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## SENATE BILL NO. 651

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the House Committee on Labor and Commerce  
on March 5, 2026)

(Patron Prior to Substitute—Senator Perry)

A *BILL to amend and reenact §§ 56-585.1:5 and 58.1-3814 of the Code of Virginia, relating to pilot program for underground transmission lines; qualifying projects; levy; report.*

**Be it enacted by the General Assembly of Virginia:**

1. That §§ 56-585.1:5 and 58.1-3814 of the Code of Virginia are amended and reenacted as follows:  
**§ 56-585.1:5. Pilot program for underground transmission lines; report.**

A. There is hereby established a pilot program to further the understanding of underground electric transmission lines in regard to electric reliability, construction methods and related cost and timeline estimating, the probability of meeting such projections, and the benefits of undergrounding existing electric transmission lines to promote economic development within the Commonwealth. The pilot program shall consist of the approval to construct ~~qualifying new~~ electrical transmission lines of 230, at least a portion of which have a capacity of 500 kilovolts or less (but greater than 69 kilovolts) and which are proposed to be constructed in whole or in part underground to the extent that any portion of such lines is located within one quarter mile of any residential area ("qualifying project"). Such pilot program shall consist of a total of ~~two~~ four qualifying electrical transmission line projects, constructed in whole or in part underground, as specified and set forth in this section.

B. ~~Notwithstanding any other law to the contrary, as a part of the pilot program established pursuant to this section, In reviewing any application submitted by a public utility for a certificate of public convenience and necessity for the construction of an electrical transmission line of 500 kilovolts filed between January 1, 2025, and July 1, 2033, the Commission shall may approve such project as a qualifying project a transmission line of 230 kilovolts or less that is pending final approval of a certificate of public convenience and necessity from the Commission as of December 31, 2017, for the construction of an electrical transmission line approximately 5.3 miles in length utilizing both overhead and underground transmission facilities, of which the underground portion shall be approximately 3.1 miles in length, which has been previously proposed for construction within or immediately adjacent to the right-of-way of an interstate highway. Once the Commission has affirmed the project need through an order, the project shall be constructed to be constructed in whole or in part underground; and the underground portion shall consist of a double circuit.~~

The Commission shall approve such underground construction within 30 days of receipt of the written request of the public utility to participate in the pilot program pursuant to this section. The Commission shall not require the submission of additional technical and cost analyses as a condition of its approval but may request such analyses for its review. The Commission shall approve the underground construction of one contiguous segment of the transmission line that is approximately 3.1 miles in length that was previously proposed for construction within or immediately adjacent to the right-of-way of the interstate highway, for which, by resolution, the locality has indicated general community support. The remainder of the construction for the transmission line shall be aboveground. The Commission shall not be required to perform any further analysis as to the impacts of this route, including environmental impacts or impacts upon historical resources as part of the pilot program. For the purposes of this section, "qualifying project" includes a 500 kilovolt and 230 kilovolt electrical transmission line project, approximately 8.3 miles in length, that was pending final approval of a certificate of public convenience and necessity from the Commission as of February 1, 2026, provided that (i) such project otherwise meets the criteria set forth in subdivisions C 1 and 4 and G 1 and (ii) the Commission determines after review that such project substantively meets the criteria set forth in subdivisions C 2 and 3 and G 3. The Commission shall approve a maximum of four qualifying projects under the pilot program and shall provide an expedited review of any application for approval of a qualifying project.

The electric utility may proceed to acquire right-of-way and take such other actions as it deems appropriate in furtherance of the construction of the approved transmission line, including acquiring the cables necessary for the underground installation.

C. In reviewing applications submitted by public utilities for certificates of public convenience and necessity for the construction of electrical transmission lines of 230 kilovolts or less filed between July 1, 2018, and October 1, 2020, the Commission shall approve, consistent with the requirements of subsection D, one additional application as a qualifying project to be constructed in whole or in part underground, as a part of this pilot program. The one qualifying project shall be in addition to the qualifying project described in subsection B and shall be the relocation or conversion of an existing 230-kilovolt overhead line to an underground line.

