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VIRGINIA STATE CORPORATION COMMISSION:
RESPONSIBLE REGULATION FOR THE
COMMONWEALTH

*Elizabeth B. Lacy**

Since 1903, the Virginia State Corporation Commission (SCC) has functioned as a fourth branch of Virginia state government. Although often referred to as “the most powerful agency in state government,” an understanding of the activities and regulatory responsibilities of the SCC continues to elude all but a few. Because of the significant array of regulatory responsibilities assigned by the Virginia Constitution and Virginia General Assembly to the SCC, even those who have occasion to come before the Commission for one purpose or another generally are unaware of the other responsibilities of this agency. The significant impact that SCC policies have on the economic development of the Commonwealth and the consuming public in their business and personal lives should be understood by more than those very few.

In 1962, the Honorable Ralph T. Catterall, Commissioner of the SCC at that time, authored “an informal and footnoteless” article explaining the structure and responsibilities of the Commission with the “regulatory Slough of Despond” so often evident in governmental bureaucracy, particularly federal administrative agencies.¹ Much has changed since 1962, both in the economic environment and at the SCC. Following Judge Catterall’s tradition, this informal and “almost footnoteless” article is an update of the activities, structure, and procedures of the Commission and a review of some complex issues facing the SCC as it nears its ninetieth birthday.

The unique status of the Commission is reflected in the nature of its authority and the breadth of its jurisdiction. Initially established by the Virginia Constitution of 1902, the Commission is vested with legislative, judicial, and administrative authority.² The exercise of each component type of authority depends on the pend-

* Chairman, Virginia State Corporation Commission.

1. Catterall, *The State Corporation Commission of Virginia*, 48 VA. L. REV. 139 (1962).

2. VA. CONST. of 1902, art. 12, § 155.

ing matter. The fact that the activities of the SCC do not fit under neat procedural or substantive labels is often a source of consternation to attorneys who are unfamiliar with the Commission's structure. The Commission is not part of the legislative, executive, or judicial branches of government; in effect it is a fourth branch of Virginia state government.

The SCC's jurisdiction has expanded since 1903 when its primary purpose was to regulate railroads and to issue corporate charters. These operations were performed with a budget of approximately \$24,000 and five employees. At the time of Judge Catterall's article in 1962, the Commission's annual budget had expanded to \$2,000,000, with a staff of 250. The budget for fiscal year 1986-87 is approximately \$26,000,000, with an authorized staff of 502. As a result of legislative enactments and constitutional amendments over the years, the SCC's responsibilities now include regulation of railroads, telephone, telegraph, water, gas and electric utilities, motor carriers, financial institutions, and insurance and securities industries. Additionally, all laws for the regulation and control of corporations doing business in the Commonwealth are administered by the SCC. The regulatory work is conducted under thirteen regulatory divisions with additional staff support divisions.³

No other state in the country consolidates these regulatory functions under one umbrella. No other state of comparable size performs these functions at a lower cost. General revenue funds are not used to support the Commission's work. Rather, the Commission is supported by revenues maintained in five special funds derived from regulatory assessments and statutorily set fees. The Commission annually establishes separate assessment rates for the utilities, insurance companies, and financial institutions which it regulates. The internal accounting systems at the Commission are designed to ensure that revenues received for the regulation of a given industry are not used in the regulation of another industry. For example, the fund supporting financial institution regulation does not support the regulation of insurance companies or agents.

3. Regulatory Divisions: Bureau of Financial Institutions, Bureau of Insurance, Clerk's Office, Corporate Operations, Railroad Operations, Energy Regulation, Accounting and Finance, Economic Research and Development, Communications, Public Service Tax, Motor Carriers, Uniform Commercial Code, Securities and Retail Franchising. Staff Divisions: Personnel, Fiscal, Planning and Development, General Counsel, Information Resources and Support Services.

While the Commission establishes the assessment rates, the General Assembly maintains its supervisory and appropriation responsibilities. The amount of funds available to the Commission is contained in the Appropriations Act, although the source of these funds is limited to the Special Funds.

Although no general funds are used by the Commission, the statutes specifically direct the SCC to collect revenues which are to be deposited into the State Treasury. The SCC is the fifth largest State agency in terms of net revenues deposited into the State Treasury. In 1986, the SCC collected and deposited over \$324,000,000 into the State Treasury. Of this amount, \$270,000,000 went to the General Fund, with the remainder divided among the Highway Maintenance and Construction Fund, the Literary Fund, the Uninsured Motorist Fund, and local governments.

