

2022 SESSION

INTRODUCED

22104145D

HOUSE BILL NO. 588

Offered January 12, 2022

Prefiled January 11, 2022

A BILL to amend and reenact § 56-581 of the Code of Virginia, relating to electric utilities; adjustment of rates.

Patron—Hudson

Committee Referral Pending

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; adjustment of rates.

A. After the expiration or termination of capped rates except as provided in § 56-585.1, 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, notwithstanding the provisions of § 56-234.2 or 56-585.1 or any other provision of law, if the Commission determines that the regulation of rates under the provisions of § 56-585.1 results in rates that are not just and reasonable in accordance with the provisions of Chapter 10 (§ 56-232 et seq.), then the Commission may, in any triennial review, adjust such rates to ensure that such rates (i) are just and reasonable and (ii) provide the utility the opportunity to recover its costs and earn its authorized rate of return. The Commission may make such adjustments regardless of whether the Commission has found, pursuant to subdivision A 8 of § 56-585.1, that the utility earned more than 70 basis points above the authorized rate of return during the test period under review.

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.

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