

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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APPLICATION OF

APPLICATION OF SHENANDOAH VALLEY
ELECTRIC COOPERATIVE FOR GENERAL
INCREASE IN ELECTRIC RATES

CASE NO. PUR-2021-00054

Virtual Hearing

Wednesday, October 6, 2021

10:00 a.m.

BEFORE HONORABLE A. ANN BERKEBILE

TRANSCRIPT OF PROCEEDINGS

Job No.: 396177

Pages: 1 - 212

Reported by: Lori Roy, RPR, CCR

A P P E A R A N C E S

ON BEHALF OF SHENANDOAH VALLEY ELECTRIC COOPERATIVE
(SVEC)

ERIC M. PAGE

CODY T. MURPHEY

ON BEHALF OF THE STAFF OF THE COMMISSION
(COMMISSION STAFF)

KELLI COLE

KIVA PIERCE

ON BEHALF OF SOLAR UNITED NEIGHBORS OF VIRGINIA
(SUN-VA)

WILLIAM T. REISINGER

ON BEHALF OF THE BOARD OF SUPERVISORS OF FREDERICK
COUNTY, VIRGINIA

RODERICK B. WILLIAMS

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1 P R O C E E D I N G S

2 HEARING EXAMINER BERKEBILE: Okay. To our

3 bailiff, it has officially reached 10:00 a.m., so

4 if you want to call the case, please.

5 THE BAILIFF: Oyez! Oyez! Oyez Silence

6 is commanded while the Honorable State Corporation

7 Commission is in session. God save the

8 Commonwealth and its Honorable commission. Today's

9 docket consists of Case No. PUR-2021-00054,

10 application of Shenandoah Valley Electric

11 Cooperative for general increase in electric rates.

12 The Honorable A. Ann Berkebile, Senior

13 Hearing Examiner, presiding.

14 HEARING EXAMINER BERKEBILE: Thank you.

15 Good morning everyone. I would like to start with

16 introduction of counsel, please.

17 Counsel for the Cooperative. I can't hear

18 him.

19 MR. PAGE: I knew I was muted. Sorry.

20 HEARING EXAMINER BERKEBILE: There you go.

21 MR. PAGE: I'm Eric Page. I'm here on

22 behalf of the Cooperative. With me today is Cody

23 Murphey, who is not actually in the room, but he

24 will be appearing with me as well today.

25 HEARING EXAMINER BERKEBILE: Thank you.

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1 Counsel for SUN Virginia, please.

2 MR. REISINGER: Good morning, Your Honor.
3 My name is William Reisinger. I am an attorney
4 representing respondent Solar United Neighbors of
5 Virginia, which I may refer to as either SUN or
6 SUN-VA for short.

7 HEARING EXAMINER BERKEBILE: Thank you so
8 much. And I think I know Frederick County is also
9 a participant in this case. So if you would
10 introduce yourself, Mr. Williams.

11 MR. WILLIAMS: Good morning, Your Honor.
12 Roderick Williams for Frederick County.

13 HEARING EXAMINER BERKEBILE: Nice to hear
14 from you.

15 And counsel for Commission Staff.

16 I think your microphone is on mute.

17 MS. COLE: I'm having issues this morning.
18 I apologize.

19 Good morning, Your Honor. Kelli Cole and
20 Kiva Pierce on behalf of Staff.

21 HEARING EXAMINER BERKEBILE: Okay. Nice
22 to hear from you.

23 We're going to start this proceeding in --
24 consistently with the Proposed Order of Proceedings
25 that was submitted by the participants. We're

1 going to start with public witnesses, and what that
2 means is Ms. Robertson is going to be calling them,
3 and to the extent they are listening, and hopefully
4 they are, when you are called, please turn your
5 webcast -- you don't have to turn it off, but turn
6 the sound off. Otherwise we're going to have
7 definite feedback issues.

8 And also when you are called, I will --
9 the first thing that's going to happen is the
10 bailiff is going to swear you in, and then you will
11 be offered the opportunity to give your testimony,
12 and then I will ask the attorneys whether or not
13 they have any questions for you.

14 So that's how it's going to work.

15 With that in mind, if you would please
16 call the first witness, Ms. Robertson.

17 MS. ROBERTSON: The first witness is Sally
18 Newkirk.

19 MS. NEWKIRK: Hello. This is Sally.

20 MS. ROBERTSON: Ms. Newkirk? Ms. Newkirk?

21 MS. NEWKIRK: Yes. Hello.

22 MS. ROBERTSON: Hi. This is the State
23 Corporation Commission. We're calling to receive
24 your public witness testimony.

25 MS. NEWKIRK: Yes, thank you.

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1 MS. ROBERTSON: Thank you.

2 MS. NEWKIRK: Just tell me what I need to
3 do.

4 HEARING EXAMINER BERKEBILE: Okay. First
5 thing, Ms. Newkirk, is the bailiff is going to
6 swear you in.

7 MS. NEWKIRK: All right.

8 (Public witness, Sally Newkirk, was duly
9 sworn.)

10 HEARING EXAMINER BERKEBILE: And,
11 Ms. Newkirk, my name is Ann Berkebile. I'm the
12 hearing examiner who is presiding over the case.