The degree of regulatory activity exercised by the Commission is set by the General Assembly and varies among industries. This regulatory activity ranges from serving as a filing repository for liens under the Uniform Commercial Code to overseeing and approving virtually every aspect of a regulated monopoly's activities. A brief overview of the regulatory divisions' activities is necessary for a sense of the Commission's role.

The Bureau of Insurance regulates all insurance companies, agencies, and agents doing business in the Commonwealth. In 1986, there were 1300 companies, 7400 agencies, and 67,000 agents operating in Virginia. The Bureau conducts audits of the companies to ensure solvency, undertakes market conduct investigations to ensure compliance with the law by companies, agencies, and agents, and conducts examinations for the licensing of agents. In 1986, over 300,000 licenses were issued. The Commission no longer sets the rates that insurance companies may charge in most areas; this is done on a competitive basis under the law. The exception includes rates set for worker's compensation, for example.

Similarly, the Bureau of Financial Institutions investigates and recommends actions on applications for new state bank charters and savings and loan charters as well as consumer finance associations and industrial loan associations. The Bureau also regulates credit unions, debt counseling agencies, and money order sellers. Responsibilities of the Bureau include the auditing and monitoring of the activities of these institutions and ensuring the safety and soundness of state banks, savings and loans, and credit unions. Ex-

aminations of these institutions occur at least twice in every three-year period. The Bureau's domain in 1986 included 124 state banks with 900 branches, 33 savings and loans, 312 consumer finance associations, and 124 credit unions. The Bureau also has responsibility for administration of regional interstate banking acquisitions. The 1987 Virginia General Assembly enacted legislation which will require the Bureau to license and regulate mortgage lenders.

The Securities and Retail Franchising Division has regulatory jurisdiction over all securities sold in this state and over those who sell them. No security may be sold unless it is registered with the Securities Division or qualifies for stated exemptions. No person may sell securities unless he is licensed. Over 715 broker-dealers and 22,000 agents are licensed. The Division processes approximately 4000 security and 250 franchise applications annually. Additionally, it investigates and prosecutes persons who violate the Virginia securities laws. Regulation of financial planners was placed with this Division by the 1987 General Assembly.

There are presently over 100,000 Virginia domestic corporations and 20,000 foreign corporations registered to do business in Virginia. These registrations and corporate charters are issued by the Clerk's Office. The Clerk's Office also receives and collects the annual corporation report information and the annual registration fees. The Uniform Commercial Code Division is the repository of approximately 400,000 documents relating to financing in this state under the Uniform Commercial Code. Seventy-seven thousand new documents are filed annually. A substantial part of the workload in the Clerk's Office and Uniform Commercial Code Division consists of handling public inquiries concerning the documents on file.

The Motor Carrier Division of the Commission registers the commercial motor carriers, and in 1986 there were more than 600,000 such vehicles. The Division maintains and collects approximately 45,000 road tax use accounts. The Enforcement Section conducts road checks to ensure compliance with Virginia motor carriers laws. The Division is also responsible for investigating applications for people or entities desiring to receive certificates of public convenience and necessity as petroleum tank truck carriers, special charter party carriers, and other types of commercial carriers of persons or commodities. A certificate to engage in this type of business can only be issued by the Commission after a hearing.

The Public Service Tax Division is responsible for assessing the

value of all property owned by public service corporations. This assessment is then sent to the localities and provides the basis for local taxation each year.

Regulation of public utilities is probably the best recognized function of the Commission and the most "industry pervasive" regulatory responsibility. In regulating utilities, the Commission is charged with the responsibility of ensuring that the service provided is adequate and that the rates charged for that service are both reasonable and designed to ensure the financial stability of the utility and a fair rate of return to the utility's stockholders. To meet this mandate, the Commission employs personnel with extensive backgrounds in accounting, engineering, research, economics, statistics, rate design, load forecasting, fuel monitoring, construction monitoring, and other areas of expertise necessary for deciding a rate case, as well as administering other laws relating to the regulation of utilities. At the present time, there are five investor-owned electric utilities and thirteen electric cooperatives in Virginia. Twenty local exchange telephone companies, including six cooperatives, operate in Virginia and ten interexchange or long distance companies are certificated to operate in Virginia. There are presently fourteen gas companies certificated to operate in Virginia, and ninety water companies. The staff reviews the financial operating reports of the utilities on an annual basis. The Commission and its utility staff administer Title 56 of the Code of Virginia, which includes activities such as authorizing the utility to construct and operate facilities, conducting regular safety inspections of the facilities of gas utilities, reviewing and ruling on all transactions with utility company affiliates, and reviewing and approving the issuance of stocks, bonds, and other securities by regulated utilities.

