The Recorder

Inclusive, independent, indispensable.

Bath & Highland Counties – Virginia

Gas cost bill passes House, but dies in committee

| February 14, 2019

BY JOHN BRUCE • STAFF WRITER

RICHMOND – On Crossover Day, Feb. 5, a bill intended to prevent price gouging of electricity ratepayers by regulating gas transportation costs easily cleared the Virginia House in a 57-35 bipartisan vote and went to the Senate Commerce and Labor Committee. By Feb. 11, it died in that committee.

HB 1718, “Electric utilities; fuel cost recovery,” would have essentially limited charges passed along to captive ratepayers for the transportation of gas from Dominion’s proposed Atlantic Coast Pipeline to Dominion generating stations.

Dominion, an investor-owned utility, said the bill was unnecessary and planted worries over energy shortages if it passes — a point that sponsor Del. Lee Ware of Powhatan dismissed as unjustified.

Ware, who has been compared to David against Dominion as Goliath, reassured a House committee his proposal was not meant to stop the pipeline. The intent was to advise the State Corporation Commission in reviewing rate recovery requests in case the pipeline might be built.

Cosponsors include Jeffrey Bourne, Ronnie Campbell, Jennifer Carroll Foy, Elizabeth Guzman, Steve Heretick, Chris Hurst, Jerrauld “Jay” Jones, Steven Landes, David Toscano, Michael Webert and Tony Wilt.

Dominion is the majority owner, managing partner and designated constructor of Atlantic Coast Pipeline LLC, a 600-mile proposed gas pipeline routed through Highland and Bath counties from gas supplies in northwestern West Virginia to terminus points in Hampton Roads and southern North Carolina.

Successful legal challenges have halted pipeline construction. Dominion hopes to resume building the fossil-fuel project in the third quarter of this year.

Proof would've been required

Under Ware's legislation to amend and reenact the state fuel factor law, an electric utility would have been required to demonstrate that any pipeline capacity contracts it enters are the lowest-cost option available, before being given approval to charge customers in a fuel factor case. Dominion was not mentioned by name.

To qualify for fuel cost recovery, the bill required electric utilities such as Dominion to prove they have:

• Identified and determined the date and amount of new fueling resource needed;

• Objectively studied all available alternative fueling resource options, including options other than new capacity contracts or contracts to meet the identified and determined need; and

• Concluded on the basis of such identifications, determinations, and studies that the pipeline capacity contract or contracts were the lowest-cost available option, taking into consideration fixed and variable costs and a reasonable projection of utilization.

The committee's vote on the measure to pass it by "indefinitely" was 10-3.