

State Corporation Commission 2017 Fiscal Impact Statement

1. Bill Number: HB1671

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Morefield

3. Committee: Commerce and Labor

4. Title: Qualified projects of natural gas utilities.

5. Summary: Qualified projects of natural gas utilities. Exempts any natural gas utility serving fewer than 2,000 residential customers and fewer than 350 commercial and industrial customers in the year in which the utility makes an investment for qualifying projects from the provision that limits the amount of investment that a natural gas utility may make in qualifying projects to one percent of its net plant investment that was used in establishing base rates in its most recent rate case. The existing exemption to the one percent cap was enacted in 2013 and applies to any natural gas utility serving fewer than 1,000 residential customers and fewer than 250 commercial and industrial customers in such year. Legislation enacted in 2012 established a mechanism for natural gas utilities to recover the eligible infrastructure development costs of a qualifying project through future rates. A qualifying project is an economic development project for which, among other things, the utility has received a binding commitment from the developer or occupant of the proposed project regarding capacity or a financial guaranty from the developer or state or local government in the amount of at least 50 percent of the estimated investment to be made in the proposed project.

6. Budget Amendment Necessary: None

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

11. Other Comments: None

CDW, 01/12/2017