemaking; declining block rates for residential customers.*

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Patron—Favola

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Referred to Committee on Commerce and Labor

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**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. Use of residential declining block rate schedules.**

A. As used in this section:

"Declining block rate structure" means a rate structure in which the per-unit price of electricity decreases as the amount of electricity consumed increases.

"Electric utility" means any investor-owned electric utility or electric cooperative.

B. In any proceeding initiated on or after July 1, 2013, under § 56-235.2, 56-585.1, or 56-585.3 or any other section of this title in which the Commission is required to review the rates or tariffs of an electric utility, the Commission shall not approve a rate schedule or tariff that utilizes a declining block rate structure, including a seasonal declining block rate structure, for residential customers unless the electric utility demonstrates that such a rate structure is equitable to all affected customers and consistent with the Commonwealth's energy efficiency goals.

C. Nothing in this section shall prevent the Commission from approving a rate schedule or tariff that utilizes (i) a declining block rate structure for customers in an industrial, commercial, or other nonresidential class or (ii) an inclining block rate structure, flat block rate structure, or a combination thereof, for residential customers.

INTRODUCED

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