

## SENATE BILL NO. 377

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Commerce and Labor

on \_\_\_\_\_)

(Patron Prior to Substitute—Senator Surovell)

*A BILL to amend and reenact § 56-231.30 of the Code of Virginia, relating to utility consumer services cooperatives; substation construction.*

**Be it enacted by the General Assembly of Virginia:****1. That § 56-231.30 of the Code of Virginia is amended and reenacted as follows:****§ 56-231.30. Rights and liabilities of members.**

A. A cooperative may have one or more classes of members. If the cooperative has more than one class of members, the designation of each class and the qualifications and rights of the members of each class shall be set forth in the bylaws of the cooperative.

B. A cooperative shall issue to its members certificates of membership and each member shall be entitled to only one vote at the meetings of the members of the cooperative. The liability of each member shall be limited to the unpaid portion of his membership fee or subscription to capital stock, and any unpaid bills for utility services or other services, commodities or merchandise purchased from the cooperative, provided that nothing in this section shall be construed to limit the exposure of any unrefunded patronage capital to the lawful creditors of a cooperative. The equity of members of a nonstock cooperative shall be set by the board in accordance with cooperative principles. A cooperative shall be operated on a not-for-profit basis, with the exception of for-profit affiliates, for the mutual benefit of the members. The bylaws of a cooperative or its contract with the members shall contain such provisions relative to the disposition of margins as may be necessary and appropriate to establish and maintain its nonprofit and cooperative character.

C. *A member of a cooperative in good standing that had an electric demand of more than 20 megawatts during the most recent calendar year and that requires the delivery of service at a voltage of 34.5 kilovolts at its point of interconnection with a transmission line system of at least 230 kilovolts may petition the Commission to (i) construct and install a substation in accordance with all applicable laws, regulations, and reliability standards, as determined by the Commission and (ii) transfer ownership of such substation to the cooperative prior to its operation. As part of such petition, the member shall establish an agreement with the cooperative regarding reasonable and necessary terms and conditions for such construction, installation, and transfer and any applicable modifications to the cooperative's tariff to reflect the revised cost of service.*

32 *Such agreement shall provide that the member shall be solely liable for operations, maintenance, repair*  
33 *expenses and the eventual replacement of equipment if necessary for dedicated facilities, subject to the*  
34 *cooperative's otherwise applicable rate schedules and terms and conditions of service, during construction*  
35 *and for the duration specified in such agreement. Such agreement shall be subject to the Commission's*  
36 *review and approval. In the construction of a substation pursuant to this subsection, the member shall ensure*  
37 *(i) the payment of wages, salaries, benefits, and other remuneration to any mechanic, laborer, or worker*  
38 *employed, retained, or otherwise hired to perform services in connection with the construction at the*  
39 *prevailing wage rate as defined in § 2.2-4321.3; (ii) participation in certified apprenticeship programs; and*  
40 *(iii) the hiring of local workers.*