

## State Corporation Commission 2014 Fiscal Impact Statement

**1. Bill Number:** HB1059

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

**2. Patron:** Kilgore

**3. Committee:** Commerce and Labor

**4. Title:** Electric utilities; generation facility cost recovery.

**5. Summary:** Electric utilities; generation facility cost recovery. Requires an electric utility to establish a regulatory asset for regulatory accounting and ratemaking purposes under which it shall defer operation and maintenance costs incurred in connection with the refueling of any nuclear-powered generating plant and certain related work. These deferred O&M costs shall be amortized over the refueling cycle, but in no case for more than 18 months. The State Corporation Commission (SCC) is required to treat the deferred and amortized costs of such regulatory asset as part of the utility's costs for the purpose of certain proceedings. The measure also limits the portion of the costs incurred by an electric utility between July 1, 2007, and December 31, 2013, in developing a nuclear power facility or offshore wind facility that are recoverable through a rate adjustment clause to 30 percent of such amount. The remaining 70 percent of such costs may be recovered through existing base rates as determined by the SCC in the test periods under review in the utility's next biennial review filed after July 1, 2014. All of the costs incurred after December 31, 2013, may be deferred for recovery through a rate adjustment clause as may be approved by the SCC. The measure also states that the planning and development activities for new nuclear generation facilities and generation facilities utilizing energy derived from offshore wind are in the public interest. Finally, the measure also rewords a provision that currently states that nothing precludes the Commission from determining the reasonableness or prudence of any cost incurred or projected to be incurred by a utility.

**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:** Virginia State Corporation Commission

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

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2/15/14