

State Corporation Commission 2014 Fiscal Impact Statement

1. Bill Number: HB1059

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|------------------------|--|-------------------------------------|------------------------------------|
| 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: Kilgore

3. Committee: Commerce and Labor

4. Title: Electric utilities; generation facility cost recovery.

5. Summary: Electric utilities; generation facility cost recovery. Limits the portion of the costs incurred by an investor-owned electric utility between July 1, 2007, and December 31, 2013, in developing a nuclear power facility or an offshore wind project that are recoverable through a rate adjustment clause to 30 percent of such amount. The remaining 70 percent of such costs will be recoverable only through existing base rates in the test periods under review in the utility's next biennial review filed after July 1, 2014. All of the costs incurred after December 31, 2013, will be recoverable through a rate adjustment clause as may be approved by the State Corporation Commission. The measure also amends a provision that currently states that nothing precludes the Commission from determining the reasonableness or prudence of any cost incurred or projected to be incurred by a utility. As revised, contradictory provisions that limit the Commission's ability to make such determinations will control.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: None on the State Corporation Commission

8. Fiscal Implications: None on the State Corporation Commission

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

10. Technical Amendment Necessary: No

11. Other Comments: None