

VIRGINIA ACTS OF ASSEMBLY -- 2017 SESSION

CHAPTER 253

An Act to amend and reenact § 56-607 of the Code of Virginia, relating to qualified projects of natural gas utilities; investments in eligible infrastructure.

[S 1289]

Approved February 24, 2017

Be it enacted by the General Assembly of Virginia:

1. That § 56-607 of the Code of Virginia is amended and reenacted as follows:

§ 56-607. Application and administration.

A. A natural gas utility shall account for the actual monthly EIDC incurred on the cumulative investment in eligible infrastructure in excess of any aid to construction contributed by the developer of the project or the person that will occupy the proposed project as a deferred cost until new base rates and charges that incorporate EIDC become effective for the natural gas utility, following a Commission order establishing or confirming customer rates in a rate case using the cost of service methodology set forth in § 56-235.2 or a performance-based regulation plan authorized by § 56-235.6. Such deferred cost shall be accounted for as a regulatory asset and shall not be subject to write-off or write-down by the Commission in an earnings test filing made pursuant to Commission rules governing utility rate increases and annual informational filings.

B. The investment for all qualifying projects of a natural gas utility in any year shall not exceed one percent of the natural gas utility's net plant investment that was utilized in establishing base rates in the natural gas utility's most recent rate case. The provisions of this subsection shall not apply, however, to any natural gas utility serving fewer than ~~4,000~~ 2,000 residential customers and fewer than ~~250~~ 350 commercial and industrial customers in the year in which it makes an investment for qualifying projects.

C. Deferral of costs recovered pursuant to this chapter shall have no effect on the recovery of any other cost by the natural gas utility and shall not be included in any computation relative to a performance-based regulation plan revenue-sharing mechanism.