

State Corporation Commission 2014 Fiscal Impact Statement

1. Bill Number: SB585

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

2. Patron: Saslaw

3. Committee: Passed Both Houses

4. Title: Electric utility regulation; recovery of costs of new underground distribution facilities.

5. Summary: Electric utility regulation; recovery of costs of new underground distribution facilities. Authorizes investor-owned electric utilities to recover the costs of new underground distribution facilities through a rate adjustment clause. Eligible facilities will replace existing overhead distribution facilities of 69 kilovolts or less. Petitions seeking approval for recovery of such costs shall not be brought more frequently than annually. A utility shall not seek any annual incremental increase in the level of investments in such facilities that exceeds five percent of the utility's distribution rate base. In determining whether to approve a rate adjustment clause for such facilities, the State Corporation Commission is directed to liberally construe the provisions of Title 56 and to give due consideration to the public policy goals of increased electric service reliability and reduced outage times associated with the replacement of existing overhead distribution facilities with new underground facilities. None of the costs of such new facilities shall be allocated to customers in the large power service rate class for a Phase I utility or general service rate classes for a Phase II utility. The measure also modifies the provisions regarding the Commission's determination of the reasonableness and prudence of costs under § 56-585.1 of the Code.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Final; no fiscal impact 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: Also see House Bill 848.