

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2555

By Delegates Hansen and Young

[Introduced February 18, 2025; referred to the
Committee on Energy and Public Works then the
Judiciary]

1 A BILL to amend and reenact §6B-2-6, §24-1-1, §24-1-3, and §24-1-7 of the Code of West
2 Virginia, 1931, as amended, and to repeal §24-1-1a and §24-1-1b, relating to the public
3 service commission; revising ethical standards for the commission; providing that
4 commissioners financial statements be published on the Internet; revising the criteria for
5 determining what is deemed in the public interest; repealing and deleting outdated code
6 provisions; and providing that commission members are subject to state code of judicial
7 conduct.

Be it enacted by the Legislature of West Virginia:

**CHAPTER 6B. PUBLIC OFFICERS AND EMPLOYEES; ETHICS;
CONFLICTS OF INTEREST; FINANCIAL DISCLOSURE.**

**ARTICLE 2. WEST VIRGINIA ETHICS COMMISSION; POWERS AND DUTIES;
DISCLOSURE OF FINANCIAL INTEREST BY PUBLIC OFFICIALS AND
EMPLOYEES; APPEARANCES BEFORE PUBLIC AGENCIES; CODE OF
CONDUCT FOR ADMINISTRATIVE LAW JUDGES.**

§6B-2-6. Financial disclosure statement; filing requirements.

1 (a) The financial disclosure statement shall be filed on February 1 of each calendar year to
2 cover the period of the preceding calendar year, except insofar as may be otherwise provided
3 herein. The following persons must file the financial disclosure statement required by this section
4 with the Ethics Commission:

5 (1) All elected officials in this state, including, but not limited to, all persons elected
6 statewide, all county elected officials, municipal elected officials in municipalities which have, by
7 ordinance, opted to be covered by the disclosure provisions of this section, all members of the
8 several county or district boards of education and all county or district school board
9 superintendents;

(2) All members of state boards, commissions and agencies appointed by the Governor;
and

(3) Secretaries of departments, commissioners, deputy commissioners, assistant commissioners, directors, deputy directors, assistant directors, department heads, deputy department heads and assistant department heads.

A person who is required to file a financial disclosure statement under this section by virtue of becoming an elected or appointed public official whose office is described in subdivision (1), (2) or (3) of this subsection, and who assumes the office less than 10 days before a filing date established herein or who assumes the office after the filing date, shall file a financial disclosure statement for the previous 12 months no later than 30 days after the date on which the person assumes the duties of the office, unless the person has filed a financial disclosure statement with the commission during the 12-month period before he or she assumed office.

(b) A candidate for public office shall file a financial disclosure statement for the previous calendar year with the state Ethics Commission no later than ten days after he or she files a certificate of announcement, unless he or she has previously filed a financial disclosure statement with the state Ethics Commission for the previous calendar year.

The Ethics Commission shall file a duplicate copy of the financial disclosure statement required in this section in the following offices within ten days of the receipt of the candidate's statement of disclosure:

(1) Municipal candidates in municipalities which have opted, by ordinance, to be covered by the disclosure provisions of this section, in the office of the clerk of the municipality in which the candidate is seeking office;

(2) Legislative candidates in single county districts and candidates for a county office or county school board in the office of the clerk of the county commission of the county in which the candidate is seeking office;

35 (3) Legislative candidates from multi-county districts and congressional candidates in the
36 office of the clerk of the county commission of the county of the candidate's residence.

37 After a 90-day period following any election, the clerks who receive the financial disclosure
38 statements of candidates may destroy or dispose of those statements filed by candidates who
39 were unsuccessful in the election.

40 (c) No candidate for public office may maintain his or her place on a ballot and no public
41 official may take the oath of office or enter or continue upon his or her duties or receive
42 compensation from public funds unless he or she has filed a financial disclosure statement with
43 the state Ethics Commission as required by the provisions of this section.