As outlined above, the work of the Commission can extend from deciding whether a multi-million dollar public utility rate increase is justified to whether a name requested by a corporation is distinguishable on the record from another name already used by a corporation in Virginia. The Commission itself, which consists of the three Commissioners, or judges, issues approximately 1500 orders, holds in excess of 230 hearings, and renders approximately 750 decisions annually. Generally, the Commission sits as a court twice a week, except in the month of August. The Commissioners are elected by the General Assembly for six-year terms. The Commission annually elects one of its members as chairman and the prac-

tice of the Commission has been to rotate the chairmanship on an annual basis. The Commissioners are subject to removal by the Virginia Supreme Court based on a complaint filed by the Judicial Inquiry and Review Commission.⁴

The constitution and statutes give the Commission authority to establish their own rules of procedure not inconsistent with any enacted by the General Assembly.⁵ The Commission has enacted, by order, Rules of Practice and Procedure before the Commission. While these Rules have been refined over the years, the touchstone of the Rules remain as stated by Judge Catterall in 1962: to afford a full and fair opportunity for all to be heard on any matter, and to do so in an efficient and timely manner.

The constitution and statutes provide that any decision of the Commission may be appealed as a matter of right to the Virginia Supreme Court.⁶ This longstanding provision has ensured prompt resolution of issues. The need for timely resolution exists for all issues pending in the judicial system; however, because matters considered by the SCC are so closely tied to the economic livelihood of businesses and industries in this state, timeliness becomes of paramount concern. For example, in many states a decision of a public service commission regarding a rate increase or decrease for a public utility is first appealed to a trial court, then to an intermediate appellate court if applicable, and finally to the state's highest appellate court. Regardless of the outcome, this procedure results in a regulatory lag of tremendous proportion which has an adverse impact on both the utility and its customers.

A second procedure which allows expeditious resolution of disputes relates to informal appeals from decisions of a director of a regulatory division. For administrative purposes, the three Commissioners divide the regulatory divisions among themselves. When a decision is made by the director of a division, such as the Bureau of Financial Institutions, the decision can be informally appealed to the Commissioner who has administrative control over that division. This appeal may be conducted through letters, pleadings, or meetings. The applicant may subsequently appeal the decision of the single Commissioner to the full Commission, formally or informally. Given the number of regulatory issues which arise on a daily

4. VA. CONST. art. IX, § 1; art. VI, § 10.

5. *Id.* art. IX, § 3.

6. *Id.* art. IX, § 4.

basis in each of the divisions, this informal appeal procedure within the Commission allows efficient and effective resolution of the issues while affording the opportunity for a full hearing at each step of the procedure.

Contrary to the situation described by Judge Catterall in 1962, the Commission now uses hearing examiners to handle some of the case load which has expanded by fifty percent since 1980. The Commission presently has two hearing examiners. The report of the hearing examiner is advisory only. After a hearing examiner's report on a case is issued, comments may be filed by participants in the case. The three Commissioners then review the hearing examiner's report, the transcript, testimony, comments, and other matters in the record, and issue the final order and opinion.

Because of the highly technical nature of evidence involved in many cases before the Commission, most direct testimony is prefiled according to a schedule established by Order of the Commission. Public witnesses are invited to testify at the beginning of each hearing and may appear without counsel to express their position on the matter at issue. Actual parties to the litigation or intervenors must, however, file formal notices of participation and be represented by counsel. The Office of General Counsel, a staff division, also participates in hearings as counsel for the Commission staff. Pursuant to the constitution and statutes, the Division of Consumer Counsel in the Attorney General's Office is designated as the representative of consumer interests in all proceedings before the Commission.⁷ Throughout the years, the combination of staff and its counsel, the Division of Consumer Counsel, the intervenors, protestants, and other parties in interest have combined to present a full record upon which the Commission can base its opinion and order.

