

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1989

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# ENROLLED

*Com. Sub. for*  
**HOUSE BILL No. 2621**

(By Mr. *Speaker, Mr. Chambers & Del. R. Bunk*  
*[By Request of the Executive]*)

— ● —

Passed ..... *April 8,* ..... 1989

In Effect ..... *from* ..... Passage

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SECRETARY OF STATE

**ENROLLED**  
**COMMITTEE SUBSTITUTE**  
**FOR**  
**H. B. 2621**

(By MR. SPEAKER, MR. CHAMBERS, and DELEGATE R. BURK)  
[By Request of the Executive]

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[Passed April 8, 1989; in effect from passage.]

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AN ACT to amend article two, chapter twenty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto two new sections, designated sections one-d and one-e, all relating to future electric generating capacity requirements of electric utilities in West Virginia and rate recovery for construction of electric transmission facilities.

*Be it enacted by the Legislature of West Virginia:*

That article two, chapter twenty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto two new sections, designated sections one-d and one-e, all to read as follows:

**CHAPTER 24. PUBLIC SERVICE COMMISSION.**

**ARTICLE 2. POWERS AND DUTIES OF PUBLIC SERVICE COMMISSION.**

**§24-2-1d. Future electric generating capacity requirements.**

- 1 (a) In order to maximize the use of electricity
- 2 generated within the state by using coal or natural gas

3 produced within the state, the public service commission  
4 shall by order, no later than the thirty-first day of  
5 December, one thousand nine hundred eighty-nine,  
6 establish the schedule and amount of future electric  
7 generating capacity additions required by each West  
8 Virginia electric utility, for the next ten years, taking  
9 into account: (i) Projected load growth; (ii) existing  
10 generating capacity; (iii) existing contractual commit-  
11 ments to sell or purchase capacity; (iv) planned retire-  
12 ment and life extensions of existing capacity; (v) planned  
13 construction of capacity; (vi) availability of capacity  
14 from generating units of affiliated companies; and (vii)  
15 such other reasonable factors as the commission may  
16 deem relevant and appropriate to consider.

17 (b) If the commission determines after considering all  
18 such named and other relevant and appropriate factors  
19 that a utility will be required to purchase electric  
20 generating capacity beyond those agreements approved  
21 by the Federal Energy Regulatory Commission or the  
22 West Virginia public service commission in order to  
23 serve its West Virginia customers, the amount of such  
24 required additional purchased capacity so identified by  
25 the commission will for purposes of this section be  
26 referred to as the utility's "projected deficient capacity":  
27 *Provided*, That this subsection shall not include power  
28 generating facilities whose total production of electricity  
29 is sold outside the state of West Virginia.

30 (c) In the interests of: Keeping utility rates of  
31 residential customers as low as possible; keeping utility  
32 rates for commercial and industrial customers compet-  
33 itive with those of other states; attracting new industry  
34 for which electric power costs are a major factor in  
35 location determinations; and of not placing any greater  
36 cost burden on government than is absolutely necessary  
37 for its electric power needs, each utility shall acquire,  
38 if reasonable, its projected deficient capacity from  
39 electric generation situate in West Virginia which burns  
40 coal or gas produced in West Virginia and which will  
41 provide the most reliable supply of capacity and energy  
42 at the least cost to those customers of the utility who will  
43 be served by such electric generation: *Provided*, That all

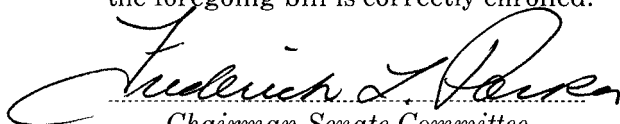
power purchase contracts executed prior to the effective date of this section which satisfy the following requirements, regardless of location, shall be considered, for the purposes of this subsection, as electric generation situate in West Virginia: (1) Said contracts were negotiated in accordance with procedures and priced according to methodologies of other contracts which the commission has ordered approved; (2) said contracts either guarantee or are substantially amended to guarantee for the life of the contract the use of an amount of West Virginia fuel which equals or exceeds the amount which would be required, on a percentage of output basis, to produce the amount of electric power to be consumed in West Virginia; and (3) said contracts meet the requirements for a qualifying facility established by the Federal Energy Regulatory Commission pursuant to the Public Utility Regulatory Policies Act of 1978.

**§24-2-1e. Rate recovery for construction of electric transmission facilities.**

In order to encourage the construction of transmission facilities necessary to transmit electric power from generating facilities located in this state to areas where such power can be economically marketed, the commission may allow an electric utility accelerated rate recovery for transmission facilities constructed or upgraded for the purpose of increasing the capacity to transmit electric power to areas outside the utility's service territory where such power can be economically marketed. In allowing accelerated rate recovery, the commission shall include the impact of the investment in transmission facilities on any investment equalization agreement in which the utilities participate.

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The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

  
Chairman Senate Committee

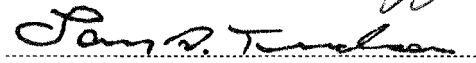
  
Chairman House Committee


Originating in the House.

Takes effect from passage.

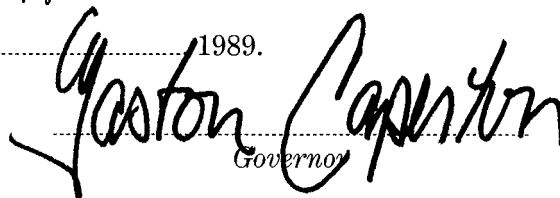
  
Clerk of the Senate

  
Clerk of the House of Delegates

  
President of the Senate

  
Speaker of the House of Delegates

The within is approved this the 24<sup>th</sup>  
day of April 1989.

  
Governor

PRESENTED TO THE

GOVERNOR

Date

4/20/89

Time

10:26