13 And can you give me your full name and
14 your address, please?

15 MS. NEWKIRK: Yes. My name is Sally Louis
16 Newkirk. I live at 5905 Scotts Ford Road, Mount
17 Crawford, Virginia 22841.

18 HEARING EXAMINER BERKEBILE: Okay. Thank
19 you.

20 Now, if you would, just please, offer the
21 testimony that you would like the Commission to
22 hear in connection with this matter.

23 MS. NEWKIRK: All right. Thank you.

24 I have been a Shenandoah Valley Electric
25 Co-op member for 20 years now, and I want to thank

1 the Commission for this opportunity to ask you to
2 deny SVEC's proposed rate hike.

3 So here's my story. In 2001, we built a
4 house. At that time we only knew three things
5 about an energy efficient house. That was to build
6 six by two outer walls, a geothermal heat pump and
7 insulation. So that's what we did.

8 Over the years, as we learned how to
9 reduce our energy bill and make your home more
10 comfortable, we upgraded to -- our appliances to
11 Energy Star. We sealed our air leaks, we put in
12 more insulation, we planted shade trees and we
13 replaced our incandescent bulbs with LEDs.

14 In 2018, we decided to invest in rooftop
15 solar. We did this looking towards our retirement
16 so we can reduce our energy cost. All of those
17 upgrades add up to about \$80,000. We made this
18 investment knowingly.

19 And what does it do for Shenandoah Valley
20 Electric Company -- Co-op? We provide energy to
21 the grid, and we provide it during peak times in
22 both the summer and the winter, therefore,
23 mitigating SVEC's energy costs, and they did not
24 have to invest one penny in new lines, new
25 substations or pay more fuel for -- from ODEC.

1 That's why these increase -- these proposed
2 increase rates appears to me to be punitive. The
3 basic rate has gone up 180 percent since 2019.

4 And I have to mention this demand charge.
5 This was a difficult rate for me to understand.
6 What I understood at first is that they normally
7 only charge their commercial customers, not
8 residential customers, a demand charge. Now that I
9 understand it, and if you approve the demand
10 charge, I know that I can behave responsibly and
11 charge my electric vehicle, run my dishwasher and
12 my HVAC system on an off off-peak hours and SVEC
13 would capture it and charge me extra. This is
14 odious.

15 Finally, I would like to make the point
16 that if you read the minutes of the discussion of
17 the Board of Directors surrounding these proposed
18 rate hikes, not one of them asked, How will this
19 affect the members' energy burden? Not one of
20 them.

21 Therefore, it is up to you to protect the
22 member/owners of Shenandoah Valley Electric Co-op
23 and reject these rates increases.

24 Thank you so much for your time.

25 HEARING EXAMINER BERKEBILE: Thank you,

1 Ms. Newkirk. I'm going to ask if any of the
2 attorneys have questions for you. Okay? So if
3 you'll stay on the line for just a minute.

4 Counsel for the Cooperative, do you have
5 any questions for Ms. Newkirk.

6 MR. PAGE: We have no questions, Your
7 Honor.

8 HEARING EXAMINER BERKEBILE: Thank you.
9 Counsel for SUN Virginia.

10 MR. REISINGER: I have no questions, Your
11 Honor. Thank you.

12 HEARING EXAMINER BERKEBILE: Frederick
13 County?

14 MR. WILLIAMS: No, your Honor.

15 HEARING EXAMINER BERKEBILE: And
16 Commission Staff?

17 MS. COLE: No questions, Your Honor.

18 HEARING EXAMINER BERKEBILE: All right.
19 Thank you, Ms. Newkirk, for taking time out of your
20 day to tell the Commissions your concerns. You are
21 excused.

22 MS. NEWKIRK: Thank you so much. Have a
23 good day.

24 HEARING EXAMINER BERKEBILE: You too.

25 MS. ROBERTSON: I'll call the next

1 witness. His name is Robert Spiller.

2 MR. SPILLER: Hello.

3 MS. ROBERTSON: Hi. Good morning,
4 Mr. Spiller. This is the State Corporation
5 Commission calling to receive your public witness
6 testimony.

7 MR. SPILLER: Thank you. I'm ready.

8 HEARING EXAMINER BERKEBILE: Okay.
9 Mr. Spiller, this is Ann Berkebile. I am the
10 hearing examiner who has been assigned to this
11 case. The bailiff is going to swear you in now.

12 MR. SPILLER: Thank you.

13 (Public witness, Robert Spiller, was duly
14 sworn.)

15 HEARING EXAMINER BERKEBILE: And,
16 Mr. Spiller, I'm going to ask that you state your
17 name again and your address, and I think, and
18 Ms. Robertson can correct me on this, but you may
19 have signed up two times, and if -- oh, no, this is
20 not him? Okay. I apologize. And that would be
21 fine if you signed up two times, but if you --
22 anyway, Mr. Spiller, just state your name, your
23 address and then offer the testimony you would like
24 the Commission to consider in connection with this
25 matter. And after that's over, I'm going to see if

1 the attorneys who are involved in this case have
2 any questions for you.

