



Fiscal Impact Statement for Proposed Legislation

Virginia State Corporation Commission

Published: February 2, 2026

House Bill 422

Version: House Substitute 1

Patron: Cole

Title: Public utilities; prohibition of multiple rate increases within three-year period for certain utilities.

Summary: Prohibits a public utility authorized to furnish water or water and sewer service from filing an application for a rate increase more frequently than once in any three-year period. The bill provides exceptions to such prohibition for the utility to file an application (i) for a decrease in rates; (ii) limited to a rate adjustment clause, rider, or surcharge; (iii) for a temporary emergency increase in rates; or (iv) for an increase upon a finding by the State Corporation Commission that extraordinary circumstances exist that materially impair the public utility's ability to provide safe and adequate service.

The substitute states that the provisions of this act shall not become effective unless reenacted by the 2027 Session of the General Assembly.

Effective Date(s): July 1, 2026

Amendment Necessary: Budget, Item ###
 Technical, see *Technical Note* below
 None

Fiscal Summary

The State Corporation Commission does not anticipate a fiscal impact.

Fiscal Analysis

Revenue

None.

Expenditures

None.

Change in FTE

None.

Other Comments

None.

Technical Note

None.