44 (d) The Ethics Commission may, upon request of any person required to file a financial
45 disclosure statement, and for good cause shown, extend the deadline for filing such statement for
46 a reasonable period of time: *Provided*, That no extension of time shall be granted to a candidate
47 who has not filed a financial disclosure statement for the preceding filing period.

48 (e) No person shall fail to file a statement required by this section.

49 (f) No person shall knowingly file a materially false statement that is required to be filed
50 under this section.

51 (g) The Ethics Commission shall publish either on the Internet or by printed document
52 made available to the public, a list of all persons who have violated any Ethics Commission's
53 financial disclosure statement filing deadline.

54 (h) The Ethics Commission shall, in addition to making all financial disclosure statements
55 available for inspection upon request:

56 (1) Publish on the Internet all financial disclosure statements filed by members of the
57 Legislature and candidates for legislative office, elected members of the executive department
58 and candidates for the offices that constitute the executive department, ~~and~~ members of the
59 Supreme Court of Appeals, and candidates for the Supreme Court of Appeals, commencing with

those reports filed on or after January 1, 2012; and members of the Public Service Commission,
commencing with those reports filed as of January 1, 2025; and

(2) Publish on the Internet all financial disclosure statements filed by any other person required to file such financial disclosure statements, as the commission determines resources are available to permit the Ethics Commission to make such publication on the Internet. The commission shall redact financial disclosure statements published on the Internet to exclude from publication personal information such as signatures, home addresses and mobile and home telephone numbers.

CHAPTER 24. PUBLIC SERVICE COMMISSION.

ARTICLE 1. GENERAL PROVISIONS.

§24-1-1. Legislative purpose and policy; plan for internal reorganization; promulgation of plan as rule; cooperation with Joint Committee on Government and Finance.

(a) It is the purpose and policy of the Legislature in enacting this chapter to confer upon the Public Service Commission of this state the authority and duty to enforce and regulate the practices, services and rates of public utilities in order to:

(1) Ensure fair and prompt regulation of public utilities in the interest of the using and consuming public;

(2) Provide the availability of adequate, economical and reliable utility services throughout the state;

(3) Encourage the well-planned development of utility resources in a manner consistent with state needs and in ways consistent with the productive use of the state's energy resources, such as coal, natural gas, wind, solar, and geothermal resources;

(4) Ensure that rates and charges for utility services are just, reasonable, applied without unjust discrimination or preference, applied in a manner consistent with the purposes and policies set forth in article two-a of this chapter and based primarily on the costs of providing these

14 services;

15 (5) Encourage energy conservation and the effective and efficient management of
16 regulated utility enterprises; and

17 (6) Encourage removal of artificial barriers to rail carrier service, stimulate competition,
18 stimulate the free flow of goods and passengers throughout the state and promote the expansion
19 of the tourism industry, thereby improving the economic condition of the state.

20 (b) The Legislature creates the Public Service Commission to exercise the legislative
21 powers delegated to it in the public interest. To determine the public interest, the ~~The~~ Public
22 Service Commission is charged with the responsibility for appraising and balancing the interests of
23 current and future utility service customers, the general interests of the state's economy and the
24 interests of the utilities subject to its jurisdiction in its deliberations and decisions. When making
25 decisions for all public utilities that provide electricity to West Virginia customers, the Public
26 Service Commission shall also give the fullest possible consideration to the following factors to
27 determine the public interest, and the Public Service Commission shall make findings in its orders
28 to document how its decisions are consistent with these factors:

29 (1) The affordability of electricity for residential customers, including low-income residents;

30 (2) The affordability of electricity for commercial and industrial customers;

31 (3) Ensuring that each utility employs an all-of-the above energy strategy that includes the
32 use of all-source procurement methods for new generation resources, using generation resources
33 with little or no volatility in fuel prices, and demand-side resources including energy efficiency, to
34 insulate customers from future rate increases and bill increases;

35 (4) The reliability of the electric grid, including both the transmission and distribution grids;

36 (5) Protection of public health and the environment, including reducing air and water
37 emissions from each utility;

38 (6) Economic growth, including jobs, economic output, and state and local tax revenues;

39 and

40 (7) Opportunities to modernize West Virginia's electric grid, including both the transmission
41 and distribution grid.