3 MR. SPILLER: Thank you. I'm Robert
4 Spiller. My address is 3820 Brigade Court, Penn
5 Laird, Virginia 22846-9657. I am a
6 member/owner/customer of Shenandoah Valley Electric
7 Cooperative. I oppose SVEC's pending rate
8 Application for yet another rate increase in our
9 rates for all the reasons set out in my comments of
10 2, September, '21, which were placed on this docket
11 at 1:02 p.m. on the 15th of September as the last
12 of a group of 12 comments sent to your document
13 control center by Mrs. Barnes of the Division of
14 Public Utility Regulation. I request that you
15 consider all those comments.

16 The State Corporation Commission is the
17 consumer's only hope of opposing lengthy complex
18 rate increase applications in the case of this
19 lightly regulated Cooperative. The so-called
20 member has little actual chance to affect the
21 Co-op's actions. We are not allowed to attend the
22 Board meetings or even to review detailed minutes
23 of such significant decisions as the allocation of
24 costs among the various classes of customers.

25 I oppose the SVEC rate increase for three

1 main reasons: First, because it adds another 20
2 percent increase to the flat monthly basic consumer
3 charge that SVEC adds to our electricity
4 consumption charges each month no matter how much
5 or how little electricity we use that month.

6 SVEC already increased that charge more
7 than 81 percent effective January 2020, and now are
8 seeking to add another \$5 per month to our bills,
9 over 79,000 of us.

10 If this Application is approved, that part
11 of our rate will have increased by 118 percent
12 since December 2019, which will increase SVEC's
13 annual from residential users by over 15 and a half
14 million dollars. So we can be careful with our
15 electricity use, but our cost will still go up.

16 This basic consumer charge falls most
17 heavily on residential rate customers and, among
18 them, most heavily on the residential customers who
19 use the least electricity.

20 Second, because of a demand charge, which
21 SVEC seeks to also tack on to our bills according
22 to the a complicated formula described within their
23 568-page Application, but which will depend upon
24 our peak electric demand over a certain time
25 period, a peak that SVEC can see on its system but

1 that customers cannot track, even if we stand
2 outside our home and stare at the meter day and
3 night to watch for the peak, I think it is unfair
4 to charge people for a peak use that we cannot
5 monitor, predict or document on our own.

6 Third, SVEC describes the net 118 percent
7 increase in the basic consumer charge as not an
8 increase but as a, quote, rebalancing. When one
9 end of a balance goes up, the other end goes down.
10 So our end of the balance, 79,000 of us, is going
11 one way with a sharply increased basic consumer
12 charge, but the Application does not reveal who is
13 on the other end of that balance.

14 SVEC does not allow us into the
15 decision-making process on such giant rebalancing,
16 even though we are called member/owners of the
17 Co-op.

18 Thank you for working to protect the
19 consumer in these rate increase cases. I'm ready
20 for any questions you may have.

21 HEARING EXAMINER BERKEBILE: Thank you so
22 much, Mr. Spiller. I'm going to ask first if
23 counsel for the Cooperative has any questions for
24 you.

25 MR. PAGE: We have no questions, Your

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1 Honor.

2 HEARING EXAMINER BERKEBILE: And counsel
3 for SUN Virginia?

4 MR. REISINGER: I have no questions, Your
5 Honor. Thank you.

6 HEARING EXAMINER BERKEBILE: Frederick
7 County?

8 MR. WILLIAMS: No questions, Your Honor.

9 HEARING EXAMINER BERKEBILE: Commission
10 Staff?

11 MS. COLE: No questions, Your Honor.
12 Thank you.

13 HEARING EXAMINER BERKEBILE: Mr. Spiller,
14 I thank you so much for taking time out of your day
15 to let the Commission know your thoughts and
16 provide your testimony in connection with the
17 Application. You are excused.

18 MR. SPILLER: Thank you very much. Good
19 day.

20 HEARING EXAMINER BERKEBILE: Good day.

21 Ms. Robertson. Oh, okay.

22 MS. ROBERTSON: Thank you. I'm sorry. I
23 apologize about that.

24 The next public witness is Jeff Heie, if
25 I'm pronouncing his name correctly.

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1 HEARING EXAMINER BERKEBILE: Did you say
2 Hyde or Heie?

3 MS. ROBERTSON: It's HEIE.

4 HEARING EXAMINER BERKEBILE: Okay.

5 MR. HEIE: Hello.

6 MS. ROBERTSON: Hi. Good morning,
7 Mr. Heie. Is this Jeff Heie?

8 MR. HEIE: Yes, this is.

9 MS. ROBERTSON: Okay. I apologize.

10 MR. HEIE: Yes, it's pronounced -- that's
11 okay. It's pronounced high, as in H-I-G-H.

12 MS. ROBERTSON: Okay. Thank you. thank
13 you.

14 This is the State Corporation Commission,
15 and I'm calling to receive your public witness
16 testimony.

17 MR. HEIE: Thank you.

18 HEARING EXAMINER BERKEBILE: And can you
19 pronounce your name for me again because I don't
20 want to mispronounce it, sir.

21 MR. HEIE: Sure. I'll give you my full
22 name. It's Jeffrey Scott Heie. The last name is
23 spelled H-E-I-E.

24 HEARING EXAMINER BERKEBILE: Okay.
25 Mr. Heie, my name is Ann Berkebile, I'm the hearing

1 examiner presiding over this matter, and I am going
2 to ask that the bailiff swear you in, and then
3 after that, I'll come back to you and we will ask
4 you to offer your testimony.

