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HOUSE BILL NO. 1151
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Labor and Commerce
on _____)
(Patron Prior to Substitute—Delegate Willett)

A BILL to amend and reenact § 56-234 of the Code of Virginia, relating to electric utilities; duty to furnish adequate service; delay in provision of service.

Be it enacted by the General Assembly of Virginia:

1. That § 56-234 of the Code of Virginia is amended and reenacted as follows:

§ 56-234. Duty to furnish adequate service at reasonable and uniform rates.

A. It shall be the duty of every public utility to furnish reasonably adequate service and facilities at reasonable and just rates to any person, firm or corporation along its lines desiring same. Notwithstanding any other provision of law:

1. A telephone company shall not have the duty to extend or expand its facilities to furnish service and facilities when the person, firm or corporation has service available from one or more alternative providers of wireline or terrestrial wireless communications services at prevailing market rates; and

2. A telephone company may meet its duty to furnish reasonably adequate service and facilities through the use of any and all available wireline and terrestrial wireless technologies; however, a telephone company, when restoring service to an existing wireline customer, shall offer the option to furnish service using wireline facilities.

For purposes of subdivisions 1 and 2, the Commission shall have the authority upon request of an individual, corporation, or other entity, or a telephone company, to determine whether the wireline or terrestrial wireless communications service available to the party requesting service is a reasonably adequate alternative to local exchange telephone service.

The use by a telephone company of wireline and terrestrial wireless technologies shall not be construed to grant any additional jurisdiction or authority to the Commission over such technologies.

For purposes of subdivision 1, "prevailing market rates" means rates similar to those generally available to consumers in competitive areas for the same services.

B. It shall be the duty of every public utility to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions. However, no provision of law shall be

31 deemed to preclude voluntary rate or rate design tests or experiments, or other experiments involving the use
32 of special rates, where such experiments have been approved by order of the Commission after notice and
33 hearing and a finding that such experiments are necessary in order to acquire information which is or may be
34 in furtherance of the public interest. The Commission's final order regarding any petition filed by an
35 investor-owned electric utility for approval of a voluntary rate or rate design test or experiment shall be
36 entered the earlier of not more than six months after the filing of the petition or not more than three months
37 after the date of any evidentiary hearing concerning such petition. The charge for such service shall be at the
38 lowest rate applicable for such service in accordance with schedules filed with the Commission pursuant to
39 § 56-236. But, subject to the provisions of § 56-232.1, nothing contained herein or in § 56-481.1 shall apply
40 to (i) schedules of rates for any telecommunications service provided to the public by virtue of any contract
41 with, (ii) for any service provided under or relating to a contract for telecommunications services with, or (iii)
42 contracts for service rendered by any telephone company to, the state government or any agency thereof, or
43 by any other public utility to any municipal corporation or to the state or federal government. The provisions
44 hereof shall not apply to or in any way affect any proceeding pending in the State Corporation Commission
45 on or before July 1, 1950, and shall not confer on the Commission any jurisdiction not now vested in it with
46 respect to any such proceeding.

47 C. The Commission may conclude that competition can effectively ensure reasonably adequate retail
48 services in competitive exchanges and may carry out its duty to ensure that a public utility is furnishing
49 reasonably adequate retail service in its competitive exchanges by monitoring individual customer complaints
50 and requiring appropriate responses to such complaints.

51 D. An electric utility formed under or subject to Chapter 9.1 (§ 56-231.15 et seq.) may meet its duty to
52 furnish reasonably adequate service through unregulated sales of electric power directly from one or more of
53 its affiliates to any customer located within the cooperative's certificated service territory that contracts for
54 electric utility services to serve a demand that is reasonably expected to exceed 90 megawatts.

55 *E. Notwithstanding the provisions of subsection A, a distributor, as that term is defined in § 56-576, may*
56 *delay the provision of service if such delay is necessary to maintain electric grid reliability, to avoid*
57 *exceeding available generation or transmission capacity constraints, or to ensure compliance with load*
58 *interconnection policies or rules issued by the Commission or the Federal Energy Regulatory Commission.*

59 **2. That the provisions of this act shall not be construed to contradict the findings of the State**
60 **Corporation Commission in Case No. PUR 2026-00011.**

- 61 **3. That the provisions of this act shall be interpreted and implemented consistently with § 205 of the**
62 **Federal Power Act and Order No. 888, 61 Fed. Reg. 21,540 (May 10, 1996).**
63 **4. That the provisions of this act shall become effective on July 1, 2027.**