

POLICY POSITION

15. ELECTRIC UTILITY POLICY

At its 1984 Annual Meeting, the National Governors' Association adopted the following Electric Utility Policy Position:

Historically, the individual states have retained exclusive responsibility in the matter of regulating utilities with regard to capacity need, service reliability, cost of service, and other valid related state concerns. Federal regulation of utilities properly extends only to those matters not lawfully and historically subject to regulation by the states.

The Federal Energy Regulatory Commission should not exceed its statutory authority to establish wholesale electric rates as opposed to retail rates. The states should retain their historic right to determine whether or not to pass along to their ratepayers the cost of both in-state and out-of-state generating facilities, based on need, reasonableness of construction cost, and whether the utility has complied with state laws on plant financing or other relevant state statutes.

The Southern Legislative Conference joins with the National Governors' Association in approving the aforementioned Electric Utility Policy, thereby demonstrating to the appropriate Federal authorities--the Federal Energy Regulatory Commission (FERC) and the Department of Energy (DOE) -- a strong position that the states should retain their historic right to determine whether or not to pass along to public utility ratepayers, in their respective states, the costs of both in-state and out-of-state generating facilities, based on need, reasonableness of construction cost, and whether the utility has complied with state laws on financing or with other relevant state statutes.

Adopted by the Southern Legislative Conference on August 16, 1984,
Virginia Beach, Virginia.

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