

CASE NUMBER: PUR-2019-00060

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AT THE 4:00 PM HEARING OCTOBER 2, 2019

BY GARY JOHNSON, MAYOR OF BIG STONE GAP

RESOLUTION 14-2019

Resolution Opposing Old Dominion Power's Electricity Rate Increase and Rate Designs

WHEREAS, The Town of Big Stone Gap recognizes the importance of an adequate and reliable supply of electricity at the lowest reasonable cost with minimal environmental impact;

WHEREAS, businesses, organizations, and residents of The Town of Big Stone Gap use electric power supplied by Old Dominion Power to power their facilities and homes, therefore Town of Big Stone Gap has a strong interest in Old Dominion Power's request for an increase in its rates, fixed charges, and demand charges for electricity;

WHEREAS, as elected representatives of The Town of Big Stone Gap's citizens, The Council of the Town of Big Stone Gap has a responsibility to consider the concerns of electric ratepayers;

WHEREAS, on July 12, 2019, Old Dominion Power filed a proposal to increase its electricity rates, totaling an increase of \$12.7 million. Residential electric customers who use the average of 1,285 kilowatt-hours per month would see an increase of \$28.93 per month. This rate increase is one of the highest proposed by any investor-owned utility in the country in the past year, and the second-highest proposed increase for the average residential customer.

WHEREAS, experts agree that it is affordable for customers to spend up to 6 percent of their household income on electricity costs, but in parts of Old Dominion Power's Southwest Virginia territory, many households already spend nearly 12 percent of their household income on electricity.

WHEREAS, Old Dominion Power is proposing to increase residential fixed charges from \$12 per month to \$16.11 per month, and increase demand charges on commercial and industrial customers. Such fixed charges reduce customers' ability to control their energy bills through energy conservation and/or alternative energy installations.

WHEREAS, Old Dominion Power's demand rates on commercial and industrial customers are already currently prohibiting investments in alternative energy and energy efficiency technologies such as solar energy.

WHEREAS, Southwest Virginia communities are making efforts to make our region friendlier to economic development, and many businesses looking to locate in Southwest Virginia want to source

their electricity from renewable energy resources. Old Dominion Power's proposed demand rates will further discourage businesses from locating in Southwest Virginia.

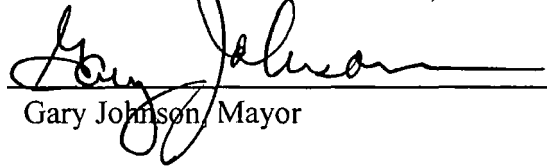
WHEREAS, Old Dominion Power does not have any generation assets within the Commonwealth of Virginia, and the majority of the funds Old Dominion Power collects from Virginia ratepayers are invested in Kentucky.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF BIG STONE GAP THAT:

1. The Virginia State Corporation Commission is urged to reduce Old Dominion Power's rate increase request to the lowest amount reasonable under applicable law and deny such increase if the Commission finds that it is not warranted.
2. The Virginia State Corporation Commission is urged to require Old Dominion Power to provide commercial and industrial customers with alternative rate options to the demand rates offered in order to allow commercial customers to manage their electricity bills with alternative energy resources and in order to prevent electricity rates from being a deterrent to economic development.
3. The Virginia State Corporation Commission is urged to require Old Dominion Power to study different rate design options based on time of energy use to help the utility keep rates low while allowing customers to have more control over their electricity bills.
4. The Virginia State Corporation Commission is urged to study whether the sale of Old Dominion Power's electricity infrastructure assets in the Commonwealth of Virginia to a Virginia-based utility would be in the best interest of current Old Dominion Power customers.

Adopted on this the 1st day of October, 2019.

TOWN OF BIG STONE GAP, VIRGINIA


Gary Johnson, Mayor

ATTEST BY:



Amanda L. Hawkins, Town Clerk/Treasurer

Recorded Vote:

Ayes: Bloomer, Gilley, Hughes, Johnson, Lyke, McKinney

Nayes: None **Abstain:** None **Absent:** Bailey