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60 ~~D.~~ For purposes of ~~subsection C~~ *this section*, ~~a~~ the Commission may only approve a qualifying project  
61 shall be qualified to be placed underground; in whole or in part; if it meets all of the following criteria: ~~(i) an~~

62 1. The Commission finds that an engineering analysis demonstrates that it is technically feasible to place  
63 the proposed line; in whole or in part; underground; ~~(ii) the~~

64 2. The application contains information regarding projections of the overall cost of the project if (i)  
65 placed in whole or in part underground and (ii) placed entirely above ground, as well as evidence that each  
66 locality in which a portion of the proposed line will be placed is interested in participating in such project;

67 3. The application contains evidence that the governing body of each locality in which at least a portion  
68 of the proposed line will be placed underground ~~indicates supports the qualifying project's inclusion in the~~  
69 pilot program and that each such locality agrees, by resolution, general community support for the project  
70 and that it supports the transmission line to be placed underground; (iii) a project has been filed with the  
71 Commission or is pending issuance of a certificate of public convenience and necessity by October 1, 2020;  
72 ~~(iv) the estimated additional cost of placing the proposed line, in whole or in part, underground does not~~  
73 exceed \$40 million or, if greater than \$40 million, the cost does not exceed 2.5 times the cost of placing the  
74 same line overhead, assuming accepted industry standards for undergrounding to ensure safety and reliability;  
75 if the public utility, the affected localities, and the Commission agree, a proposed underground line whose  
76 cost exceeds 2.5 times the cost of placing the line overhead may also be accepted into the pilot program; ~~(v)~~  
77 the public utility requests that the project be considered as a qualifying project under this section; and ~~(vi)~~ the  
78 primary need of the project shall be for purposes of grid reliability, grid resiliency, or to support economic  
79 development priorities of the Commonwealth, including the economic development priorities and the  
80 comprehensive plan of the governing body of the locality in which at least a portion of line will be placed;  
81 and shall not be to address aging assets that would have otherwise been replaced in due course to meet its  
82 funding obligations under subdivision G 1, including through any method described in subdivision G 3; and

83 4. The Commission finds that the overall cost of the project is reasonable and consistent with the public  
84 interest.

85 The Commission may, in its discretion, deny an application for a qualifying project that otherwise meets  
86 the criteria set forth in this subsection, provided that it provides its rationale for doing so.

87 ~~E. D.~~ A transmission line project that is found to meet the criteria of subsection ~~D~~ C shall be deemed to  
88 satisfy the requirements of subsection B of § 56-46.1 with respect to a finding of the Commission that the line  
89 is needed.

90 ~~F. E.~~ Approval of a transmission line pursuant to this section for inclusion in the pilot program shall be  
91 deemed to satisfy the requirements of § 15.2-2232 and local zoning ordinances with respect to such  
92 transmission line and any associated facilities, such as stations, substations, transition stations and locations,  
93 and switchyards or stations, that may be required.

94 ~~G. F.~~ The Commission shall report annually to the Commission on Electric Utility Restructuring, the Joint  
95 Commission on Technology and Science, Regulation and the Governor on the progress of the pilot program  
96 by no later than December 1 of each year that this section is in effect. The Commission shall submit a final  
97 report to the Commission on Electric Utility Restructuring, the Joint Commission on Technology and  
98 Science, Regulation and the Governor no later than December 1, 2024 2034, analyzing the entire program  
99 and making recommendations about the continued placement of transmission lines underground in the  
100 Commonwealth. ~~The Commission's final report shall include analysis and findings of the costs of~~  
101 underground construction and historical and future consumer rate effects of such costs, effect of underground  
102 transmission lines on grid reliability, operability (including operating voltage); probability of meeting cost  
103 and construction timeline estimates of such underground transmission lines; and economic development,  
104 aesthetic or other benefits attendant to the placement of transmission lines underground.

105 ~~H. For G. 1.~~ Subject to subdivision 3, at least 50 percent of the marginal cost of the portion of a qualifying  
106 projects project chosen to be placed underground within a locality pursuant to this section and not fully  
107 recoverable as charges for new transmission facilities pursuant to subdivision A 4 of § 56-585.1, the  
108 Commission shall approve a rate adjustment clause be paid by such locality. The rate adjustment clause shall  
109 provide for the full and timely recovery of any portion of the cost of such project not recoverable under  
110 applicable rates, terms, and conditions approved by the Federal Energy Regulatory Commission and shall  
111 include the use of the fair return on common equity most recently approved in a State Corporation  
112 Commission proceeding for such utility. Such costs shall be entirely assigned to the utility's Virginia  
113 jurisdictional customers. ~~The Commission's final order regarding any petition filed pursuant to this subsection~~  
114 shall be entered not more than three months after the filing of such petition. ~~If the Commission determines~~  
115 that retail customers of the public utility that are not located in a locality in which such portion of a  
116 qualifying project is located will be adversely affected in a manner contrary to the public interest by the  
117 approval of such qualifying project, all or a portion of the remaining marginal cost of such portion shall be  
118 paid by the locality in which such portion is chosen to be placed underground, as determined by the  
119 Commission in a manner that is just, reasonable, and in the public interest. For any qualifying project  
120 located in more than one locality, each locality in which such qualifying project is located shall coordinate to  
121 divide the total marginal cost among such localities.