The principles upon which the SCC has relied in carrying out its responsibilities have been relatively constant throughout the years. Concerns such as the safety and solvency of banks and insurance companies and the just and reasonable rate criteria applicable to utilities have not changed substantially. But the facts to which these principles are applied have changed. Prior to the 1970's in the utility arena, the SCC's major responsibility was to determine the amount of rate decrease for customers. During this period, utilities, especially electric utilities, were able to take advantage of

7. *Id.* art. IX, § 2; VA. CODE ANN. § 2.1-133.3 (Repl. Vol. 1979).

changing technologies and economies of scale, along with low fuel prices. As a result, the major role of the Commission was to determine how much of a rate decrease should be awarded. With the oil embargo and advent of nuclear power generating plants in the early 1970's, this world changed dramatically. For the first time in decades the financial stability of our utilities was at issue and the cost of providing service rose dramatically. As a result, the Commission had to make some very difficult decisions using a balancing act. The result of this decisionmaking process was not totally acceptable to either the utilities or their customers.

In the past few years, the climate for utilities, financial institutions, and other regulated industries in the Commonwealth generally has been sound and improving. The stability of this infrastructure is a key element in economic growth, both for existing business and in attracting new ventures to the Commonwealth. While the tumult of the earlier decade has subsided, the issues presently facing the Commission and regulated industries present significant challenges. The actions of federal courts and regulatory agencies such as the Federal Communications Commission (FCC) and the Federal Energy Regulatory Commission (FERC) in implementing a philosophy of deregulation have ushered in a new era. The federal policy of deregulation, combined with new technology, is changing and has changed the way our industries are doing business, the way we will regulate those industries, and the way the consumer views and uses the services of those industries. The introduction of competition into telecommunications, the natural gas industry, and financial institutions is requiring major adjustments by the affected industries and the consumer. Likewise, regulators must adjust to this change if regulation is to continue to be relevant to the marketplace, the industry, and the consumer. It is essential that regulatory bodies such as the SCC be flexible in order to provide meaningful regulation in a timely fashion.

A brief review of the natural gas and telecommunications industries illustrates the present situation. In 1985, FERC promulgated Rule 436 which significantly altered the gas industry's method of doing business.⁸ Prior to Rule 436, the natural gas customer purchased his gas from a local distribution company and paid rates which were set by the SCC or other regulatory commissions. The

8. FERC Order No. 436, Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol, 50 Fed. Reg. 42,408 (1985); *see also* FERC Order No. 451, Ceiling Prices; Old Gas Pricing Structure, 51 Fed. Reg. 22,168 (1986).

local distribution company, in exchange for its geographic monopoly franchise, had a duty to serve all customers seeking its service in the area. The gas supply sold by the local distribution company was usually purchased from the interstate pipeline company under long term contracts. The interstate pipeline company in turn purchased gas from the producer, again under long term contract. Rule 436 introduced open access; that is, the ability of an end user or a local distribution company to purchase only transportation services, not the gas itself, from the interstate pipeline. For example, the user can purchase gas directly from the producer and then contract with the interstate pipeline and local distribution company to have the gas transported from the wellhead to the facility where it will be used. In establishing open access, FERC was acting on the belief that competition structured in this manner would result in lower prices at the wellhead and subsequently lower prices to consumers.

The benefits of any economic theory, however, can only be realized through successful implementation. Major issues must be resolved and new policies developed for the implementation of the open access theory in the gas industry. As described above, the gas industry encompasses more than the interstate transportation of gas. While FERC can implement Rule 436 and similar policies on the interstate level, jurisdiction of the industry within the borders of each state remains with the states. The approach of each state to gas transportation policies and related issues will ultimately determine the nature of the gas industry. These policies must be formulated against the background of a marketplace which presently is experiencing an excess in supply due in part to low oil prices. Many large industrial users of gas have dual fuel capability. They can and are switching from gas to oil if the price of oil is more attractive.

Policies regarding procurement of gas by local distribution companies and bypassing utilities are two of the issues facing state commissions. These issues exemplify the new environment. Contracts for relatively long term gas supplies ensure that the gas will be available when needed; this reliability results in higher costs than those incurred in purchasing gas on the spot market. Reliability of supply is an element which cannot be discounted, even though a surplus of gas presently exists. Most residential customers and many commercial and industrial customers cannot switch to an alternate fuel in the event of a gas shortage. Utilities, com-

missions, and users have a substantial interest in assuring the continuation of a gas supply which is dependent on continued exploration and development. Even so, reliability needs do not replace a responsibility for securing gas at a reasonable price. It is incumbent on the Commission and the utility to formulate gas procurement policies which will provide a reliable gas supply at a reasonable cost to the consumer.

