

1 **H. B. 4173**

2
3 (By Delegate Guthrie)

4 [Introduced January 14, 2014; referred to the
5 Committee on the Judiciary.]

6
7
8
9
10 A BILL to amend the Code of West Virginia, 1931, as amended, by
11 adding thereto a new article, designated §24-2G-1 and
12 §24-2G-2, all relating to a five-year suspension on rate hikes
13 for all utilities unless, during the period of suspension, a
14 utility seeking an increase in rates demonstrates that the
15 rate hike request will be paid for or realized from five
16 sources: twenty percent from a public stock offering by the
17 utility, twenty percent from consumers, twenty percent
18 realized from a reduction in the salary and compensation of
19 the utility's chief executive officers, twenty percent
20 realized through alternative or renewable technologies and
21 twenty percent from a five year average in the net corporate
22 profits posted in the five proceeding years; petition for
23 emergency rate increases; and rulemaking.

24 *Be it enacted by the Legislature of West Virginia:*

1 That the Code of West Virginia, 1931, as amended, be amended
2 by adding thereto a new article, designated §24-2G-1 and §24-2G-2,
3 all to read as follows:

4 **ARTICLE 2G. FIVE-YEAR RATE HIKE SUSPENSION ON UTILITIES.**

5 **§24-2G-1. Five-year rate hike suspension on utilities.**

6 (a) Notwithstanding any other provision of this chapter, upon
7 the effective date of this article, the commission shall not
8 authorize any rate hike for any utility for a period of five years
9 unless the utility seeking a rate hike demonstrates that the
10 requested rate hike will be paid for or realized from five sources
11 allocated by percentage. These sources and percentages are:

12 (1) Twenty percent from a public stock offering by the
13 utility;

14 (2) Twenty percent from consumers;

15 (3) Twenty percent realized from a reduction in the salary
16 and compensation of the utility's chief executive officers;

17 (4) Twenty percent realized through alternative or renewable
18 technologies; and

19 (5) Twenty percent from a five year average of the net
20 corporate profits posted in the five proceeding years.

21 (b) Cases for rate increases pending before the commission on
22 the effective date of this section shall proceed to completion and
23 the commission shall issue rulings on these cases as if this
24 section had not been enacted.

1 §24-2G-2. Emergency rate increase; financial hardship procedure;
2 rulemaking.

3 (a) During the five-year period of suspension, as provided
4 herein, a utility may petition the commission for an emergency rate
5 increase and, upon a showing that the utility is suffering from
6 extreme financial hardship caused solely by the suspension in this
7 article, the commission may allow an emergency rate to take effect.

8 (b) An emergency rate increase allowed under this section is
9 subject to future modification by the commission and to refunds to
10 the customers of the utility.

11 (c) A utility filing a petition for emergency rate increase
12 shall provide notice as set forth in article two, section four-a of
13 this chapter.

14 (d) The commission shall propose rules for legislative
15 approval in accordance with the provisions of article three,
16 chapter twenty-nine-a of this code.

NOTE: The purpose of this bill is to suspend rate hikes for all utilities for five years unless a utility can demonstrate that the hike will be paid or realized from five sources: twenty percent from a public stock offering by the utility, twenty percent from consumers, twenty percent realized from a reduction in the salary and compensation of the utility's chief executive officers, twenty percent realized through alternative or renewable technologies and twenty percent from a five year average of the net corporate profits posted in the five proceedings years.

§24-2G-1 and §24-2G-2 are new; therefore, they have been completely underscored.