

State Corporation Commission 2018 Fiscal Impact Statement

1. Bill Number: SB901

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: Sturtevant

3. Committee: Commerce and Labor

4. Title: Electric utilities; undergrounding distribution lines; reasonableness and prudence of costs.

5. Summary: States that the General Assembly has determined that (i) the conversion of an investor-owned electric utility's existing overhead distribution tap lines with new underground facilities will provide local and system-wide benefits, (ii) the new underground facilities are cost beneficial, and (iii) the costs associated with the new underground facilities are reasonably and prudently incurred. This legislative determination replaces a provision enacted in 2017 that established a rebuttable presumption regarding these three issues. The measure also directs the State Corporation Commission, in proceedings authorized or required by § 56-585.1, to only consider whether activities, facilities, or projects were or will be subject to proper and required purchasing and construction practices and whether costs proposed for such activities, facilities, or projects are reasonable such that they are attributable to expenses. This directive supersedes provisions enacted in 2007 that authorized the Commission to determine the reasonableness and prudence of costs incurred by a utility.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: None for the State Corporation Commission

8. Fiscal Implications: None on the State Corporation Commission

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No

11. Other Comments: None