5 MR. HEIE: Thank you.

6 (Public witness, Jeffrey Heie, was duly
7 sworn.)

8 HEARING EXAMINER BERKEBILE: Okay. If you
9 would, please, I know it's probably like the
10 umpteenth time now, but just go ahead and state
11 your name for the record again and your address,
12 and then after that, you can go ahead and offer the
13 testimony that you would like the Commission to
14 hear in connection with the Cooperative's
15 Application.

16 MR. HEIE: Yes. My name is Jeffrey Scott
17 Heie. I live at 311 Dixie Avenue in Harrisonburg,
18 Virginia. The zip code is 22801.

19 HEARING EXAMINER BERKEBILE: Go ahead and
20 let the Commission -- please offer your testimony
21 relative to the Application, and after that's done,
22 I will see if the attorneys have any questions for
23 you.

24 MR. HEIE: Okay. Thank you.

25 I'm asking the State Corporation

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1 Commission to oppose SVEC's basic access charge
2 increase. I direct a program called Give Solar.
3 It's based in Harrisonburg but works in
4 Harrisonburg and Rockingham County currently.

5 My work entails partnering with Habitat
6 for Humanity households around Virginia, as well as
7 the program started in Harrisonburg and Rockingham
8 County, but I'm also beginning to work with other
9 Habitat affiliates in the state to assist these
10 homeowners in making their housing more affordable.
11 We accomplish this by helping homeowners to gain
12 access to solar energy, as well as providing energy
13 efficiency education to these low and middle income
14 households. The data shows that the electricity
15 burden is unaffordable for 75 percent of Virginia
16 residents.

17 Due to the profile of Habitat for Humanity
18 homeowners, almost all of the partner families
19 suffer from unaffordable electricity. This is
20 especially true in the central Shenandoah Valley
21 where the median income is 40 percent lower than
22 the statewide median income.

23 My project aims to provide a pathway for
24 Habitat homeowners to own and benefit from their
25 own solar systems. In the last year, we have

1 assisted four Habitat households to install solar
2 systems in the Shenandoah Valley. We are finding
3 that Habitat solar homeowners are able to save
4 between 40 and 60 dollars per month through
5 generating electricity.

6 My main concern about the proposed rate
7 change is this: When a larger portion of a
8 family's utility expense is a fixed access charge,
9 like SVEC is proposing, it is much more difficult
10 for low and middle income families to benefit from
11 energy efficiency and solar. Exorbitant fixed
12 charges cause these families to have less control
13 of their monthly energy bills, and that is money
14 that can be spent on food, medicine, school,
15 clothes, et cetera.

16 I have done work in Dominion and
17 Harrisonburg Electric Commission territories, and
18 their fixed access charges are \$6.58 and \$9
19 respectively. These rates allow low income
20 families to save on bills through solar and energy
21 efficiency measures.

22 A 30-dollar minimum bill, like SVEC is
23 proposing, hurts low income and low energy users
24 the most. I am testifying today in opposition to
25 the proposed rate increase by SVEC because this

1 rate increase will adversely impact our low and
2 middle income neighbors the worst.

3 More affluent households may be able to
4 absorb the added cost of electricity because it
5 makes up a much smaller percentage of their family
6 income, but low and middle income households will
7 be unduly burdened by a base rate increase making
8 their housing less affordable and contributing to
9 housing insecurity.

10 I ask the SCC to deny this request for a
11 base rate increase. Thank you.

12 HEARING EXAMINER BERKEBILE: Thank you so
13 much for your testimony. I'm going to be see if
14 any of the attorneys have any questions for you.

15 Counsel for the Cooperative?

16 MR. PAGE: We have no questions, Your
17 Honor.

18 HEARING EXAMINER BERKEBILE: Counsel for
19 SUN Virginia?

20 MR. REISINGER: I have no questions, Your
21 Honor.

22 HEARING EXAMINER BERKEBILE: Counsel for
23 Frederick County?

24 MR. WILLIAMS: No questions, Your Honor.

25 HEARING EXAMINER BERKEBILE: And counsel

1 for Commission Staff?

2 MS. COLE: No questions, Your Honor.

3 HEARING EXAMINER BERKEBILE: Thank you so
4 much for your time today, Mr. Heie. You are
5 excused.

6 MR. HEIE: Thank you.

7 MS. ROBERTSON: The next public witness is
8 Emily Piontek.

9 HEARING EXAMINER BERKEBILE: Can you say
10 her last name again, please?

11 MS. ROBERTSON: I'm thinking that it's
12 Piontek, P-I-O-N-T-E-K? I will ask her.

13 HEARING EXAMINER BERKEBILE: Yes. I just
14 wanted to make sure I heard you correctly.

15 MS. PIONTEK: Hi. This is Emily Piontek.

16 MS. ROBERTSON: Ms. Piontek?

17 MS. PIONTEK: Hello.

18 MS. ROBERTSON: Ms. Piontek.

19 MS. PIONTEK: Yeah.

20 MS. ROBERTSON: Hi. I apologize.

21 This is the State Corporation Commission
22 calling to receive your public witness testimony.

23 MS. PIONTEK: Okay. Yeah. I'm ready.

24 MS. ROBERTSON: Okay. Great. Thank you.

25 HEARING EXAMINER BERKEBILE: Thank you.

1 Are we pronouncing your name correctly? This is
2 Ann Berkebile, the hearing examiner who is
3 presiding over this matter.

