

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: SB145

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Stosch

3. Committee: Commerce and Labor

4. Title: Natural gas utilities; recovery of capital costs.

5. Summary: Natural gas utilities; recovery of capital costs. Establishes a mechanism for a natural gas utility to recover its reasonably incurred capital costs of acquiring, constructing, or enlarging certain natural gas facilities placed into service in the Commonwealth on or after July 1, 2008. These capital costs, which include an allowance for funds used during construction, shall be included in the utility's rate base for its next general rate case or performance-based regulation plan.

6. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission

7. Budget Amendment Necessary: No

8. Fiscal Implications: None on the State Corporation Commission

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

10. Technical Amendment Necessary: See Item 11.

11. Other Comments: The patron may wish to consider striking the words on line 16 “at the time the natural gas facility is placed into service” and inserting “during the construction period of the natural gas facility.” In subsection B on line 22, the patron may wish to consider striking “acquiring” because an allowance for funds used during construction is accrued during the construction period and a utility acquiring a natural gas facility will not incur this capital cost.

Date: 1/16/2008 sdl

cc: Secretary of Commerce and Trade