42 (c) The Legislature directs the Public Service Commission to identify, explore and consider
43 the potential benefits or risks associated with emerging and state-of-the-art concepts in utility
44 management, rate design and conservation. The commission may conduct inquiries and hold
45 hearings regarding such concepts in order to provide utilities subject to its jurisdiction and other
46 interested persons the opportunity to comment and shall report to the Governor and the
47 Legislature regarding its findings and policies to each of these areas not later than the first day of
48 the regular session of the Legislature in the year 1985, and every two years thereafter.

49 (d) It is legislative policy to ensure that the Legislature and the general public become
50 better informed regarding the regulation of public utilities in this state and the conduct of the
51 business of the Public Service Commission. To aid in the achievement of this policy, the Public
52 Service Commission annually shall present to the Joint Committee on Government and Finance,
53 created by article three, chapter four of this code, or a subcommittee designated by the joint
54 committee, a management summary report which describes in a concise manner:

55 (1) The major activities of the commission for the year especially as such activities relate to
56 the implementation of the provisions of this chapter;

57 (2) Important policy decisions reached and initiatives undertaken during the year;

58 (3) The current balance of supply and demand for natural gas and electric utility services in
59 the state and forecast of the probable balance for the next 10 years; and

60 (4) Other information considered by the commission to be important including
61 recommendations for statutory reform and the reasons for such recommendations.

62 ~~(e) In addition to any other studies and reports required to be conducted and made by the~~
63 ~~Public Service Commission pursuant to any other provision of this section, the commission shall~~
64 ~~study and initially report to the Legislature no later than the first day of the regular session of the~~
65 ~~Legislature in the year 1980 upon:~~

~~(1) The extent to which natural gas wells or wells heretofore supplying gas utilities in this state have been capped off or shut in; the number of such wells; their probable extent of future production and the reasons given and any justification for capping off or shutting in such wells; the reasons, if any, why persons engaged or heretofore engaged in the development of gas wells in this state or the Appalachian areas have been discouraged from drilling, developing or selling the production of such wells; and whether there are fixed policies by any utility or group of utilities to avoid the purchase of natural gas produced in the Appalachian region of the United States generally and in West Virginia specifically.~~

~~(2) The extent of the export and import of natural gas utility supplies in West Virginia.~~

~~(3) The cumulative effect of the practices mentioned in subdivisions (1) and (2) of this subsection upon rates theretofore and hereafter charged gas utility customers in West Virginia. In carrying out the provisions of this section the commission shall have jurisdiction over such persons, whether public utilities or not, as may be in the opinion of the commission necessary to the exercise of its mandate and may compel attendance before it, take testimony under oath and compel the production of papers or other documents. Upon reasonable request by the commission, all other state agencies shall cooperate with the commission in carrying out the provisions and requirements of this subsection.~~

~~(f) No later than the first day of the regular session of the Legislature in the year 1980, the Public Service Commission shall submit to the Legislature a plan for internal reorganization which plan shall specifically address the following:~~

~~(1) A division within the Public Service Commission which shall include the office of the commissioners, the hearing examiners and such support staff as may be necessary to carry out the functions of decisionmaking and general supervision of the commission, which functions shall not include advocacy in cases before the commission;~~

~~(2) The creation of a division which shall act as an advocate for the position of and in the interest of all customers;~~

~~(3) The means and procedures by which the division to be created pursuant to the provisions of subdivision (2) of this subsection shall protect the interests of each class of customers and the means by which the commission will assure that such division will be financially and departmentally independent of the division created by subdivision (1) of this subsection;~~

~~(4) The creation of a division within the Public Service Commission which shall assume the duties and responsibilities now charged to the commissioners with regard to motor carriers which division shall exist separately from those divisions set out in subdivisions (1) and (2) of this subsection and which shall relieve the commissioners of all except minimal administrative responsibilities as to motor carriers and which plan shall provide for a hearing procedure to relieve the commissioners from hearing motor carrier cases;~~

