

**Virginia State Corporation Commission  
eFiling CASE Document Cover Sheet**

20200320241

<b>Case Number (if already assigned)</b>	PUR-2020-00049
<b>Case Name (if known)</b>	Petition of the Office of Attorney General, Division of Consumer Counsel, for emergency order to suspend utility service disconnections during State of Emergency
<b>Document Type</b>	RPNS
<b>Document Description Summary</b>	<u>Response</u> and Request for Expedited Consideration of the Virginia, Maryland & Delaware Association of Electric Cooperatives
<b>Total Number of Pages</b>	8
<b>Submission ID</b>	18249
<b>eFiling Date Stamp</b>	3/17/2020 3:55:44PM

**VIA ELECTRONIC FILING**

*March 17, 2020*

Hon. Joel H. Peck, Clerk  
Virginia State Corporation Commission  
Document Control Center  
1300 East Main Street, First Floor  
Richmond, Virginia 23219

**Re: *In Re: Petition of the Office of Attorney General, for emergency order to suspend utility service disconnections during state of emergency; Case No. PUR-2020-00049***  
**Response of the Association of Electric Cooperatives & Request for Expedited Consideration**

Dear Mr. Peck:

In reference to the subject case, please find enclosed the Response of the Virginia, Maryland & Delaware Association of Electric Cooperatives, along with a request for expedited consideration of the Response.

I further request to be added to the service list.

Thank you for your kind attention to this matter, and if you have any questions, please do not hesitate to contact me.

Respectfully submitted,



Samuel R. Brumberg

cc: Office of General Counsel  
Office of Attorney General, Division of Consumer Counsel  
(via electronic mail only)

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

PETITION OF )  
)  
OFFICE OF ATTORNEY GENERAL, ) Case No. PUR-2020-00049  
DIVISION OF CONSUMER COUNSEL )  
)  
For emergency order to suspend utility service )  
disconnections during State of Emergency )

**RESPONSE AND REQUEST FOR EXPEDITED CONSIDERATION  
OF THE VIRGINIA, MARYLAND AND DELAWARE  
ASSOCIATION OF ELECTRIC COOPERATIVES**

Pursuant to 5 VAC 5-20-100 of the Rules of Practice and Procedure of the Virginia State Corporation Commission (“Commission”), and the Commission’s *Order Permitting Response to Petition* of March 16, 2020, the Virginia, Maryland and Delaware Association of Electric Cooperatives (“VMDAEC” or the “Association”), by counsel, hereby files its *Response and Request for Expedited Consideration* to the Petition of the Office of Attorney General, Division of Consumer Counsel, for an emergency order to suspend utility service disconnections during the State of Emergency (“Petition”) in this docket, as follows:

**I. Introduction**

The Association is the statewide service organization serving the not-for-profit electric utilities serving rural Virginia (together with the Association, the “Cooperatives”).<sup>1</sup>

---

<sup>1</sup> The Virginia Electric Cooperatives are A&N Electric Cooperative, BARC Electric Cooperative, Central Virginia Electric Cooperative, Community Electric Cooperative, Craig-Botetourt Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Northern Virginia Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative, which are all regulated as to rates and to service by this Commission.

Powell Valley Electric Cooperative (“PVEC”) is a member of the Association. PVEC is a utility consumer services cooperative organized under the laws of the Commonwealth of Virginia, with service territories in Virginia and Tennessee. PVEC purchases its power at wholesale from the Tennessee Valley Authority (“TVA”), an agency of

On March 13, 2020, the Office of Attorney General, Division of Consumer Counsel, filed its Petition requesting emergency relief from disconnections pursuant to the Commission's plenary authorities contained in Va. Code §§ 12.1-12 & 56-35. The Petition was limited to the suspension of disconnection for non-payment and suspension of the applicability of late payment charges.

The Cooperatives, as are many sectors of industry across all of society, are very concerned about the prospect of large-scale disruptions due to the impact of SARS-CoV-2 infections and resultant COVID-19 disease, as well as the need to take public health measures in order to slow the spread of the virus. The Cooperatives want to be helpful to the relevant public authorities in regard to these matters. However, the breadth and scope of the Petition will cause unintended negative consequences on the Cooperatives and our member-consumers, which we would like to bring to the attention of the Commission.

## **II. Response of the Cooperatives**

### *A. Most Urgent Issue*

At present, the mandatory suspension of disconnections by order of the Commission should apply only to residential customers; however, that is apparently not what is contemplated by the Petition's text. The Cooperatives are very supportive of the businesses that support our local economies and should be provided flexibility relative to nonresidential members. We will work proactively in good faith with each of our member-consumers on an individual basis during this difficult time. Our ability to serve our customers would be seriously disrupted; however, if a customer who was able to pay its bill chose not to do so. The Commission should not impose upon

---

the United States Government. Due to this arrangement, PVEC is unique among the Virginia Cooperatives and is governed by a combination of federal and Virginia law concerning its electric distribution operations. PVEC's rates are regulated by the TVA. PVEC is regulated as to service, but not as to rates, by this Commission.

