

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

### **Committee Substitute**

**for**

### **Senate Bill 981**

BY SENATORS CHAPMAN, ROBERTS, TAYLOR, THORNE,

BARTLETT, AND M. MAYNARD

[Reported February 26, 2026, from the Committee on

Government Organization]



1 A BILL to amend and reenact §24-1-2 of the Code of West Virginia, 1931, as amended; and to  
2 amend the code by adding a new article, designated §24-2B-1, §24-2B-2, §24-2B-3, and  
3 §24-2B-4, relating to recommending a one-year moratorium on approval of certain public  
4 utility rate increases; defining terms; articulating legislative findings and purpose; requiring  
5 comprehensive study on methods and means to reduce certain utility rates; and requiring  
6 report on findings, conclusions, and recommendations of study.

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

## **ARTICLE 1. GENERAL PROVISIONS.**

### **§24-1-2. Definitions.**

1 ~~Except where a different meaning clearly appears from the context~~ As used in this chapter,  
2 the following words ~~when used in this chapter, shall mean~~ and phrases have the meanings  
3 ascribed to them unless the context clearly indicates a different meaning:

4 "Commission" or "Public Service Commission" means the Public Service Commission of  
5 West Virginia.

6 "Customer" means any person, firm, corporation, municipality, public service district, or  
7 any other entity who purchases a product or services of any utility and ~~shall include~~ includes any  
8 person, firm, corporation, municipality, public service district, or any other entity ~~who~~ that  
9 purchases the services or product for resale.

10 "Governing body" means the municipal body charged with the authority and responsibility  
11 of enacting ordinances of the municipality, as defined in §8-1-2 of this code, or a public service  
12 board of a public service district, as defined in §16-13A-3 of this code.

13 "Public utility" means any person or persons, or association of persons, however  
14 associated, whether incorporated or not, including municipalities, engaged in any business,  
15 whether or not herein enumerated or not in this chapter, which is or ~~shall hereafter be~~ is later held  
16 to be a public service. ~~Provided, That~~ Public utility does not include ~~individuals or entities~~ any  
17 individual or entity owning a solar photovoltaic energy facility located on and designed to meet

18 only the electrical needs of the premises of a retail electric customer, the output of which is subject  
19 to a power purchase agreement with the retail electric customer, subject to §24-2-1(a) of this  
20 code.

21 "Rate increase" means any increase in base rates, riders, surcharges, trackers, or other  
22 mechanisms that result in higher charges to customers, whether temporary or permanent.

**ARTICLE 2B. MORATORIUM ON RATE INCREASES.**

**§24-2B-1. Legislative findings and purpose.**

1 (a) The Legislature finds that:

2 (1) Electric, natural gas, water, and wastewater utility rates paid by residential,  
3 commercial, and industrial customers in this state have increased significantly in recent years,  
4 placing a disproportionate burden on households, seniors, small businesses, and economic  
5 development efforts;

6 (2) West Virginia consistently ranks among the lowest states in median household income,  
7 making affordability of essential utility services a matter of public interest and economic necessity;

8 (3) The Public Service Commission is charged with balancing the financial integrity of  
9 utility providers with the obligation to ensure that rates are just, reasonable, and not unduly  
10 burdensome to customers;

11 (4) A temporary pause in the approval of rate increases is recommended to allow for a  
12 comprehensive evaluation of existing ratemaking practices, cost drivers, regulatory structures,  
13 and alternative methods to reduce or stabilize utility rates.

14 (b) The purpose of this article is to recommend a one-year moratorium on any approval of  
15 electric, natural gas, water, and wastewater utility rate increases and to require a comprehensive  
16 study of methods and means to reduce utility rates for customers in this state.

**§24-2B-2. Recommendation of one-year moratorium on utility rate increase approvals.**

1 (a) The Public Service Commission and political subdivisions of the state with rate-setting  
2 authority are recommended not to approve or allow to take effect any rate increase for any utility

3 provider under their respective jurisdictions during the one-year period beginning July 1, 2026,  
4 and ending June 30, 2027.

5 (b) During the moratorium period, the commission and political subdivisions with rate-  
6 setting authority could continue to:

7 (1) Conduct hearings, investigations, and audits;

8 (2) Require utilities to file information, reports, and data;

9 (3) Reduce rates or disallow costs; and

10 (4) Approve rate decreases or refunds.

