

DISSENTING STATEMENT OF DELEGATE CLIFTON A. WOODRUM

I respectfully dissent from the conclusion of this report.

I would have preferred to delay the process of transition to deregulation for one year. At the very least the General Assembly should have authorized the State Corporation Commission to delay the functional separation of generation, transmission and distribution by the incumbent utilities.

The deregulated market place is currently in turmoil. The problems with deregulation are *not* confined to California but are present in almost every state where deregulation has been attempted. For instance, in Pennsylvania, which was depicted during the 2001 session by one of its representatives as a veritable utopia of robust competition and consumer benefits, we find problems that are acute – though unacknowledged. According to the Consumer Federation of America, Pennsylvania's rates are now 9% *above* the national average. Well over half of the competitors have exited the market and one of the largest incumbent generators has filed for a rate increase citing “....continuing price volatility in the competitive electric generation market...”

In Virginia, transmission constraints, the market power of the incumbent utilities, the lack of competitive alternatives and inadequate generation reserves dedicated to serving our citizens are legitimate concerns that have not been adequately addressed.

Virginia is the only state in the southeast that has insisted on forging ahead with deregulation. Our sister states in the region have adopted a more prudent "wait and see" approach in order to properly protect their citizens.

This is a summary of my reasons for disagreeing with the report.

I believe that we are about to venture into the unknown – unguided and ill prepared.

I can only hope that I am wrong.

Respectfully submitted:


Clifton A. Woodrum

Roanoke, Virginia
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