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HOUSE BILL NO. 1604

Offered January 11, 2023

Prefiled January 6, 2023

A *BILL to amend and reenact § 56-581 of the Code of Virginia, relating to Virginia Electric Utility Regulation Act; regulation of rates.*

Patrons—Ware, Hudson, Sullivan, Freitas and Seibold

Referred to Committee on Commerce and Energy

Be it enacted by the General Assembly of Virginia:**1. That § 56-581 of the Code of Virginia is amended and reenacted as follows:****§ 56-581. Regulation of rates subject to Commission's jurisdiction.**

A. ~~After the expiration or termination of capped rates except as provided in § 56-585.1, the~~ *The* Commission shall regulate the rates of investor-owned incumbent electric utilities for the transmission of electric energy, to the extent not prohibited by federal law, and for the generation of electric energy and the distribution of electric energy to retail customers pursuant to § 56-585.1. *However, in any triennial review proceeding for an investor-owned incumbent electric utility that commences after January 1, 2023, if the Commission determines in its sole discretion that the utility's existing base rates will, on a going-forward basis, produce unreasonable revenues in excess of the utility's authorized rate of return, then, notwithstanding any provisions of subsection A 8 of § 56-585.1, the Commission may order any reductions to such base rates that it deems appropriate to ensure the resulting base rates (i) are just and reasonable and (ii) provide the utility an opportunity to recover its costs and earn a fair rate of return.*

B. Beginning July 1, 1999, and thereafter, no cooperative that was a member of a power supply cooperative on January 1, 1999, shall be obligated to file any rate rider as a consequence of an increase or decrease in the rates, other than fuel costs, of its wholesale supplier, nor must any adjustment be made to such cooperative's rates as a consequence thereof.

C. Except for the provision of default services under § 56-585 or emergency services in § 56-586, nothing in this chapter shall authorize the Commission to regulate the rates or charges for electric service to the Commonwealth and its municipalities.

INTRODUCED

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