122 2. At least 30 days prior to filing an application for the approval of a qualifying project with the  
 123 Commission, a public utility shall provide the locality with the estimated overall cost of the project if placed  
 124 in whole or in part underground or if placed entirely above ground and the estimated marginal cost. As used  
 125 in this section, "marginal cost" means the difference between the projected cost of placing an electric  
 126 transmission line in whole or in part underground and the projected cost of placing such line above ground,  
 127 as required by subdivision C 2. A locality's support of a qualifying project's inclusion in the pilot program  
 128 and agreement to the funding obligations in subdivision 1 shall be indicated by resolution.

129 3. No locality shall be obligated under subdivision 1 to pay the marginal cost for an approved qualifying  
 130 project if such locality files a notice with the Commission within 30 days after a final order approving such  
 131 project stating that the locality has withdrawn its resolution supporting the qualifying project in the pilot  
 132 program and its agreement to meet the funding obligations under subdivision 1. If a locality files such notice,  
 133 the Commission shall modify its final order as necessary to withdraw a qualifying project from the pilot  
 134 program. To meet its obligations pursuant to this subsection, a locality may (i) impose a levy by ordinance  
 135 pursuant to subdivision 4 and issue a bond payable exclusively from the revenue from such levy; (ii) issue a  
 136 general obligation bond subject to a referendum carried out pursuant to the provisions of § 15.2-2610; or  
 137 (iii) allocate its own funds, which allocation may be carried out over a period of multiple years subject to  
 138 appropriation by the governing body of the locality.

139 4. The governing body of any locality in which a portion of an electric transmission line is proposed to be  
 140 placed underground as part of a qualifying project may impose an additional levy on electric utility  
 141 customers in such locality pursuant to § 58.1-3814. A locality that imposes such levy shall by ordinance fix  
 142 the amount of such additional levy. The proceeds of such levy shall be dedicated to the portion of costs  
 143 required to be paid by such locality for such qualifying project pursuant to subdivision 1. Any levy imposed  
 144 pursuant to this subdivision shall be in addition to the limit for any utility consumer tax prescribed in  
 145 § 58.1-3814.

146 5. For any qualifying project approved pursuant to this section for which costs have not been fully  
 147 recovered as charges for new transmission facilities pursuant to subdivision A 4 of § 56-585.1, the  
 148 Commission shall allow a separate, supplemental rate adjustment clause under such subdivision for the  
 149 limited purpose of timely recovering such costs, which shall be assigned to the public utility's jurisdictional  
 150 customers in the Commonwealth.

151 6. A locality in which an approved qualifying project is located may acquire rights-of-way, easements, or  
 152 similar interests in land directly adjacent to the approved route and rights-of-way and easements obtained by  
 153 the public utility for such project solely for the co-location of other public utilities with the project. If a  
 154 locality seeks to exercise this authority, it (i) shall not acquire any rights within the Commission-approved  
 155 route; (ii) shall ensure that the location of other public utilities adjacent to the approved qualifying project  
 156 does not interfere with the construction and operation of such project; and (iii) may enter into an agreement  
 157 with the public utility to coordinate the acquisition and rights-of-way development, construction, and  
 158 operation processes. Any acquisition by a locality under this subdivision shall be subject to Chapter 19  
 159 (§ 15.2-1901 et seq.) of Title 15.2 and any other applicable law. A locality that acquires interests in land  
 160 pursuant to the authority of this subdivision may use any proceeds from the location of other public utilities  
 161 within such interests to meet its obligations under subdivision 1.

162 H. Approval of a proposed transmission line for inclusion in the pilot program shall not preclude the  
 163 placement of existing or future overhead electric facilities in the same area or corridor by other electric  
 164 infrastructure projects.

