

SUPPORT HB 533 / SB 112

ACCELERATING THE REPLACEMENT OF AGING GAS UTILITY INFRASTRUCTURE THROUGH A MORE STABLE AND PREDICTABLE RATE RECOVERY PROCESS FOR VIRGINIA RATEPAYERS

- A significant portion of Virginia’s natural gas delivery infrastructure is aging and needs to be replaced due to life cycle and efficiency issues.
- The current system of recovery for replacement costs limits utilities’ ability to make needed replacements and also results in potential rate shock for Virginia ratepayers.
- HB 533 allows for more immediate cost recovery for the replacement of qualified aging infrastructure through an SCC approved “rider” to the current utility rate plan.
- Qualified aging infrastructure would be limited to those portions of the gas delivery system that are (1) significantly outdated, (2) whose replacement would not produce additional revenue for the gas utility, and (3) whose replacement has the potential to avoid greenhouse gas emissions.
- Replacing aging infrastructure means fewer repairs, lower maintenance costs and reductions in service interruptions for Virginians.
- The aging infrastructure rider would allow for more immediate replacement of such infrastructure and would ensure that ratepayers are not subjected to potentially shocking rate increases through the traditional rate case process.
- Ratepayer benefits from this legislation:
 - Reduced maintenance costs and improved reliability
 - Environmental benefits including greenhouse gas reductions
 - Decrease costs to customers from “lost and unaccounted for” gas.
 - The addition of needed jobs for Virginians

HB 533/SB 112 is supported by:

Columbia Gas of Virginia, Roanoke Gas, the Virginia Commission on Energy and Environment, the Virginia Conservation Network, the Virginia Interfaith Center of Power and Light, the Virginia League of Conservation Voters, the Sierra Club (VA Chapter), Virginia Natural Gas and Washington Gas.