4 MS. PIONTEK: It's Emily Piontek.

5 HEARING EXAMINER BERKEBILE: Piontek.
6 Okay.

7 MS. PIONTEK: Yes.

8 HEARING EXAMINER BERKEBILE: I'm going to
9 first ask that you are sworn in by our bailiff.
10 he's going to take care of that now.

11 MS. PIONTEK: Okay.

12 (Public witness, Emily Piontek, was duly
13 sworn.)

14 HEARING EXAMINER BERKEBILE: All right.
15 Now, I will ask that you offer your testimony
16 relative to the Application that you would like the
17 Commission to consider.

18 MS. PIONTEK: All right. Well, thank you.
19 Commissioners, thank you for hearing my testimony.
20 I'm here today to ask that you deny the request of
21 Shenandoah Valley Electric Cooperative to increase
22 its basic customer charges and its stated demand
23 charge on residential customers.

24 My name is Emily Piontek, and I'm an
25 advocacy utility accountability and consumer

1 protection with Appalachian Voices. I'm asking you
2 to deny the proposal of Shenandoah Valley Electric
3 Cooperative for the following reasons: One,
4 increasing the basic customer charge will hit low
5 income members and members that have low energy
6 uses the hardest; and, second, the Cooperative
7 failed in its responsibilities that a member-owned
8 utility can meaningfully include member/owners and
9 decision making related to these proposals.

10 This Commission received nearly 60 public
11 comments about these proposals, most coming from
12 member/owners of Shenandoah Valley Electric. Many
13 of those comments are from members who are seniors
14 living on fixed income or members who are
15 struggling to afford their monthly bills now and
16 have indicated in their comments that the new
17 proposal would further harm their financial
18 stability and even their ability to pay the
19 Cooperative.

20 Other comments were submitted by member of
21 Shenandoah Valley Electric who have installed solar
22 panels for energy efficiency measures and to oppose
23 the increased fixed charge and new demand charge
24 for their impact on energy savings and the
25 resulting [indiscernible] for member/owners to

Utilities in Virginia are guaranteed a captive customer base, and based on their monopoly status, customers, like the members of Shenandoah Valley Electric, are vulnerable to changes and rate fees and other charges and are the sole electric provider in their area. Many consumers attempting to control their monthly bills by investing in rooftop solar or energy efficiency are finding other ways to conserve. However, Shenandoah Valley Electric will make it harder for members to keep their monthly electricity bills affordable.

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1 from this fixed charge that can't be reduced by
2 taking energy-conserving action.

3 In effect, thus the demand charge and the
4 increase to the fixed charged would blunt energy
5 saving cost signals and discourage the
6 [indiscernible] and efficiency hurting both the
7 Cooperative membership at its low income, which is
8 about one-fifth of the members, and the substantive
9 members that contribute to about five megawatts of
10 solar power to the utility systems through
11 residential net metering.

12 These impacts are reflected in the many
13 public comments submitted to the body.
14 Participating in regulatory cases such as this is
15 an expensive, lengthy and technical process and one
16 in which the average member/owner can't
17 meaningfully engage, and yet Electric Cooperatives
18 in Virginia are more lightly regulated than
19 investor-owned utilities because by definition
20 they're supposed to be democratic and member
21 controlled.

22 Unfortunately, Shenandoah Valley
23 Electric's members are preventing from attending or
24 observing Cooperative Board meetings, meaning that
25 Shenandoah Valley has less independent oversight

1 and little accountability to its members or to
2 scrutiny [indiscernible], case in point here. The
3 Cooperative provided no opportunity for its members
4 to give input on the proposals under consideration
5 now prior to the time that this regulatory
6 proceeding was initiated.

7 For these reasons, I respectfully ask the
8 Commission to deny the proposal of Shenandoah
9 Valley Electric to increase the basic customer
10 charge by 20 percent and state a demand charge on
11 residential customers.

12 Thank you.

13 HEARING EXAMINER BERKEBILE: Thank you
14 very much.

15 Let me see if any of the attorneys who are
16 here today for the parties have questions for you.

17 Counsel for the Cooperative?

18 MR. PAGE: We have no questions, Your
19 Honor.

20 HEARING EXAMINER BERKEBILE: Counsel for
21 SUN Virginia?

22 MR. REISINGER: No questions, Your Honor.

23 HEARING EXAMINER BERKEBILE: Counsel for
24 Frederick County.

25 MR. WILLIAMS: No questions, Your Honor.

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1 HEARING EXAMINER BERKEBILE: And counsel
2 for Commission Staff?

3 MS. COLE: No questions, Your Honor.

4 HEARING EXAMINER BERKEBILE: All right.
5 Thank you very much, Ms. Piontek. The Commission
6 truly appreciates you taking the time out of your
7 day to offer this testimony. You are excused.

8 MS. PIONTEK: Thanks.

9 MS. ROBERTSON: The next public witness is
10 Joy Loving.

11 MS. LOVING: Hello. This is Joy Loving.

12 MS. ROBERTSON: Ms. Loving? Hi, this is
13 the State Corporation Commission calling to receive
14 your public witness testimony.

