

VIRGINIA ACTS OF ASSEMBLY -- 2020 SESSION

CHAPTER 744

An Act to amend the Code of Virginia by adding a section numbered 56-235.1:2, relating to public utility ratemaking; reasonableness of costs of contracting with small, women-owned, or minority-owned businesses.

[H 432]

Approved April 6, 2020

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 56-235.1:2 as follows:

§ 56-235.1:2. *Costs of using small, women-owned, or minority-owned businesses.*

In any proceeding under this title in which the Commission is required to determine whether costs incurred by a public utility in its delivery or provision of any goods or service are reasonable or prudent, the incremental portion of the costs incurred as a result of the public utility's contracting with a small, woman-owned, or minority-owned business to deliver or provide the goods or service rather than contracting with a business that could have delivered or provided the goods or service at lower costs shall not be found to be unreasonable or imprudently incurred, provided that the costs of the delivery or provision of the goods or services by the small, woman-owned, or minority-owned business do not exceed, by more than three percent, the costs thereof that would have been incurred had the public utility contracted with the lowest-cost qualified business. As used in this section, "small, woman-owned, or minority-owned business" means a business that is certified by the Department of Small Business and Supplier Diversity as a small, women-owned, or minority-owned business pursuant to the conditions and provisions in § 2.2-1604.