165 I. The provisions of this section shall not be construed to limit the ability of the Commission to approve  
 166 additional applications for placement of transmission lines underground. Approval by the Commission of a  
 167 transmission line for inclusion in the program pursuant to subsection B shall preclude the placement of future  
 168 overhead electrical transmission lines of at least 69 kilovolts in the same right-of-way as described in  
 169 subsection B for a period of 10 years from July 1, 2018, but shall not preclude the placement of (i) any  
 170 underground transmission lines in such right-of-way or (ii) any electrical distribution lines in such right-of-  
 171 way.

172 J. If two applications are not submitted to the Commission that meet the requirements of this section, the  
 173 Commission shall document the failure of the projects to qualify for the pilot program in order to justify  
 174 approving fewer than two projects to be placed underground, in whole or in part.

175 ~~K.~~ Insofar as the provisions of this section are inconsistent with the provisions of any other law or local  
 176 ordinance, the provisions of this section shall be controlling.

177 **§ 58.1-3814. Water or heat, light, and power companies.**

178 A. Any county, city, or town may impose a tax on the consumers of the utility service or services provided  
 179 by any water or heat, light, and power company or other corporations coming within the provisions of  
 180 Chapter 26 (§ 58.1-2600 et seq.), which tax shall not be imposed at a rate in excess of 20 percent of the  
 181 monthly amount charged to consumers of the utility service and shall not be applicable to any amount so  
 182 charged in excess of \$15 per month for residential customers. *No limit specified herein shall apply to a levy*  
 183 *issued by ordinance pursuant to subdivision G 2 of § 56-585.1:5.* Any city, town, or county that on July 1,

184 1972, imposed a utility consumer tax in excess of limits specified herein may continue to impose such a tax  
185 in excess of such limits, but no more. For taxable years beginning on and after January 1, 2001, any tax  
186 imposed by a county, city, or town on consumers of electricity shall be imposed pursuant to subsections C  
187 through J only.

188 B. Any tax enacted pursuant to the provisions of this section, or any change in a tax or structure already in  
189 existence, shall not be effective until 60 days subsequent to written notice by certified mail from the county,  
190 city, or town imposing such tax or change thereto, to the registered agent of the utility corporation that is  
191 required to collect the tax.

192 C. Any county, city, or town may impose a tax on the consumers of services provided within its  
193 jurisdiction by any electric light and power, water, or gas company owned by another municipality;  
194 provided, that no county shall be authorized under this section to impose a tax within a municipality on  
195 consumers of services provided by an electric light and power, water, or gas company owned by that  
196 municipality. Any county tax imposed hereunder shall not apply within the limits of any incorporated town  
197 located within such county which town imposes a town tax on consumers of utility service or services  
198 provided by any corporation coming within the provisions of Chapter 26 (§ 58.1-2600 et seq.), provided that  
199 such town (i) provides police or fire protection, and water or sewer services, provided that any such town  
200 served by a sanitary district or service authority providing water or sewer services or served by the county in  
201 which the town is located when such service or services are provided pursuant to an agreement between the  
202 town and county shall be deemed to be providing such water and sewer services itself, or (ii) constitutes a  
203 special school district and is operated as a special school district under a town school board of three members  
204 appointed by the town council.

205 Any county, city, or town may provide for an exemption from the tax for any public safety answering  
206 point as defined in § 58.1-3813.1.

207 Any municipality required to collect a tax imposed under authority of this section for another city or  
208 county or town shall be entitled to a reasonable fee for such collection.

209 D. In a consolidated county wherein a tier-city exists, any county tax imposed hereunder shall apply  
210 within the limits of any tier-city located in such county, as may be provided in the agreement or plan of  
211 consolidation, and such tier-city may impose a tier-city tax on the same consumers of utility service or  
212 services, provided that the combined county and tier-city rates do not exceed the maximum permitted by state  
213 law.

214 E. The tax authorized by this section shall not apply to:

215 1. Utility sales of products used as motor vehicle fuels; or

216 2. Natural gas used to generate electricity by a public utility as defined in § 56-265.1 or an electric  
217 cooperative as defined in § 56-231.15.

218 F. 1. Any county, city, or town may impose a tax on consumers of electricity provided by electric  
219 suppliers as defined in § 58.1-400.2.