15 MS. LOVING: Yes, ma'am. My name is Joy
16 Loving.

17 HEARING EXAMINER BERKEBILE: All right.
18 Ms. Loving?

19 MS. LOVING: I'm sorry.

20 HEARING EXAMINER BERKEBILE: This is Ann
21 Berkebile. Hello. Can you hear me?

22 MS. LOVING: I can.

23 HEARING EXAMINER BERKEBILE: All right.
24 My name is Ann Berkebile. I am the hearing
25 examiner who is presiding over this case.

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1 Before we hear your testimony, we need to
2 have the bailiff swear you in. He's going to do
3 that right now.

4 (Public witness, Joy Loving, was duly
5 sworn.)

6 HEARING EXAMINER BERKEBILE: Now,
7 Ms. Loving, we would like to hear what you have to
8 say about the Cooperative's Application.

9 MS. LOVING: My name is Joy Loving. I
10 live in Rockingham County, the Dominion net metered
11 customer.

12 HEARING EXAMINER BERKEBILE: Let me -- I'm
13 sorry. I'm going to interrupt for a second.

14 You're a Dominion customer?

15 MS. LOVING: I am a dominion net-metered
16 customer. I have neighbors who are Shenandoah
17 Valley Electric Co-op customers. I'm requesting
18 the Commission to deny the SVEC Application because
19 I consider it both unjustified by the documentation
20 that they provided and also patently unfair because
21 I fell it will disproportionately harm low income
22 customers, as well as those on fixed incomes and
23 those whose electricity use is low.

24 And I also think the increases will make
25 it very hard for customers to control their monthly

1 electricity bill. I pay \$6.58 a month as a basic
2 monthly charge. SVEC wants to go from the current
3 25 to 30, which is a huge percentage increase over
4 what I am paying.

5 So people that live, you know, within a
6 mile of me pay much more. I don't consider that
7 particularly fair. I've given you written comments
8 that address other points, but I want to say that
9 one of the reasons I went solar, not only was to
10 control my electric bill but was to lower my carbon
11 footprint.

12 SVEC does not need to be disincentivizing
13 Virginians from doing that. It's very important
14 for Virginia's future. I think Virginia utilities
15 can't be allowed to have anti-renewable energy,
16 anti-energy efficiency rates, as well as those that
17 are punitive for low and middle income customers.
18 I certainly hope that the SCC will put rate payor
19 interests at least on a par with those of
20 utilities, and if you don't have the authority to
21 do that, then I think your ruling should make it
22 clear so that Virginians can work to get that law
23 changed.

24 I would hope that you will deny the rate
25 increase, but if you do not, at a minimum, before

1 you reach a final decision, I request that you
2 require SVEC to provide you with more specifics on
3 how its rate increase will affect its customers,
4 particularly those who are low and middle income
5 and also those who have high usage.

6 I also think it would be useful if they
7 would explain very clearly and specifically how
8 they will achieve the revenue neutral results that
9 they say will occur.

10 And finally, I think it would be very
11 useful if you would ask them for whatever value of
12 solar data that they may have that can address the
13 contribution that net meter customers of SVEC can
14 make to lowering peak demand, and overall, I think,
15 in the long run help the entire customer base.

16 I thank you for your time and the
17 opportunity to speak.

18 HEARING EXAMINER BERKEBILE: Thank you for
19 your time also. I'm going to see if the attorneys
20 have any questions for you, so if you'll just hold
21 on for a minute.

22 Counsel for the Cooperative?

23 MR. PAGE: We have no questions, Your
24 Honor.

25 HEARING EXAMINER BERKEBILE: And counsel

1 for SUN Virginia?

2 MR. REISINGER: No questions, Your Honor.

3 HEARING EXAMINER BERKEBILE: Counsel for
4 Frederick County.

5 MR. WILLIAMS: No questions, Your Honor.

6 HEARING EXAMINER BERKEBILE: Commission
7 Staff?

8 I don't hear anything from Commission
9 Staff.

10 MS. PIERCE: No questions, Your Honor.

11 HEARING EXAMINER BERKEBILE: All right.
12 Ms. Loving, I appreciate your taking the time out
13 of your day to offer your testimony to the
14 Commission. You are excused.

15 MS. LOVING: Thank you so much.

16 HEARING EXAMINER BERKEBILE: Thank you.

17 MS. ROBERTSON: The next public witness is
18 Eric Beck. He is the one who may have signed up
19 twice. I will call him.

20 HEARING EXAMINER BERKEBILE: Sounds like
21 we may be going to a --

22 MS. ROBERTSON: Do you want me to try the
23 other number on the other --

24 HEARING EXAMINER BERKEBILE: Yes. Did he
25 offer more than one number?

1 MS. ROBERTSON: Yes, he did. He did.

2 Okay. Yes. Okay. I'll try that one. Then if
3 not, do you want to put him at the end, and then
4 we'll try him again.

5 HEARING EXAMINER BERKEBILE: Yes. I was
6 interpreting what you were saying, but yes.

7 MS. ROBERTSON: It might have been a typo.
8 The numbers are very familiar -- I mean, both are
9 very similar.

10 HEARING EXAMINER BERKEBILE: Similar.

11 MR. BECK: Hello. This is Eric.

12 MS. ROBERTSON: Hi. Mr. Beck? Mr. Beck,
13 are you there?

14 MR. BECK: Yes.

15 MS. ROBERTSON: Oh, hi. Good morning.
16 Good morning. This is the State Corporation
17 Commission calling to receive your public witness
18 testimony.

