

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [S 1289]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 56-607 of the Code of Virginia is amended and reenacted as follows:**8 **§ 56-607. Application and administration.**

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

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

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

REENROLLED

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