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SENATE JOINT RESOLUTION NO. 300

Offered January 20, 2015

Directing the Commission on Electric Utility Regulation to study whether the State Corporation Commission should have the authority to regulate the rates of municipal electric utilities. Report.

Patron—Stanley

Unanimous consent to introduce

Referred to Committee on Rules

WHEREAS, the Commission on Electric Utility Regulation is directed, pursuant to § 30-205 of the Code of Virginia, to make such recommendations as may be appropriate in order to preserve the Commonwealth's position as a low-cost electricity market; and

WHEREAS, pursuant to Article IX, Section 2 of the Constitution of Virginia, the State Corporation Commission, subject to requirements prescribed by law, shall have the power and is charged with the duty of regulating the rates, charges, and services of electric companies; and

WHEREAS, the State Corporation Commission has not expressly been provided the authority to regulate the rates, charges, and services of electric utilities operated by municipal corporations; and

WHEREAS, the extent to which the General Assembly's authority to direct the State Corporation Commission to regulate the rates, charges, and services of electric utilities operated by municipal corporations is constitutionally constrained may be unresolved; and

WHEREAS, the rates and terms of service of municipal electric utilities are set by the applicable city or town council; and

WHEREAS, a compilation of electric utility rates in the Commonwealth as of January 2011 compiled by the Office of the Attorney General revealed that the residential rates charged by municipal electric utilities per 1,000 kilowatt hours ranged from a high of \$118.21 to a low of \$83.89; at a time when the national average was \$121.19, Dominion Virginia Power's seasonal weighted average rate was \$102.86 and Appalachian Power's rate was \$94.59; and

WHEREAS, low and stable costs for electricity are vital to the economic well-being of all Virginians, regardless of whether they receive electric service under a residential, commercial, or industrial tariff; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Commission on Electric Utility Regulation be directed to study whether the State Corporation Commission should have the authority to regulate the rates of municipal electric utilities.

In conducting its study, the Commission on Electric Utility Regulation (the Commission) shall determine whether State Corporation Commission regulation or review of the rates charged by municipal electric utilities would be permitted under the Constitution of Virginia; if so, whether the General Assembly should direct the State Corporation Commission to regulate such rates; and if not, whether the Constitution of Virginia should be amended to so permit.

The Office of the Clerk of the Senate shall provide administrative staff support. The Division of Legislative Services shall provide legal, research, policy analysis, and other services as requested by the Commission. Technical assistance shall be provided to the Commission by the Office of the Attorney General. All agencies of the Commonwealth shall provide assistance to the Commission for this study, upon request.

The Commission on Electric Utility Regulation shall complete its meetings by November 30, 2015, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2016 Regular Session of the General Assembly. The executive summary shall state whether the Commission on Electric Utility Regulation intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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