19 MR. BECK: Excellent.

20 MS. ROBERTSON: Thank you.

21 HEARING EXAMINER BERKEBILE: Mr. Beck,
22 this is Ann Berkebile. I'm the hearing examiner
23 presiding over this matter, and before you offer
24 your testimony, I'm going to have the bailiff swear
25 you in.

1 I also believe perhaps you signed up two
2 times, maybe because you are testifying in more
3 than one capacity. If that is the case, or if you
4 can give us any clarification on that -- well,
5 first of all, let me have the bailiff swear you in.

6 MR. BECK: Sure.

7 (Public witness, Eric Beck, was duly
8 sworn.)

9 HEARING EXAMINER BERKEBILE: If you will,
10 state your full name again, your address; and if
11 you are testifying on behalf of an organization or
12 more than one, if you'll clarify that too, that
13 would be helpful.

14 MR. BECK: Yeah. My name is Eric Beck.
15 My address is 8104 Green Hill Road, Linville,
16 Virginia, area code 22834, and when I signed up, I
17 think that was my mistake.

18 HEARING EXAMINER BERKEBILE: Okay.

19 MR. BECK: Yeah. It should just be one.

20 HEARING EXAMINER BERKEBILE: Okay.

21 MR. BECK: I have several halves that I
22 think make my testimony relevant, but it's not
23 necessarily for multiple groups.

24 HEARING EXAMINER BERKEBILE: Well, that is
25 fine. It's better to over prepare than to under

1 prepare, is the way I look at that.

2 MR. BECK: Yeah. Yeah, I apologize for
3 that.

4 HEARING EXAMINER BERKEBILE: No trouble.
5 So if you will, go ahead and offer the testimony
6 that you would like the Commission to consider in
7 connection with the Cooperative's Application.

8 MR. BECK: Sure. Thank you.

9 The reason I'm testifying, I am an SVEC, a
10 Shenandoah Valley Electric Cooperative member,
11 solar system owner. I believe I have other hats in
12 my work that are relative or that relate to this
13 issue.

14 I own a custom home building company
15 specializing in energy efficient construction in
16 newer energy homes. I also own a solar design
17 installation company in the Harrisonburg,
18 Rockingham County area serving communities up and
19 down the I-81 corridor.

20 We work with a local Habitat for Humanity
21 affiliate in their affordable homes to provide a
22 small solar system on each Habitat home. We have
23 completed four. And the impact of these rates I
24 believe will be felt mostly by solar owners, will
25 de-incentivize energy efficiency and

1 disproportionately charge lower earning families
2 more for their electricity.

3 The SVEC is proposing consumer charge
4 increase to \$30, which has already jumped from
5 \$13.76 and to \$25 and decreased their usage rate at
6 the same time.

7 The new demand charge rate summer months
8 is to some degree beneficial for solar owners and
9 also those who attempt to conserve energy.
10 However, it is not enough of a benefit to really
11 make a significant dent in the consumer charge
12 increase of over 200 percent from \$13.76 to \$30.

13 As a solar owner and someone who is
14 concerned about energy efficiency, as well as a
15 business owner who is concerned about these
16 increase for existing and future customers, the
17 fixed fee in no way incentivizes efforts to combat
18 climate change and reduce load on the existing
19 grid. It hurts payback on solar systems by about
20 three to five years depending on the size of the
21 system, and it disproportionately impacts lower
22 earning families.

23 While the impact of these rates
24 increase -- while the impact of these rate
25 increases on a monthly budget of a lower earning

1 family of simpler math, the interaction of
2 distributed energy systems, such as residential
3 solar, and its impact on utilities is decidedly
4 more complicated.

5 I want to present one example in this time
6 that encompasses an individual under 40 percent of
7 the area median income and also solar owner. A
8 recent Habitat for Humanity owner who lives in the
9 Dominion service area received a bill totaling
10 \$7.63. She offset all of her usage with solar and
11 thus decreased her load on the grid. \$6.58 of that
12 amount was the Dominion consumer charge, a dollar
13 and five cents was the utility tax. The same
14 billing in the SVEC area would have been \$30,
15 almost quadruple.

16 Without her onsite solar production, her
17 bill using the SVEC rate structure would have been
18 50 percent fixed consumer charge, and many would
19 not consider that \$30 to be significant, but in
20 many households it is.

21 SVEC's proposed consumer charge will be
22 three to four times what neighboring utilities
23 employ. The rate increases proposed unfairly
24 target individuals and families earning a lower
25 income and those efforts that Co-op members make to

1 energy efficiency and onsite alternative energy
2 production.

3 I'm requesting that you encourage SVEC to
4 pursue other revenue structures to fund their
5 infrastructure maintenance and reject their
6 proposal. I understand well the argument that a
7 grid tight solar system is basically using the
8 electric grid for its battery and theoretically
9 avoiding revenue and putting the cost of
10 maintaining the infrastructure on other members or
11 utilities.

