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1 **HOUSE BILL NO. 420**

2 Offered January 14, 2026

3 Prefiled January 12, 2026

4 *A BILL to amend and reenact § 56-88.1 of the Code of Virginia, relating to public utilities; acquisition or*
5 *disposition of control of a public utility; reopening rate proceeding under certain circumstances.*

6 Patron—Cole, N.T.

7 Committee Referral Pending

8 **Be it enacted by the General Assembly of Virginia:**9 **1. That § 56-88.1 of the Code of Virginia is amended and reenacted as follows:**10 **§ 56-88.1. Acquisition or disposition of control of a public utility.**11 A. No person, whether acting alone or in concert with others, shall, directly or indirectly, acquire or
12 dispose of control of:13 1. A public utility within the meaning of this chapter, or all of the assets thereof, without the prior
14 approval of the Commission. Any person proposing an acquisition or disposition for which Commission
15 approval is required by this section shall seek such approval pursuant to the procedure of § 56-90; or16 2. A telephone company, or all of the assets thereof, without the prior approval of the Commission. In
17 determining whether to grant approval, the Commission shall consider only the financial, managerial, and
18 technical resources to render local exchange telecommunications services of the person acquiring control of
19 or all of the assets of the telephone company.20 The Commission shall, after the filing of a completed application, approve or disapprove the requested
21 acquisition or disposition within 60 days. The 60-day period may be extended by Commission order for a
22 period not to exceed an additional 120 days. The application shall be deemed approved if the Commission
23 fails to act within 60 days or any extended period ordered by the Commission.24 B. Any such acquisition or disposition of control without prior approval shall be voidable by the
25 Commission. In addition, the Commission is authorized to revoke any certificate of public convenience and
26 necessity it has issued, order compliance with this chapter, or take such other action as may be appropriate
27 within the authority of the Commission.28 C. For purposes of this section, "control" means (i) the acquisition of 25 percent or more of the voting
29 stock or (ii) the actual exercise of any substantial influence over the policies and actions of any public utility
30 or telephone company.31 D. This section shall not apply to any company engaged in the business of generating electricity whose
32 rates and services are not regulated by the State Corporation Commission.33 E. *Notwithstanding any other provision of law, if an application is filed with the Commission for approval
34 of the acquisition or disposition of control involving a public utility and such application is filed within 24
35 months after the entry of a final order in a rate increase proceeding, the Commission may, on its own
36 initiative or upon petition of any interested person, reopen such rate increase proceeding in accordance with
37 the following:*38 1. *Such proceeding shall be limited to determining whether the proposed transaction materially affects (i)
39 the utility's cost of service; (ii) its capital structure, cost of capital, or authorized return on equity; (iii)
40 synergy savings, efficiencies, or cost reductions expected to result from the transaction; (iv) any acquisition
41 premium, purchase accounting adjustment, or transaction-related cost proposed to be recovered from
42 customers; or (iv) any other material change in circumstances directly resulting from the proposed
43 transaction that renders the rates established in the prior order unjust or unreasonable. The Commission
44 shall not reconsider issues unrelated to the transaction.*45 2. *The Commission may consolidate the reopened rate proceeding with the proceeding on the acquisition
46 or disposition of control application or may conduct the proceedings separately. The Commission may
47 suspend the effective date of any rate adjustment proposed in a reopened proceeding and may issue such
48 interim or temporary orders as the public interest requires.*49 3. *A public utility for which a rate proceeding is reopened shall file any transaction-adjusted cost-of-
50 service studies, pro forma revenue and expense adjustments, testimony, or schedules that the Commission
51 prescribes.*52 4. *The Commission shall issue a final order in any such reopened rate proceeding within nine months of
53 the date of the order reopening the rate proceeding, unless extended for good cause shown.*

INTRODUCED

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