

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 13, 2018
CLERK'S OFFICE
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PETITION OF

2018 SEP 13 P 2:01

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2018-00100

For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia

ORDER

On July 24, 2018, Virginia Electric and Power Company ("Company") filed a petition with the State Corporation Commission ("Commission") for approval of a plan for electric distribution grid transformation projects ("Petition") pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"). On July 26, 2018, the Commission issued an Order for Notice and Hearing establishing a procedural schedule in this matter. On August 20, 2018, the Commission issued an Order Scheduling Oral Argument, which established a date for the filing of briefs on legal issues raised by the Company's Petition and scheduled oral argument thereon.

Code § 56-585.1 A 6 states in part as follows (emphasis added):

Any plan for electric distribution grid transformation projects shall include both measures to facilitate integration of distributed energy resources and measures to enhance physical electric distribution grid reliability and security. In ruling upon such a petition, the Commission *shall consider whether the utility's plan for such projects, and the projected costs associated therewith, are reasonable and prudent....* Electric distribution grid transformation projects *are in the public interest.*

NOW THE COMMISSION, upon further consideration, requests participants who file a brief on legal issues to address the following questions:

- 1) What are the specific elements that the applicant must prove for the Commission to find that the plan and its projected costs are reasonable and prudent?

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- 2) Code § 56-576 states in part (emphasis added):

"'Electric distribution grid transformation project' means a project associated with electric distribution infrastructure, including related data analytics equipment, that is designed to accommodate or facilitate the integration of *utility-owned or customer-owned renewable electric generation resources* with the utility's electric distribution grid or to otherwise enhance electric distribution grid reliability, electric distribution grid security, customer service, *or energy efficiency and conservation, including advanced metering infrastructure; intelligent grid devices for real time system and asset information;*"

If the evidence demonstrates that advanced metering infrastructure enables time-of-use (also known as real-time) rates and that such (and potentially other) rate designs advance the stated purposes of the statute, *i.e.*, they accommodate or facilitate the integration of customer-owned renewable electric generation resources and/or promote energy efficiency and conservation, may the Commission consider the inclusion or absence of such rate designs in determining whether a plan and its projected costs are reasonable and prudent?

- 3) Does the Code provision cited above, or any other Code provision, permit the filing of such rate design changes apart from a general rate proceeding?
- 4) Can the Commission consider the anticipated range of possible rate impacts on customers of the utility's grid transformation plan in determining whether the utility's grid transformation plan and the associated projected costs, are reasonable and prudent?
- 5) Must the Commission approve or reject the proposed plan *in toto*, or may the Commission approve parts of the proposed plan as reasonable and prudent, and reject other parts as not reasonable and prudent?
- 6) If the Commission finds that a plan and its projected costs, or any part thereof, are not reasonable and prudent, does the statute's public interest declaration supersede such finding and require that the application be approved notwithstanding such finding?

The above list is not intended to be exclusive, and participants may present other relevant legal issues. Finally, while the Commission does not currently intend to enforce strict time limits during oral argument, participants are reminded to be direct and concise.

Accordingly, IT IS SO ORDERED, and this matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

Joseph K. Reid, III, Esquire, Sarah R. Bennett, Esquire, and Andrea D. Gardner, Esquire,

McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; Lisa S. Booth, Esquire, and Audrey T. Bauhan, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219; Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 E. Cary Street, Suite 1100, Richmond, Virginia 23219; Evan D. Johns, Esquire, Appalachian Mountain Advocates, 415 Seventh Street Northeast, Charlottesville, Virginia 22902; Dorothy E. Jaffe, Sierra Club, 50 F. Street Northwest, Eighth Floor, Washington, DC; Bobbi Jo Alexis, Esquire, County Attorney for Culpeper County, 306 N. Main Street, Culpeper, Virginia 22701; James R. Bacha, Esquire, American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215; William Cleveland, Esquire, Nate Benforado, Esquire, and Hannah Coman, Esquire, Southern Environmental Law Center, 201 West Main Street, Suite 14, Charlottesville, Virginia 22902; James W. Speer, Esquire, Virginia Poverty Law Center, 919 E. Main Street, Suite 610, Richmond, Virginia 23219; and C. Mitchell Burton, Jr., Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219-3424.