A second problem area is the existence of bypass. Bypass refers to circumvention of the certificated utility service. In the natural gas environment, bypass can occur in a number of ways. Purchase of gas transportation only, not gas supply, from the local distribution company or interstate pipeline is a form of bypass. In some instances the user will bypass the local distribution company by connecting directly to the interstate pipeline. In some instances, the user will employ alternate fuels, thereby withdrawing entirely from the system. Each of these forms of bypass reduces revenues to the utility but generally does not reduce fixed costs. As customers withdraw from the system, the fixed costs must be spread over a smaller base thereby increasing the costs to the remaining users. Commissions across the country are experimenting with methods to allow gas utilities to price their service, transportation, and gas sales in a way which will allow their prices to be competitive with alternate fuels, thereby retaining alternative fuel users on the system while insuring that the burden of fixed costs does not fall entirely on the captive or non-switchable customers.⁹

To meet these issues in Virginia, the SCC held a general, or generic, hearing in the summer of 1986. At this hearing all interested parties presented their concerns and recommendations. In an opinion issued in September 1986, the Commission encouraged the use of transportation rates where requested, allowed a flexible rate for retail gas sales, required cost of service studies to be submitted to the Commission within 12 months, and stated that a local distribution company should not be required to provide gas to a customer who previously chose to withdraw from the system and did not pay a standby charge imposed to cover the eventuality of the need or desire to return to the system. In issuing this order, the Commission clearly indicated that the order represents only the initial step

9. See, e.g., Re: Transportation of Customer-owned Gas; Re: Transportation of Natural Gas, No. 60-85-264 (Mo. P.S.C. Sept. 18, 1986); Re: North Carolina Natural Gas Corp., No. G-21, Sub. 255 (N.C.U.C. Nov. 10, 1986); North Penn Indus. Coalition v. North Penn Gas Co., No. C-805117 (Pa. P.U.C. Nov. 4, 1986).

in formulating policies to meet the developing competitive environment.¹⁰

Introduction of competition in the gas industry through Rule 436 is in the early stages compared to the status of competition in the telecommunications industry. The divestiture of AT&T and subsequent actions of the FCC have now spanned a three-year period. Yet the practical and theoretical problems still surrounding that industry are numerous. Many of those problems mirror the issues discussed above in the gas industry, although the solutions, by industry definition and history, will be different.

Because of the former monopoly position of AT&T in providing long distance service, there was concern that after divestiture the position of AT&T would be so dominant that new competitors entering the market would not be able to gain a sufficient market share. Therefore, the rates, services, and rate of return allowed to AT&T for their interstate service remained subject to regulation by the FCC. State public service commissions, such as the SCC, retained the authority to determine the extent to which AT&T would be regulated on an intrastate basis. The Virginia General Assembly passed legislation authorizing the SCC to withdraw from or limit regulation of AT&T if the Commission found that competition existed for the provision of intrastate long distance service.¹¹ In 1984, after extensive hearings, the SCC found that competition would exist in the provision of intrastate long distance service through the six certificated carriers. Thus, the Commission determined that AT&T should be allowed the same competitive pricing opportunity as their competitors. The Commission, however, retained the ability to reimpose rate regulation on any company which acts in an anti-competitive manner or on all companies if competition ceased to exist. Constant monitoring of the telecommunications marketplace is done by the staff of the Commission to assure that a healthy, competitive intrastate long distance market is maintained.¹²

Since that decision, the Commonwealth has experienced competition in the long distance intrastate market. The fears that AT&T, if deregulated, would drive out all competing carriers have not ma-

10. Re: Natural Gas Indus. Rates and Transp. Policies, No. PUE860024 (Va. S.C.C. Sept. 9, 1986).

11. VA. CODE ANN. § 56-481.1 (Repl. Vol. 1986).

12. 1984 Va. S.C.C. Ann. Rep. 333.

terialized. Virginia was the first state to deregulate AT&T. Other states are considering whether to deregulate or have allowed some pricing flexibility to AT&T for intrastate toll service. In contrast, the FCC, although espousing deregulation principles, continues to regulate AT&T on an interstate basis while not regulating AT&T's competitors.

