

Wise County Board of Supervisors



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Office of County Administrator

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

PUR-2019-00060

WHEREAS, Wise County recognizes the importance of an adequate and reliable supply of electricity at the lowest reasonable cost with minimal environmental impact; and

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

WHEREAS, as elected representatives of Wise County's citizens, the Board of Supervisors of Wise County has a responsibility to consider the concerns of electric rate payers; and

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; and

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; and

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; and

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; and

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; and

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 rate payers are invested in Kentucky.

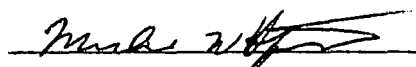
NOW, THEREFORE, BE IT RESOLVED BY THE WISE COUNTY BOARD OF SUPERVISORS THAT:

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 this the 10th day of October, 2019.

ATTEST

WISE COUNTY BOARD OF SUPERVISORS


Michael W. Hatfield, Clerk


Dana G. Kilgore, Chairman