11 (c) The moratorium recommended by this section would not apply to:

12 (1) Rate decreases;

13 (2) Refunds ordered by the commission, a political subdivision, or a court of competent  
14 jurisdiction; or

15 (3) Rates implemented solely to comply with a final federal mandate where failure to  
16 implement would result in immediate and material penalties, so long as the commission or political  
17 subdivision makes written findings supporting that determination.

18 (d) Any rate increase approved or allowed to take effect in violation of a moratorium  
19 imposed pursuant to this section shall be void and of no force or effect.

**§24-2B-3. Study on methods to reduce utility rates.**

1 (a) The Public Service Commission shall conduct a comprehensive study on methods and  
2 means to reduce electric, natural gas, water, and wastewater utility rates paid by customers in  
3 this state.

4 (b) The study shall include an examination of the following:

5 (1) Utility cost structure, including, but not limited to:

6 (A) Capital expenditures and capital planning practices;

7 (B) Operation and maintenance costs;

8 (C) Executive compensation, staffing levels, and administrative overhead; and

- 9           (D) Affiliate transactions and cost allocations.
- 10           (2) Rate-making policies and practices, including, but not limited to:
- 11           (A) Use and impact of riders, trackers, and automatic adjustment mechanisms;
- 12           (B) Return on equity levels and capital structure assumptions;
- 13           (C) Depreciation schedules and asset lives; and
- 14           (D) Treatment of extraordinary or nonrecurring costs.
- 15           (3) Fuel, purchase power, and supply costs, including, but not limited to:
- 16           (A) Fuel procurement practices and hedging strategies;
- 17           (B) Long-term versus short-term supply contracts; and
- 18           (C) Opportunities for renegotiation or competitive procurement.
- 19           (4) Infrastructure investment and alternatives, including, but not limited to:
- 20           (A) Cost-effectiveness of planned infrastructure projects;
- 21           (B) Non-wire and non-pipeline alternatives; and
- 22           (C) Opportunities to defer, downsize, or eliminate capital projects without compromising
- 23 reliability;
- 24           (5) Energy efficiency and demand-side management, including, but not limited to:
- 25           (A) Expansion of energy efficiency, conservation, and demand-response programs;
- 26           (B) Cost effectiveness of such programs for rate reduction; and
- 27           (C) Barriers to customer participation.
- 28           (6) Regulatory and statutory constraints, including, but not limited to:
- 29           (A) Statutory requirements that contribute to higher rates;
- 30           (B) Opportunities for regulatory reform or legislative changes to reduce costs; and
- 31           (C) Comparison with regulatory practices in similarly situated states.
- 32           (7) Customer impact and equity, including, but not limited to:
- 33           (A) Rate impact on residential, low-income, senior, and fixed-income customers;

34 (B) Rate assistance plans and programs for low-income, senior, and fixed-income  
35 customers;

36 (C) Impact on small businesses and large employers; and

37 (D) Rate design alternatives that promote affordability and fairness.

38 (8) Utility financial health, including, but not limited to:

39 (A) Utility earnings relative to authorized returns;

40 (B) Credit ratings and access to capital; and

41 (C) Whether rate reductions can be achieved while maintaining safe and reliable service.

42 (9) General criteria and standards for evaluation, including, but not limited to whether:

43 (A) A proposed cost or investment is necessary to provide safe, adequate, and reliable  
44 service;

45 (B) A cost is prudently incurred and reasonably priced;

46 (C) Lower-cost alternatives exist;

47 (D) A cost primarily benefits shareholders rather than customers;

48 (E) Rate impact can be mitigated through alternative ratemaking or regulatory approaches;

49 and

50 (F) Cost reductions can be achieved without shifting unreasonable risk to customers; and

51 (10) Any other criteria the commission determines is necessary or appropriate.

**§24-2B-4. Report.**

1 (a) On or before February 1, 2027, the Public Service Commission shall submit a report  
2 to the Governor, President of the Senate, and Speaker of the House of Delegates regarding the  
3 study required by this article.

4 (b) The report shall include the following:

5 (1) Findings and conclusions resulting from the study;

6 (2) Specific and detailed recommendations for regulatory or statutory changes, or both, to  
7 reduce utility rates, including drafts of any legislation necessary to implement such changes;

- 8           (3) Cost-saving measures that could be implemented administratively by the commission  
9 or political subdivisions; and
- 10           (4) An assessment of the anticipated rate impact of any recommended measure.
- 11           (c) The commission shall make the report publicly available on its website.