~~(5) Which members of the staff of the Public Service Commission shall be exempted from the salary schedules or pay plan adopted by the Civil Service Commission and identify such staff members by job classification or designation, together with the salary or salary ranges for each such job classification or designation;~~

~~(6) The manner in which the commission will strengthen its knowledge and independent capacity to analyze key conditions and trends in the industries it regulates extending from general industry analysis and supply demand forecasting to continuing and more thorough scrutiny of the capacity planning, construction management, operating performance and financial condition of the major companies within these industries.~~

~~Such plan shall be based on the concept that each of the divisions mentioned in subdivisions (1), (2) and (4) of this subsection shall exist independently of the others and the plan shall discourage ex parte communications between them by such means as the commission shall direct, including, but not limited to, separate clerical and professional staffing for each division. Further, the Public Service Commission is directed to incorporate within the said plan to the fullest extent possible the recommendations presented to the subcommittee on the Public Service Commission of the Joint Committee on Government and Finance in a final report dated February,~~

~~1979, and entitled A Plan for Regulatory Reform and Management Improvement.~~

~~The commission shall, before January 5, 1980, adopt said plan by order, which order shall promulgate the same as a rule of the commission to be effective upon the date specified in said order, which date shall be no later than December 31, 1980. Certified copies of such order and rule shall be filed on the first day of the 1980 regular session of the Legislature, by the chairman of the commission with the clerk of each house of the Legislature, the Governor and the Secretary of State. The chairman of the commission shall also file with the office of the Secretary of State the receipt of the clerk of each house and of the Governor, which receipt shall evidence compliance with this section.~~

~~Upon the filing of a certified copy of such order and rule, the clerk of each house of the Legislature shall report the same to their respective houses and the presiding officer thereof shall refer the same to appropriate standing committee or committees.~~

~~Within the limits of funds appropriated therefor, the rule of the Public Service Commission shall be effective upon the date specified in the order of the commission promulgating it unless an alternative plan be adopted by general law or unless the rule is disapproved by a concurrent resolution of the Legislature adopted prior to adjournment sine die of the regular session of the Legislature to be held in the year 1980: *Provided*, That if such rule is approved in part and disapproved in part by a concurrent resolution of the Legislature adopted prior to such adjournment, such rule shall be effective to the extent and only to the extent that the same is approved by such concurrent resolution.~~

~~The rules promulgated and made effective pursuant to this section shall be effective notwithstanding any other provisions of this code for the promulgation of rules or regulations.~~

~~(g) (e)~~ The Public Service Commission is hereby directed to cooperate with the Joint Committee on Government and Finance of the Legislature in its review, examination and study of the administrative operations and enforcement record of the Railroad Safety Division of the Public Service Commission and any similar studies.

144 ~~(h)~~ (f) (1) The Legislature hereby finds that rates for natural gas charged to customers of all
145 classes have risen dramatically in recent years to the extent that such increases have adversely
146 affected all customer classes. The Legislature further finds that it must take action necessary to
147 mitigate the adverse consequences of these dramatic rate increases.

148 (2) The Legislature further finds that the practices of natural gas utilities in purchasing high-
149 priced gas supplies, in purchasing gas supplies from out-of-state sources when West Virginia
150 possesses abundant natural gas, and in securing supplies, directly or indirectly, by contractual
151 agreements including take-or-pay provisions, indefinite price escalators or most-favored nation
152 clauses have contributed to the dramatic increase in natural gas prices. It is therefore the policy of
153 the Legislature to discourage such purchasing practices in order to protect all customer classes.

154 (3) The Legislature further finds that it is in the best interests of the citizens of West Virginia
155 to encourage the transportation of natural gas in intrastate commerce by interstate or intrastate
156 pipelines or by local distribution companies in order to provide competition in the natural gas
157 industry and in order to provide natural gas to consumers at the lowest possible price.

