

## State Corporation Commission 2007 Fiscal Impact Statement

**1. Bill Number** HB3068

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron** Hogan

**3. Committee** Commerce and Labor

**4. Title** Virginia Electric Utility Restructuring Act.

**5. Summary/Purpose:** Virginia Electric Utility Restructuring Act. Provides that if the State Corporation Commission is unable to identify regional electricity markets where competition is an effective regulator of rates, it shall establish the post-capped rate period rates for a distributor's generation component of default service at rates that are in the public interest, do not prejudice or disadvantage any class of customers, provide incentives for improved performance, are not excessive, are adequate and seek to ensure the safe and reliable provision of default service. If a distributor asserts that these default service generation rates do not allow it to recover its prudently incurred costs and an adequate return, the Commission shall establish the rates in a cost-of-service rate case proceeding.

**6. Fiscal impact estimates are:** Not available. See Item # 8.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** There will be no fiscal impact on the State Corporation Commission or the Commonwealth. However, the legislation will have implications on revenues collected by electric utilities and the bills paid by electric consumers. Such impacts cannot be quantified.

**9. Specific agency or political subdivisions affected:** State Corporation Commission.

**10. Technical amendment necessary:** None noted.

**11. Other comments:** No.

**Date:** 01/18//07 / CW

cc: Secretary of Commerce and Trade