

or deny proposed construction on that ground. But that is no reason for suspending or confining our inquiry, for the fact remains that this Commission can disapprove proposed utility construction under its power to approve or disapprove the purposes and projects for which utility securities to finance that construction will be issued.

Indeed, this has been done by state regulatory commissions armed with only security approval powers whenever, after an investigation and hearing, those commissions were satisfied that the purpose for which securities were to be issued was not "reasonably necessary" to carry out the stated purposes of the electric utility concerned.

Old Dominion Electric Cooperative, 86 PUR NS 129, is a case particularly in point -- where a regulatory commission armed only with the power of approval or disapproval over security issues used that authority to prevent construction of generating and transmission facilities which the commission found not "reasonably necessary" for carrying out the company's utility responsibilities. The matter is discussed there in full.

"Counsel for Old Dominion argue", the Virginia Commission began, "that the only question for the Commission to decide is whether or not \$16,000,000 is needed to acquire the structures described in the application, . . . Under that interpretation of the statute the only issue before the Commission would be whether the amount of \$16,000,000 is reasonably necessary. Since that amount obviously is necessary, it would lighten our labors if that were the correct interpretation of the statute.

"In our opinion that is not what the statute means. The . . . purposes of the law as well as its language show that the words 'reasonably necessary' mean not merely that the amount of money sought through the issuance of securities must be necessary to acquire the proposed structures, but also that the proposed structures themselves must be reasonably necessary for the accomplishment of some purpose having to do with the obligations of the utility to the public and its ability to carry out those obligations with the greatest possible efficiency. * * * If the utility, by deciding to build a \$16,000,000 plant automatically had the right to borrow \$16,000,000, there would be no function for the State Corporation Commission to perform except solemnly to record the fact that \$16,000,000 would be reasonably necessary to build a \$16,000,000 plant. The general assembly, in passing the statute, could not, in our opinion, have intended that result, because it would appear to be very much better to have no statute at all than to have one that produced only that result. * * * Evidence that the general assembly meant for the Commission to