The Virginia Cooperatives are further strengthened by the membership of Choptank Electric Cooperative in Maryland and Delaware Electric Cooperative in Delaware as members of the Association.

the Cooperatives the risk that their largest accounts might be tempted to avoid paying their electric bills, at the expense of the Cooperative and its other members. Suspending disconnections for such larger nonresidential customers will have significant cash flow consequences for the Cooperatives. To be clear, the Cooperatives remain committed to supporting businesses of all sizes throughout their territories in coping with the current public health emergency; however, we believe that local control and independent, case-by-case basis consideration is most appropriate for nonresidential customers.

We are concerned that the impairment of cash flows for the Cooperatives will put the Cooperatives' businesses at risk, and thus harm their abilities to keep the lights on for residential and small commercial customers during the pendency of the emergency. This is a truly vital economic issue for the Cooperatives, who provide an essential service to the communities they serve.

As the Commission is well aware, the Cooperatives have *only* our own member-consumers from whom to recover costs; there are no separate investors, no tax credits, and no other sources of revenue for a Cooperative. There are simply fewer ratepayers, and *many* fewer nonresidential ratepayers, over which to spread the burden when a customer fails to pay an electric bill on time. No Cooperative will be able to bear an "electric bill holiday," even in consideration of the current public health emergency. The Cooperatives have already taken calls from customers inquiring how long they will be allowed to get "free power."<sup>2</sup>

The Cooperatives' operating and power supply expenses will not stop during this time. Not only do Cooperatives have to pay costs associated with repairing and maintaining their local distribution systems, they must also pay for wholesale power purchased to supply their members.

---

<sup>2</sup> We have had at least three reports from two different Cooperatives concerning this or similar inquiries.

As one example, the top five largest commercial and industrial customers of Mecklenburg Electric Cooperative<sup>3</sup> (“MEC”) are collectively responsible for \$629,000 of revenue, representing nearly 11.2% of MEC’s monthly cashflow. In addition, 62% of this amount (approximately \$390,000) reflects the amount MEC must pay to its wholesale power supplier for the power used by those accounts.

*B. Additional Issues*

The Commission’s action on the Petition should be limited to the suspension of disconnection for non-payment and suspension of late fees for non-payment only. Without limitation, disconnections for other reasons, such as upon request of a customer,<sup>4</sup> for safety reasons, or due to meter tampering, should still be expressly permitted by the Commission, especially in light of its order in Case No. PUR-2020-00048. The Cooperatives’ commitment to and culture of safety must remain at the forefront even during this public health emergency.

Finally, the Cooperatives would respond to the Petition that, for prepaid electric service customers, those tariffs are designed to prevent the customer from accruing debt equivalent to no more than a few days of electricity consumption, and billing systems automatically terminate service upon the prepaid balance reaching zero. This is not a disconnection in the punitive sense; this is a temporary suspension of service consistent with the tariff. The Cooperatives would respond to the Petition that the Commission should, in its order, enable a Cooperative to, in its discretion, either (i) make temporary adjustments to the prepaid electric service tariff and relevant IT systems to enable the customer to continue to run past a zero balance and accrue debt, and for

---

<sup>3</sup> MEC serves just over 31,000 members.

<sup>4</sup> One Cooperative currently has four requests for disconnection with the consent of the customer which, if acted upon, would arguably violate the text of the Commission’s order entered in Case No. PUR-2020-00048.

the customer to be responsible for repayment; or (ii) take other appropriate action to suspend disconnections during the pendency of any order.

### III. Request for Expedited Consideration

Because of the importance of these issues to the Cooperatives, and especially in reference to the large customer issue, the Association requests expedited consideration of this issue. We ask that the Commission immediately take up the issues raised in this Response, asking the Office of Attorney General to file any reply within 24 hours, and taking action within the next 48 hours, if at all possible. Failure to act quickly could have severe economic impact on many of the Cooperatives, for the reasons mentioned above.

### IV. Conclusion

Consistent with the Cooperative Principles, the Cooperatives care deeply about and are a vital part of the communities they serve and are willing to share in the hardships and disruptions created by measures taken in furtherance of the public health. The Cooperatives and the Association are grateful to the Commission for accepting this Response to the Office of Attorney General's Petition.

WHEREFORE, for the foregoing reasons, the Commission should grant the Petition of the Office of Attorney General, taking note of this Response. Finally, the Association would ask the Commission for such further relief as may be just and proper.

Respectfully submitted,

VIRGINIA, MARYLAND & DELAWARE  
ASSOCIATION OF ELECTRIC  
COOPERATIVES



By: \_\_\_\_\_  
Counsel

Samuel R. Brumberg (VSB 72768)  
Association Counsel  
Virginia, Maryland & Delaware Association of Electric Cooperatives  
4201 Dominion Boulevard, Suite 101  
Glen Allen, Virginia 23060  
(804) 297-3459 (telephone)  
(804) 346-3448 (facsimile)  
sbrumberg@vmdaec.com

Dated: March 17, 2020

200320241



CERTIFICATE OF SERVICE

I do hereby certify that on March 17, 2020, the foregoing document was served by

electronic mail only, on:

William Chambliss, Esquire  
Office of the General Counsel  
State Corporation Commission

C. Meade Browder, Jr., Esquire  
Senior Assistant Attorney General  
Office of Attorney General



---

Counsel