158 ~~(i)~~ (g) The Legislature further finds that transactions between utilities and affiliates are a
159 contributing factor to the increase in natural gas and electricity prices and tend to confuse
160 consideration of a proper rate of return calculation. The Legislature therefore finds that it is
161 imperative that the Public Service Commission have the opportunity to properly study the issue of
162 proper rate of return for lengthy periods of time and to limit the return of a utility to a proper level
163 when compared to return or profit that affiliates earn on transactions with sister utilities.

164 ~~(j)~~ (h) The Legislature further finds that water and sewer utilities that are political
165 subdivisions of the state providing separate or combined services and having at least 4,500.
166 customers and annual gross revenues of \$3 million or more are most fairly and effectively
167 regulated by the local governing body with respect to rates, borrowing and capital projects.
168 Therefore, notwithstanding any contrary provisions of this section, the jurisdiction of the Public
169 Service Commission over water and sewer utilities that are political subdivisions of the state is

170 limited to that granted specifically in this code.

171 ~~(k)~~ (i) The Legislature further finds that an adequate cash working capital fund is essential
172 to allow water and sewer utilities that are political subdivisions of the state to deliver continuous
173 and compliant service. Therefore, these utilities shall maintain a working capital reserve in an
174 amount of no less than one eighth of actual annual operation and maintenance expense. This
175 reserve shall be separate and distinct from and in addition to any repair and replacement fund that
176 may be required by bond covenants.

**§24-1-1a. Supplemental rule for reorganization; certain reports to be made to the
Legislature; filing of such rule and reports and the procedure therefor.**

1 [Repealed.]

§24-1-1b. Supplemental rule for reorganization.

[Repealed.]

§24-1-3. Commission continued; membership; chairman; compensation; quorum.

1 (a) The Public Service Commission of West Virginia is continued and directed as provided
2 by this chapter, chapter twenty-four-a, chapter twenty-four-b and chapter twenty-four-d of this
3 code. The Public Service Commission may sue and be sued by that name.

4 (b) The Public Service Commission shall consist of three members who shall be appointed
5 by the Governor, with the advice and consent of the Senate. The commissioners shall be citizens
6 and residents of this state and at least one of them shall be duly licensed to practice law in West
7 Virginia, with not less than 10 years' actual work experience in the legal profession as a member of
8 a State Bar. Each commissioner shall, before entering upon the duties of his or her office, furnish
9 bond to the state in the sum of \$100,000 conditioned for the faithful discharge of the duties of his or
10 her office and for the proper accounting for all funds that may come into his or her possession by
11 virtue of his or her office.

12 (c) No more than two of the commissioners shall be members of the same political party.

13 (d) Each commissioner shall, before entering upon the duties of his or her office, take and

14 subscribe to the oath provided by section five, article IV of the Constitution of West Virginia. The
15 oath shall be filed in the office of the Secretary of State.

16 (e) The Governor shall designate one of the commissioners to serve as chairman at the
17 Governor's will and pleasure. The chairman shall be the chief administrative officer of the
18 commission. The Governor may remove any commissioner only for incompetency, neglect of duty,
19 gross immorality, malfeasance in office or violation of subsections (g) and (h) of this section.

20 (f) Upon expiration of the terms, appointments are for terms of six years, except that an
21 appointment to fill a vacancy is for the unexpired term only.

22 ~~(g) No person while in the employ of, or holding any official relation to, any public utility~~
23 ~~subject to the provisions of this chapter or holding any stocks or bonds of a public utility subject to~~
24 ~~the provisions of this chapter or who is pecuniarily interested in a public utility subject to the~~
25 ~~provisions of this chapter may serve as a member of the commission or as an employee of the~~
26 ~~commission. No person who within the past two years was in the employ of or holding any official~~
27 ~~relation to any entity, which entity is subject in whole or in part to regulation by the commission, or~~
28 ~~derived direct economic benefit from actions and decisions of the commission, and no person~~
29 ~~owning stocks or bonds of any such corporation or who is in any manner pecuniarily interested~~
30 ~~therein, shall be appointed or hold the office of commissioner or be appointed or employed by the~~
31 ~~commission. If any commissioner or employee acquires a financial interest in any such entity~~
32 ~~other by voluntary acquisition, his or her office shall become vacant unless within a reasonable~~
33 ~~time he or she divests such interest.~~