Of equal or perhaps more importance to the telephone ratepayer is the present debate over the appropriate method of allocating costs between interstate and intrastate service. The rates of the local phone company are established by determining the plant and personnel costs of providing the service along with allowances for administration, taxes, and a reasonable rate of return to the company's stockholders.

Telecommunications are unique in that the central office plant, the consumer's telephone system, and inside wiring, among other things, must be used for both long distance and local calling service. Under the old Bell system a procedure known as a settlement procedure was used to reimburse the local telephone companies for their costs in providing a portion of the long distance service. It was widely acknowledged that this process was not based on costs of providing service and that long distance revenues subsidized local service rates. Since divestiture, it has become essential to attempt to assign accurately the costs of providing the components of this service to the intrastate or interstate portions.

This allocation is extremely difficult given the nature of service. For example, a local loop¹³ must be in place whether being used for local or long distance service, but it is used for both. The cost of this loop neither decreases nor increases based on whether it is used for long distance or local calls; it is referred to as a non-traffic sensitive cost (NTS). It is reasonable to expect the user of this loop, whether it is the long distance carrier and its customers or the local telephone company and its customers, to pay his fair share of the cost of the equipment. Long distance carriers, as competitive entities, are not guaranteed cost recovery through rates authorized by a regulatory body. Therefore, they advocate cost allocations which minimize the amount of the local loop costs allocated to long distance service. Minimizing costs, however, is a goal

13. Local loop refers to the wire pairs and all of their supporting structures such as conduit or poles which connect telephone customers to their local switching office. In Virginia, approximately 35 percent of total local telephone companies' costs arise from local loops.

sought in both the regulated and competitive environment. Shifting these NTS costs to the intrastate side will represent an increase in the basic rates charged by the local telephone company. Legitimate concern exists that repeated increases in the cost of local service will eventually result in local subscribers withdrawing from the telecommunications network, thereby defeating the long-standing policy of universal service.

An example of switching costs to the local ratepayer is the Federal Subscriber Line Charge. After divestiture the FCC imposed a one dollar monthly fee on all residential users of the public switched network. The fee was a maximum of six dollars for business customers. This fee has now risen to two dollars per month for residential customers. Although justified as a charge for accessing the interstate long distance system, it is applied to all customers regardless of their use of long distance service. No election may be made by the user. It is, in fact, a methodology to recover revenue formerly flowing from long distance service users. It has now become part of the monthly cost of telephone service. The consumer does not differentiate between his basic rate for local service and the Subscriber Line Charge when considering the affordability of telephone service.

Presently the debate continues over the allocation of NTS costs, the level of charges to be assessed the long distance carrier for access to the local telephone company system, the types of activities in which local telephone companies may engage, and the proper treatment of the costs and revenue from these activities for local ratemaking purposes.

The resolution of these issues by the SCC, along with other state public service commissions and the FCC, will have a tremendous impact on the type, cost, and value of our telecommunications network in the years to come. Improper cost allocation can result in customers constructing their own telecommunications network, thereby bypassing the local telephone company. As these customers, primarily the large business customers responsible for a significant percentage of local revenue, withdraw from the public switched network, the fixed costs of the network must be met by the remaining customers who will have to pay higher local rates. The Chairman of the FCC has advanced a proposal which would increase competition in the telecommunications industry by der-

egulating local telephone companies.¹⁴ While the SCC, through its rules and procedures or through legislative action, has supported significant changes allowing local telephone companies and long distance companies flexibility to meet the demands of technology and the marketplace, many issues, such as those discussed above, need to be addressed and resolved before the telephone customer will be assured of universal telephone service at a reasonable price through deregulation of local telephone companies.

This brief discussion of some of the issues facing the gas and telecommunications industries and the Commission is not meant to be all inclusive. Technology, the role of competition, and the demands of our society are likewise driving reevaluation of the electric, insurance, financial institution, and motor carrier industries. Regulation as we have known it for many decades may change dramatically in the next ten years. Fortunately the framers of the Constitutions of 1902 and 1971 and the Virginia General Assembly have maintained a framework through the SCC which will provide the flexibility to respond to these changes and continue to strive for quality service at reasonable prices for the benefit of the Virginia consumer and the business community.

14. Fowler, Halprin, & Schlichting, "*Back to the Future*": A Model for Telecommunications, 38 FED. COMM. L.J. 145, 193-99 (1986).