

## State Corporation Commission 2011 Fiscal Impact Statement

**1. Bill Number:** HB1736

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Pollard

**3. Committee:** Commerce and Labor

**4. Title:** Investor-owned electric utilities; rate of return.

**5. Summary:** Electric utility rates; added returns. Eliminates provisions of the Virginia Electric Utility Regulation Act that authorize investor-owned electric utilities to earn added basis points and other performance incentives that would increase the utility's fair combined rate of return on common equity above the rate determined by the Commission in biennial rate review proceedings. Currently, such utilities are authorized to earn performance incentives and enhanced rates of return on common equity if they satisfy performance standards, make certain investments in generation facilities, and successfully participate in a renewable energy program.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** None on 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

**Date:** 1/27/11 DRE