

## State Corporation Commission 2016 Fiscal Impact Statement

**1. Bill Number:** SB748

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

**2. Patron:** Wagner

**3. Committee:** Passed Both Houses

**4. Title:** Economic Development Infrastructure Act of 2016.

**5. Summary:** Economic Development Infrastructure Act of 2016. Authorizes an electric or natural gas public utility to conduct an Economic Development Program (Program). Under such a Program, the utility is authorized to acquire utility right-of-way for a qualified economic development site. The measure establishes criteria for the Virginia Economic Development Partnership Authority to certify that a site is a qualified economic development site. The State Corporation Commission (SCC) is authorized to approve a proposal for a Program that satisfies certain conditions, including a finding that implementation of the Program will provide significant economic development benefits that might not otherwise be attained absent its approval. A utility's capital investment is capped at \$10 million in the aggregate of all of the utility's Programs and at \$5 million for any specific qualified economic development site. The SCC shall approve, or approve with appropriate modifications, a proposed Program if the proposed Program authorizes (i) a natural gas utility to recover costs incurred in implementing the Program through a supplemental surcharge paid only by its retail customers at the qualified economic development site that connect to natural gas line extensions installed in utility right-of-way or other interests in real property acquired through the Program or (ii) an electric utility to recover its transmission-related costs incurred in implementing the Program through a rate adjustment clause pursuant to existing provisions that address recovery of transmission expenses. The SCC shall not approve a Program proposed by a natural gas utility unless it finds that the associated charges resulting from implementation of the Program will not impact the rates of customers other than customers receiving service at the qualified economic development site. A Program shall not have as its primary purpose the conversion of propane customers to natural gas or electricity. The measure does not authorize a natural gas utility or any firm, corporation, company, or partnership that is organized for the bona fide purpose of operating as a natural gas company to acquire utility right-of-way for or in furtherance of an interstate natural gas pipeline or related infrastructure. The measure does not change any existing law governing electric utility ratemaking and cost recovery and provides that if an electric utility files a plan, any cost recovery shall be in accordance with existing law governing electric utility ratemaking and cost recovery.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** No 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;  
Virginia Economic Development Partnership Authority

**10. Technical Amendment Necessary:** No

**11. Other Comments:** The House and Senate agreed to Conference Committee amendments to the House Substitute.

CDW, 03/31/2016