220 The tax so imposed shall be based on kilowatt hours delivered monthly to consumers; and shall not exceed  
221 the limits set forth in this subsection. The provider of billing services shall bill the tax to all users who are  
222 subject to the tax and to whom it bills for electricity service; and shall remit such tax to the appropriate  
223 locality in accordance with § 58.1-2901. Any locality that imposed a tax pursuant to this section prior to  
224 January 1, 2001, based on the monthly revenue amount charged to consumers of electricity shall convert its  
225 tax to a tax based on kilowatt hours delivered monthly to consumers, taking into account minimum billing  
226 charges. The kilowatt hour tax rates shall, to the extent practicable; (i) avoid shifting the amount of the tax  
227 among electricity consumer classes and (ii) maintain annual revenues being received by localities from such  
228 tax at the time of the conversion. The current service provider shall provide to localities no later than August  
229 1, 2000, information to enable localities to convert their tax. The maximum amount of tax imposed on  
230 residential consumers as a result of the conversion shall be limited to \$3 per month, except any locality that  
231 imposed a higher maximum tax on July 1, 1972, may continue to impose such higher maximum tax on  
232 residential consumers at an amount no higher than the maximum tax in effect prior to January 1, 2001, as  
233 converted to kilowatt hours. For nonresidential consumers, the initial maximum rate of tax imposed as a  
234 result of the conversion shall be based on the annual amount of revenue received from each class of  
235 nonresidential consumers in calendar year 1999 for the kilowatt hours used that year. Kilowatt hour tax rates  
236 imposed on nonresidential consumers shall be based at a class level on such factors as existing minimum  
237 charges, the amount of kilowatt hours used, and the amount of consumer utility tax paid in calendar year  
238 1999 on the same kilowatt hour usage. The limitations in this section on kilowatt hour rates for nonresidential  
239 consumers shall not apply after January 1, 2004. On or before October 31, 2000, any locality imposing a tax  
240 on consumers of electricity shall duly amend its ordinance under which such tax is imposed so that the  
241 ordinance conforms to the requirements of subsections C through J. Notice of such amendment shall be  
242 provided to service providers in a manner consistent with subsection B, except that "registered agent of the  
243 provider of billing services" shall be substituted for "registered agent of the utility corporation." Any  
244 conversion of a tax to conform to the requirements of this subsection shall not be effective before the first  
245 meter reading after December 31, 2000, prior to which time the tax previously imposed by the locality shall

246 be in effect.

247 2. For purposes of this section, "kilowatt hours delivered" ~~shall mean~~ *means*, in the case of eligible  
248 customer-generators, as defined in § 56-594, those kilowatt hours supplied from the electric grid to such  
249 customer-generators, minus the kilowatt hours generated and fed back to the electric grid by such  
250 customer-generators.

251 G. Until the consumer pays the tax to such provider of billing services, the tax shall constitute a debt to  
252 the locality. If any consumer receives and pays for electricity but refuses to pay the tax on the bill that is  
253 imposed by a locality, the provider of billing services shall notify the locality of the name and address of such  
254 consumer. If any consumer fails to pay a bill issued by a provider of billing services, including the tax  
255 imposed by a locality as stated thereon, the provider of billing services shall follow its normal collection  
256 procedures with respect to the charge for electric service and the tax, and upon collection of the bill or any  
257 part thereof shall (i) apportion the net amount collected between the charge for electric service and the tax  
258 and (ii) remit the tax portion to the appropriate locality. After the consumer pays the tax to the provider of  
259 billing services, the taxes shall be deemed to be held in trust by such provider of billing services until  
260 remitted to the localities.

