

RESOLUTION - VERSION 2

LEGISLATIVE TRANSITION TASK FORCE  
Established Pursuant to Section 56-595 of the  
Virginia Electric Utility Restructuring Act

October \_\_\_\_\_, 2002

Section 56-584 of the Virginia Electric Utility Restructuring Act (the "Act") provides that "Just and reasonable net stranded costs, to the extent that they exceed zero value in total for the incumbent electric utility, shall be recoverable by each incumbent electric utility provided each incumbent electric utility shall only recover its just and reasonable net stranded costs through either capped rates as provided in § 56-595 or wires charges as provided in § 56-583."

Subdivision C. clause (iii) of § 56-595 of the Act provides that the members of the Legislative Transition Task Force shall "after the commencement of customer choice, monitor, with the assistance of the [State Corporation] Commission, the Office of the Attorney General, incumbent electric utilities, suppliers, and retail customers, whether the recovery of stranded costs, as provided in § 56-584, has resulted in or is likely to result in the overrecovery or underrecovery of just and reasonable net stranded costs."

As customer choice has commenced in certain areas of the Commonwealth, it is appropriate for the Legislative Transition Task Force to initiate the process of monitoring the ~~recovery~~overrecovery or underrecovery of stranded costs, as directed by subdivision C, clause (iii) of § 56-595 of the Act.

Therefore, the Legislative Transition Task Force, in furtherance of its duty to monitor the ~~recovery~~overrecovery or underrecovery of stranded costs, hereby:

1. Requests the State Corporation Commission to convene a work group, comprised of Commission staff and representatives of such persons representing the Office of the Attorney General, incumbent electric utilities, suppliers, and retail customers as the Commission deems appropriate. The chairman of the Legislative Transition Task Force shall designate one of its members to monitor the progress of the work group. The work group's purpose shall be to develop consensus recommendations, consistent with the provisions of Chapter 23 of Title 56 of the Code, regarding the following issues:
  - (a) Operational definitions of "stranded costs" and just and reasonable net stranded costs."
  - ~~(b) The amount of stranded costs for each incumbent electric utility as of the date of the enactment of the Restructuring Act. The SCC should be directed to calculate the stranded costs, based on information provided by the utilities; however, each utility should be asked to provide the Legislative Transition Task Force with its own estimate of the amount of its stranded costs.~~

(b) A process, methodology or formula for determining annually, through the expiration or termination of capped rates pursuant to § 56-582, whether the stranded costs recovered by an incumbent electric utility, as provided in § 56-584, have resulted in the overrecovery or underrecovery of just and reasonable net stranded costs.

~~(e) The amount that each incumbent electric utility has received, and is expected to receive over the balance of the capped rate period, to offset “just and reasonable net stranded costs: from capped rates and wire charges.~~

~~2. Requests the State Corporation Commission to determine whether it has access to sufficient information from the incumbent utilities to allow it to calculate the amounts described in 1 (b) and (e), above. If it determines that it needs additional information that incumbent utilities are not willing to provide, it is requested to advise the Task Force thereof.~~

2. ~~3.~~ Requests the State Corporation Commission to ensure that its staff and other work group members are required to take appropriate steps to protect the confidential status of any proprietary information that is provided by each incumbent electric utility in the work group’s deliberations.

3. ~~4.~~ Requests the State Corporation Commission to submit the report of the work group to the Legislative Transition Task Force by July 1, 2003. If the work group members are not able to develop a consensus recommendations regarding the issues set out in paragraphs 1 (a), ~~(b)~~, and (e**b**), then the report of the Commission shall include the recommendations of the **various** members of the work group regarding such issues and an analysis of such recommendations. The report ~~shall~~ **may** also include any recommendations for legislative or administrative action that the Commission and members of the working group determine to be appropriate in order to address any overrecovery or underrecovery of just and reasonable stranded costs.

4. ~~5.~~ Requests the representatives of the Office of the Attorney General, incumbent electric utilities, suppliers, and retail customers, who are asked by Commission staff to participate in the work group, to act in good faith to develop consensus recommendations regarding the issues set out in paragraphs 1 (a), ~~(b)~~, and (e**b**).

Adopted by the Legislative Transition Task Force on \_\_\_\_\_, 2002.