

**WILLIAMS MULLEN
CLARK & DOBBINS**

ATTORNEYS & COUNSELORS AT LAW

A PROFESSIONAL CORPORATION

TWO JAMES CENTER
1021 EAST CARY STREET
P.O. BOX 1320
RICHMOND, VA 23218-1320

RICHMOND
VIRGINIA BEACH
NEWPORT NEWS
NORTHERN VIRGINIA
WASHINGTON, D.C.
LONDON

AFFILIATE OFFICES:
DETROIT
RIYADH

PHONE: (804) 643-1991
FAX: (804) 783-6507

E-MAIL ADDRESS:
tnicholson@wmcd.com

DIRECT DIAL:
(804) 783-6904

INTERNET ADDRESS:
www.wmcd.com

December 17, 1999

Franklin D. Munyan, Staff Attorney
Division of Legislative Services
General Assembly Building, 2nd Floor
910 Capitol Street
Richmond, VA 23219

Re: Virginia Retail Merchants Association Draft Amendments to the Legislative Transition
Task Force Established Pursuant to the Virginia Electric Utility Restructuring Act

Dear Mr. Munyan:

I am pleased to submit the following proposed draft amendments to the Virginia Electric Utility Restructuring Act, 1999 Va. Acts ch. 411 (the "Restructuring Act"), on behalf of the Virginia Retail Merchants Association ("VRMA"). The Virginia Retail Merchants Association is a statewide trade association comprised of retail companies and other businesses operating within the Commonwealth of Virginia. These companies include small sole proprietorships and large national chain stores. The VRMA supports reasonable and proper laws protecting the interests of its members.

These proposed amendments are offered in response to the request of the Legislative Transition Task Force that interested Stakeholders submit proposed amendments to the Restructuring Act to the Division of Legislative Services by December 17, 1999. The VRMA has participated in numerous meetings with the State Corporation Commission's ("Commission" or "SCC") Staff ("Staff"), the Office of Attorney General ("Attorney General" or "OAG"), and other Stakeholders to reconcile conflicting positions as to the identification and resolution of appropriate issues related to the Restructuring Act that was signed into law this year. While the Virginia Retail Merchants Association offers these amendments to preserve its ability to introduce legislation on these issues, the VRMA is committed to continuing its dialog with the Commission, the Attorney General, and other Stakeholders to narrow the differences that remain on these issues.

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The Virginia Retail Merchants Association Supports And Adopts The Metering And Billing Provisions Found In The State Corporation Commission's November 9, 1999 Legislative Proposals Concerning the Virginia Electric Utility Restructuring Act

As you will recall from the September 28, 1999 presentation made by Jana Price-Davis on behalf of the Virginia Retail Merchants Association, the VRMA supports the introduction of competition into metering and billing services; indeed, there is a genuine sense of urgency to the issue of whether to permit metering and billing products and services to be provided by parties other than the local monopoly utility. The VRMA has been actively involved with the Staff, the OAG, and other Stakeholders on these issues that are of vital interest to the VRMA, and has publicly stated its support for the conclusions set forth in the SCC's September 1, 1999 Report to the General Assembly regarding the critical roles that metering and billing practices will play in achieving the goal of "getting competition right" in Virginia. The Virginia Retail Merchants Association agrees with the Report that the policy decision whether to provide for competition in metering and billing products and services cannot be delayed, and that delay beyond this legislative session will undermine the basic policy decision to introduce competition into the provision of retail electric services in the Commonwealth.

Accordingly, the Virginia Retail Merchants Association supports and adopts as its own the amendments to the Restructuring Act as set forth in the SCC's November 9, 1999 *Legislative Proposals Concerning The Virginia Electric Utility Restructuring Act* ("SCC's Legislative Proposals"). While these proposed amendments address issues other than metering and billing, the VRMA wishes to use the SCC's Legislative Proposals as a vehicle for conveying the VRMA's present positions on these and other issues.

The VRMA Supports Changes To The Aggregator Definition/Licensing Provisions:

The VRMA continues to work with interested parties to address changes to the definition of "Aggregator" set forth in §56-576, and, if appropriate, to the licensing provisions for aggregators set forth in §56-588. The Virginia Retail Merchants Association offers its support at this time for the following changes to the definition of "Aggregator" found in §56-576. As indicated previously, the VRMA will continue its discussions with other interested parties on the appropriate resolution of these and other issues.

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§ 56-576. Definitions.

As used in this chapter:

* * *

“Aggregator” means a person licensed by the Commission that ~~purchases or arranges for the purchase of~~ (i) offers or contracts to purchase electric energy as an agent ~~or intermediary~~ for ~~sale to, or on behalf of,~~ two or more retail customers, or (ii) that offers or contracts to sell electric energy to one or more retail customers as an agent for two or more suppliers of electric energy.

“Aggregator” does not include a person that facilitates discussions, agreements, or contracts between one or more retail customers and licensed suppliers or aggregators with whom such customers may contract directly, provided that such person does not otherwise offer or contract to sell electric energy to any retail customer as an aggregator or supplier. Further, “aggregator” does not include any retail customer that, with any other retail customer, jointly issues a request for proposals or jointly seeks to negotiate a purchase of electric energy for its own consumption.

* * *

On behalf of the Virginia Retail Merchants Association, I appreciate the opportunity to provide these proposed amendments to the Restructuring Act. Should you have any questions, please give me a call at 783-6904.

Very truly yours,

Thomas B. Nicholson

TBN/tn