261 H. Any county, city, or town may impose a tax on consumers of natural gas provided by pipeline  
262 distribution companies and gas utilities. The tax so imposed shall be based on CCF delivered monthly to  
263 consumers and shall not exceed the limits set forth in this subsection. The pipeline distribution company or  
264 gas utility shall bill the tax to all users who are subject to the tax and to whom it delivers gas and shall remit  
265 such tax to the appropriate locality in accordance with § 58.1-2905. Any locality that imposed a tax pursuant  
266 to this section prior to January 1, 2001, based on the monthly revenue amount charged to consumers of gas  
267 shall convert to a tax based on CCF delivered monthly to consumers, taking into account minimum billing  
268 charges. The CCF tax rates shall, to the extent practicable, (i) avoid shifting the amount of the tax among gas  
269 consumer classes and (ii) maintain annual revenues being received by localities from such tax at the time of  
270 the conversion. Current pipeline distribution companies and gas utilities shall provide to localities not later  
271 than August 1, 2000, information to enable localities to convert their tax. The maximum amount of tax  
272 imposed on residential consumers as a result of the conversion shall be limited to \$3 per month, except any  
273 locality that imposed a higher maximum tax on July 1, 1972, may continue to impose such higher maximum  
274 tax on residential consumers at an amount no higher than the maximum tax in effect prior to January 1, 2001,  
275 as converted to CCF. For nonresidential consumers, the initial maximum rate of tax imposed as a result of the  
276 conversion shall be based on the annual amount of revenue received and due from each of the nonresidential  
277 gas purchase and gas transportation classes in calendar year 1999 for the CCF used that year. CCF tax rates  
278 imposed on nonresidential consumers shall be based at a class level on such factors as existing minimum  
279 charges, the amount of CCF used, and the amount of consumer utility tax paid and due in calendar year 1999  
280 on the same CCF usage. The initial maximum rate of tax imposed under this section shall continue, unless  
281 lowered, until December 31, 2003. Beginning January 1, 2004, nothing in this section shall be construed to  
282 prohibit or limit any locality from imposing a consumer utility tax on nonresidential customers up to the  
283 amount authorized by subsection A.

284 On or before October 31, 2000, any locality imposing a tax on consumers of gas shall duly amend its  
285 ordinance under which such tax is imposed so that the ordinance conforms to the requirements of subsections  
286 C through J ~~of this section~~. Notice of such amendment shall be provided to pipeline distribution companies  
287 and gas utilities in a manner consistent with subsection B, except that "registered agent of the pipeline  
288 distribution company or gas utility" shall be substituted for "registered agent of the utility corporation." Any  
289 conversion of a tax to conform to the requirements of this subsection shall not be effective before the first  
290 meter reading after December 31, 2000, prior to which time the tax previously imposed by the locality shall  
291 be in effect.

292 I. Until the consumer pays the tax to such gas utility or pipeline distribution company, the tax shall  
293 constitute a debt to the locality. If any consumer receives and pays for gas but refuses to pay the tax that is  
294 imposed by the locality, the gas utility or pipeline distribution company shall notify the localities of the  
295 names and addresses of such consumers. If any consumer fails to pay a bill issued by a gas utility or pipeline  
296 distribution company, including the tax imposed by a locality, the gas utility or pipeline distribution company  
297 shall follow its normal collection procedures with regard to the charge for the gas and the tax and upon  
298 collection of the bill or any part thereof shall (i) apportion the net amount collected between the charge for  
299 gas service and the tax and (ii) remit the tax portion to the appropriate locality. After the consumer pays the  
300 tax to the gas utility or pipeline distribution company, the taxes shall be deemed to be held in trust by such  
301 gas utility or pipeline distribution company until remitted to the localities.

302 J. For purposes of this section:

303 "Class of consumers" means a category of consumers served under a rate schedule established by the  
304 pipeline distribution company and approved by the State Corporation Commission.

305 "Gas utility" has the same meaning as provided in § 56-235.8.

306 "Pipeline distribution company" has the same meaning as provided in § 58.1-2600.

307 "Service provider" and "provider of billing services" have the same meanings as provided in subsection E

308 of § 58.1-2901, and "class" of consumers means a category of consumers defined as a class by their service  
309 provider.

310 K. Nothing in this section shall prohibit a locality from enacting an ordinance or other local law to allow  
311 such locality to impose a tax on consumers of natural gas provided by pipeline distribution companies and  
312 gas utilities, beginning at such time as natural gas service is first made available in such locality. The  
313 maximum amount of tax imposed on residential consumers based on CCF delivered monthly to consumers  
314 shall not exceed \$3 per month. The maximum tax rate imposed by such locality on nonresidential consumers  
315 based on CCF delivered monthly to consumers shall not exceed an average of the tax rates on nonresidential  
316 consumers of natural gas in effect (at the time natural gas service is first made available in such locality) in  
317 localities whose residents are being provided natural gas from the same pipeline distribution company or gas  
318 utility or both that is also providing natural gas to the residents of such locality. Beginning January 1, 2004,  
319 the tax rates for residential and nonresidential consumers of natural gas in such locality shall be determined in  
320 accordance with the provisions of subsection H.