

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: SB91

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Reynolds

3. Committee: Commerce and Labor

4. Title: Electricity rates; adjustment clauses.

5. Summary: Electricity rates; adjustment clauses. Provides the State Corporation Commission with authority to review the recovery by electric utilities of certain expenses that will be recoverable under current law through rate adjustment clauses. The utility expenses will instead be subject to review as part of the biennial rate review of the utility's total revenues and expenses. Items that are scheduled to be recoverable through rate adjustment clauses include (i) costs for transmission services; (ii) deferred environmental and reliability costs; (iii) costs of providing incentives for the utility to design and operate fair and effective demand-management, conservation, energy efficiency, and load management programs; (iv) costs of participation in the renewable energy portfolio standard program; (v) costs of projects that the SCC finds to be necessary to comply with state or federal environmental laws or regulations applicable to generation facilities used to serve the utility's native load obligations, and (vi) costs of certain generation projects, including Dominion's proposed coal-fired plant in Southwest Virginia. Provisions that limit the SCC's discretion regarding any incentive return for new generation facilities are repealed.

6. Fiscal Impact Estimates: Are not available. See item 8.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: This bill would impact the timing and nature of rate changes for electric utilities. The fiscal impact cannot be determined at this time.

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

10. Technical Amendment Necessary:

11. Other Comments: None.

Date: 1/16/2008 pue

Document: G:\FIS Template for 2008.doc

cc: Secretary of Commerce and Trade