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HOUSE BILL NO. 1257

House Amendments in [] — February 11, 2022

A *BILL to amend the Code of Virginia by adding sections numbered 56-265.4:7 and 56-265.4:8, relating to natural gas utilities; retail supply choice.*

Patron Prior to Engrossment—Delegate Kilgore

Referred to Committee on Commerce and Energy

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding sections numbered 56-265.4:7 and 56-265.4:8 as follows:

§ 56-265.4:7. Retail supply choice for utility gas service.

A. As used in this section:

"Energy justice" means the fair treatment and meaningful involvement of every consumer by ratepayer class, regardless of race, color, national origin, income, faith, or disability, relating to the affordability, reliability, security, and sustainability of the energy laws, regulations, and policies of the Commonwealth.

"Natural gas utility" means an investor-owned public service company engaged in the business of furnishing natural gas service to the public.

"Public entity" means the Commonwealth and any agency or authority thereof, any county, city, or town, and any other political subdivision of the Commonwealth, any public body politic and corporate, or any regional entity that serves a public purpose.

B. Every person who desires (i) natural gas service and (ii) retail natural gas supply choice, [if elected by a gas utility and accepted by the Commission] as provided in § 56-235.8, shall have the right to acquire such service and natural gas supply from the natural gas utility authorized to provide natural gas service in the certificated area where the natural gas service will be received in accordance with the principles of energy justice.

C. Every person who desires to obtain non-utility gas service shall have the right to obtain such service from a non-utility gas service provider.

D. No public entity shall enact an ordinance or resolution or promulgate or impose any building code, contractual provision, or other requirement that limits, prohibits, has the effect of prohibiting, or prevents residential, commercial, or industrial consumers within their boundaries from acquiring or using the following:

1. Natural gas utility service;

2. Supply of natural gas from a natural gas public utility or natural gas supplier in accordance with § 56-235.8; or

3. Non-utility gas service in accordance with § 56-265.4:6 [, including nonjurisdictional propane service] .

E. No public entity requiring the issuance of a building permit shall deny a permit application based solely on the utility provider proposed to serve the project. A public entity issuing a building permit shall ensure that all applicable permits and fees (i) contain requirements and amounts that do not exceed the requirements and amounts for use of other utility providers and (ii) do not have the effect of restricting a permit applicant's ability to use the services of a utility provider that is authorized to provide service.

F. Nothing in this section shall be construed either to limit a natural gas utility's ability to provide service to new customers or to require a natural gas utility to provide an extension of facilities that is not economic under the terms of its tariff.

§ 56-265.4:8. Discontinuing natural gas utility service; public entities.

A. No public entity, as defined in § 56-265.4:7, that provides natural gas utility service shall discontinue such service generally or to any class of customers prior to satisfying the following requirements:

1. Provide at least three years' notice, both by bill insert and by publication in a newspaper of general circulation in the area in which the public entity provides service, of the public entity's intention to discontinue service;

2. Attempt to negotiate the sale of its system facilities and associated rights such that service to its customers remains uninterrupted for one year following the publication of notice required by subdivision 1; and

3. If such sale as described in subdivision 2 is not accomplished within one year following the

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59 *publication of notice required by subdivision 1, offer its system facilities and associated rights by*
60 *auction to the highest bidder within the second year following the publication of such notice.*

61 *B. A public entity that is seeking to discontinue natural gas utility service shall advise its customers*
62 *by bill insert of its progress in effecting a sale of its system facilities and associated rights at least once*
63 *annually following the publication of the notice required by subdivision A 1. Copies of the initial*
64 *publication of such notice and of all subsequent bill inserts relating to discontinuing service and sale of*
65 *system facilities by a public entity shall be provided to the Commission at the time they are made.*

66 *C. Nothing in this section shall be construed to limit the rights of a public entity that provides*
67 *natural gas utility service from discontinuing service to a particular customer as the result of*
68 *nonpayment of fees for services provided or any cause otherwise permitted by law or regulation.*