

State Corporation Commission 2015 Fiscal Impact Statement

1. Bill Number: HB1475

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: Ware

3. Committee: Commerce and Labor

4. Title: Natural gas utilities; recovery and deferral of system expansion infrastructure costs.

5. Summary: Natural gas utilities; recovery of system expansion infrastructure costs. Establishes a procedure under which a natural gas utility may seek State Corporation Commission (SCC) approval of a system expansion plan that includes, among other things, a schedule for recovery of eligible system expansion infrastructure costs through a system expansion rider and a methodology for deferral of unrecovered eligible system expansion costs. A system expansion plan and system expansion rider shall allocate and charge costs in accordance with cost causation principles in order to avoid any undue cross-subsidization between rate classes. The SCC is barred from examining other revenue requirement or ratemaking issues in its consideration of the natural gas utility's application. Costs recovered under this measure shall be in addition to all other costs that the natural gas utility is permitted to recover, shall not be considered an offset to other approved costs of service or revenue requirements, and shall not be included in any computation relative to a performance-based regulation plan revenue-sharing mechanism. The authorization and encouragement of the expansion of natural gas infrastructure and the promotion of the use of natural gas are declared to be in the public interest. Allowing Virginia's natural gas utilities to approach expansion of intrastate infrastructure into unserved and underserved areas on a more proactive basis by expanding, improving, and increasing the reliability of Virginia's energy infrastructure is also declared to be in the public interest.

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: Virginia State Corporation Commission.

10. Technical Amendment Necessary: None noted.

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11. Other Comments: None.

SDL, 1/11/2015