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SENATE JOINT RESOLUTION NO. 118
AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rules
on February 7, 1996)

(Patron Prior to Substitute—Senator Reasor)

Establishing a joint subcommittee to study restructuring and potential changes in the electric utility industry in the Commonwealth.

WHEREAS, electricity is a necessity for all individuals, industries, businesses, and municipalities in the Commonwealth; and

WHEREAS, the generation and transmission of electric power and the sale and distribution of electricity to consumers within the Commonwealth are affected by the public interest; and

WHEREAS, it is the policy of the General Assembly and this Commonwealth to support a regulatory climate that ensures reliable electric services at reasonable prices for all consumers considering the public interest; and

WHEREAS, markets for electricity are changing nationally and appear to be moving toward increased competition; and

WHEREAS, changes in the electric utility industry could enhance the competitive position of Virginia's businesses and industries, including Virginia's ability to compete more effectively in business development; and

WHEREAS, there is a need for careful consideration of all issues involving customer choice and the potential restructuring of, and competition in, the electric utility industry and the system of electric utility regulation; and

WHEREAS, electric utilities have expressed the desire to have certain of their services deregulated, to be able to negotiate special rates with individual customers, to enter competitive and unregulated lines of business, and to offer a full package of energy services; and

WHEREAS, the Federal Energy Regulatory Commission, and the legislatures and regulatory commissions of more than thirty-five states, either have implemented or are studying initiatives to restructure and to increase competition in the electric utility industry; and

WHEREAS, the State Corporation Commission of Virginia (SCC) is currently studying electric utility industry restructuring and consumer choice issues in its pending investigation in Case No. PUE950089; and

WHEREAS, the SCC's investigation will encompass an examination which includes, among other matters, the following issues:

1. What services and other aspects of the electric utility industry can best achieve their goals by being subject to competition, taking into account factors such as reliability, price, profit, and rates.

2. What services and other aspects of the electric utility industry can best achieve their goals through regulation or a combination of regulation and competition.

3. With respect to those services and elements that should be subjected to competition, how those services and elements may be monitored to ensure that there is, in fact, competition and that competition is achieving its goals.

4. With respect to those services and elements that should be regulated, what form the regulation should take and how it will be determined whether or not such regulation is achieving its goals; and

WHEREAS, the interest of Virginia's citizens in a competitive electric utility industry warrants the immediate attention of the General Assembly; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study restructuring and potential changes in the electric utility industry in the Commonwealth and determine the need for legislative changes in order to promote the public interest as determined by the work of the subcommittee.

As part of the study, the joint subcommittee shall consider the SCC's investigation in case number PUE950089 and consult with the SCC regarding issues under consideration by the subcommittee.

The joint subcommittee shall be composed of seven members representing the various geographic areas of the Commonwealth as follows: three members of the Senate Committee on Labor and Commerce, to be appointed by the Senate Committee on Privileges and Elections, and four members of the House Committee on Corporations, Insurance and Banking, to be appointed by the Speaker of the House.

The direct costs of this study shall not exceed \$5,250.

The Division of Legislative Services shall provide staff support for the study. Technical assistance shall be provided by the Public Utilities staff of the Virginia State Corporation Commission. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

60 The joint subcommittee shall complete its work in time to submit its findings and recommendations
61 to the Governor and the 1997 Session of the General Assembly as provided in the procedures of the
62 Division of Legislative Automated Systems for processing legislative documents.
63 Implementation of this resolution is subject to subsequent approval and certification by the Joint
64 Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the
65 study.