34 (h) Nor may any commissioner be a candidate for or hold public office or be a member of
35 any political committee while acting as a commissioner; nor may any commissioner or employee
36 of the commission receive any pass, free transportation or other thing of value, either directly or
37 indirectly, from any public utility or motor carrier subject to the provisions of this chapter. In case
38 any of the commissioners becomes a candidate for any public office or a member of any political
39 committee, the Governor shall remove him or her from office and shall appoint a new

commissioner to fill the vacancy created.

(i) The annual salary of each commissioner provided in section two-a, article seven, chapter six of this code shall be paid at least twice per month from the special funds in the percentages that follow:

(1) From the Public Service Commission Fund collected under the provisions of section six, article three of this chapter, 80%;

(2) From the Public Service Commission Motor Carrier Fund collected under the provisions of section six, article six, chapter twenty-four-a of this code, 17%; and

(3) From the Public Service Commission Gas Pipeline Safety Fund collected under the provisions of section three, article five, chapter twenty-four-b of this code, three percent.

(j) In addition to the salary provided for all commissioners in section two-a, article seven, chapter six of this code, the chairman of the commission shall receive \$5,000 per annum to be paid at least twice per month from the Public Service Commission Fund collected under the provisions of section six, article three of this chapter.

§24-1-7. Rules of procedure; commission not bound by rules of evidence or pleadings; inscription on, use of and judicial notice of seal.

(a) The commission shall prescribe such rules ~~and regulations~~ as may be necessary to carry out the provisions of this chapter, including rules of procedure and for taking evidence in all matters that may come before it, and enter such orders as may be just and lawful: *Provided*, That no such rule or regulation shall be effective unless promulgated pursuant to the provisions of sections one through ten, article three, chapter twenty-nine-a of this code: *Provided, however*, That no such rule or regulation shall become effective until sixty days after its final adoption or until the effective date proposed by the commission, whichever is later: *Provided further*, That any rules and regulations promulgated prior to the effective date of this section shall remain in full force and effect unless changed, modified or repealed in accordance herewith. The rules and regulations promulgated hereunder by the Public Service Commission shall not be subject to the legislative

rule-making review procedures established in sections eleven through fifteen, article three, chapter twenty-nine-a of this code. In the investigations, preparations and hearings of cases, the commission shall not be bound by the technical rules of pleading and evidence, but in that respect it may exercise such discretion as will facilitate its efforts to understand and learn all the facts bearing upon the right and justice to the matters before it.

(b) Meetings of the commission wherein the sole purpose is to decide or deliberate toward a decision on any matter are exempt from the requirements of article nine-a, chapter six of this code, any other provision of this code to the contrary notwithstanding.

(c) All orders of the commission shall set forth separately findings of facts and conclusions of law, which findings of fact shall make specific reference to the evidence in the record which supports such findings.

(d) The commission shall have a seal bearing the following inscription: "The Public Service Commission of West Virginia." The seal shall be affixed to all writs and authentications of copies of records, and to such other instruments as the commission shall direct. All courts shall take judicial notice of said seal.

(e) Because the nature of the duties of the commission are quasi-judicial in nature, and to preserve public confidence in the impartiality of the commission, the West Virginia rules of judicial conduct are applicable to commission members unless those rules create a conflict with the commission's statutory duty.

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NOTE: The purpose of this bill is to enhance transparency and accountability of the Public Service Commission, and to shift the duties of the commission towards a greater focus of assuring affordable utility rates; and to assure that it is held to the highest ethical standard in its decision-making process, including assuring impartiality by applying the State Code of Judicial Ethics to the Commission. The bill redefines what is deemed in the public interest by providing greater weight be given to affordability of electrical utility rates; requiring commissioners annual financial statements be published on the Internet and to post bond upon appointment; and deleting and repealing outdated code provisions.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.