12 As a business, I value the collaboration
13 with staff we interface with at SVEC. However,
14 numerous studies from other states show the impact
15 that distributed solar generation has on utilities
16 and the grid overall as being positive, both
17 financially and physically, on the systems.

18 SVEC has an opportunity to be on the
19 forefront of innovative energy production and
20 supporting their members instead of being
21 regressive in their rates. They ought to be
22 perfectly positioned with members to work
23 collaboratively to achieve combined goals.

24 The increased consumer charge was also
25 justified in [indiscernible] to help fund the

1 installation of data lines to increase access to
2 high speed internet across the SVEC service area
3 which is desperately needed for rural areas.
4 However, other costs within the Commonwealth have
5 deployed other government funding to help pay for
6 expanded rural access. I want to know that SVEC
7 has exhausted the other avenues to fund this
8 initiative.

9 And finally, I really appreciate your
10 efforts to allow Co-op members to have another
11 conduit for their voices. Thank you for your
12 attention and hearing my testimony, and I wish you
13 the best in your deliberations and appreciate the
14 responsibility that you have accepted to regulate
15 these important public services.

16 HEARING EXAMINER BERKEBILE: Thank you
17 very much. I'm going to see if any of the
18 attorneys have any questions for you, if you will
19 hold on for one second.

20 Counsel for the Cooperative?

21 MR. PAGE: We have no questions of this
22 witness, Your Honor.

23 HEARING EXAMINER BERKEBILE: I'm sorry to
24 have spoken over you.

25 Counsel for SUN Virginia?

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1 MR. REISINGER: I have no questions, Your
2 Honor.

3 HEARING EXAMINER BERKEBILE: And counsel
4 for Frederick County?

5 MR. WILLIAMS: No questions, Your Honor.

6 HEARING EXAMINER BERKEBILE: Commission
7 Staff?

8 MS. COLE: No questions, Your Honor.

9 HEARING EXAMINER BERKEBILE: Mr. Beck,
10 thank you so much for taking the time out of your
11 day to provide the Commission with this
12 information, and you are excused.

13 MR. BECK: Thank you very much. Have a
14 great day. Thanks.

15 HEARING EXAMINER BERKEBILE: You too.

16 MR. BECK: Bye.

17 MS. ROBERTSON: The next public witness is
18 Seth Heald. H-E-A-L-D, Heald.

19 MR. HEALD: Hello.

20 MS. ROBERTSON: Good morning. Mr. Heald?

21 MR. HEALD: Hello. This is Seth Heald.

22 MS. ROBERTSON: Oh, Heald. I apologize.

23 Mr. Heald, this is the State Corporation
24 Commission. I'm calling to receive your public
25 witness testimony.

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1 MR. HEALD: Yes, thank you. I'm ready.
2 MS. ROBERTSON: Okay. Thank you.
3 HEARING EXAMINER BERKEBILE: Mr. Heald,
4 this is Ann Berkebile. I am the hearing examiner
5 that is presiding over the proceeding today, and
6 the first thing I'm going to do is ask that the
7 bailiff swear you in.
8 MR. HEALD: Okay.
9 (Public witness, Seth Heald, was duly
10 sworn.)
11 HEARING EXAMINER BERKEBILE: All right.
12 Now, Mr. Heald, the Commission would like
13 to hear what testimony you want to offer in
14 connection with the Application of SVEC.
15 MR. HEALD: Thank you, Your Honor.
16 My name is Seth Heald. I live at 8115
17 Curling Creek Lane in Rixeyville, Virginia.
18 HEARING EXAMINER BERKEBILE: I'm sorry.
19 Are you a customer of SVEC, or member?
20 MR. HEALD: No. I was just about to say,
21 I'm a member/owner of Rappahannock --
22 HEARING EXAMINER BERKEBILE: Got you.
23 MR. HEALD: I'm a member/owner of
24 Rappahannock Electric Co-op, a different electric
25 Co-op which neighbors SVEC to the east. I am not a

1 member of SVEC.

2 I am a co-founder of a campaign named
3 Repower REC, which is a campaign to improve and
4 enhance democracy and transparency at Virginia's
5 electric cooperatives. I am a lawyer, retired. I
6 also have a master of science degree in energy
7 policy and climate.

8 This morning when I opened my email inbox,
9 I learned that today is energy efficiency day in
10 the United States. I learned that with an email
11 from the Virginia Energy Efficiency Council, and
12 that's an appropriate day to keep in mind as the
13 Commission and Your Honor considers this
14 Application.

15 What SVEC has proposed to do with its
16 fixed rate increase is to address climate change by
17 doing just the opposite of what a rational rate
18 design would do. Increasing a fixed charge, which
19 SVEC did already several years ago and now proposes
20 to do again, discourages conservation and
21 efficiency and encourages wasteful and excessive
22 consumption.

23 SVEC proposes to shift the burden of
24 paying for the system from those who benefit the
25 most from it to those who use it the least, either

1 because they're low or moderate income, consume
2 less power, or they've made the greatest effort to
3 reduce consumption to lower their costs and to
4 lower emissions and other pollution.

5 This really -- this proposal amounts to a
6 wealth transfer from the poor to the rich at a
7 particularly inappropriate time, not to suggest
8 there's ever really a good time where that should
9 be done.

10 The proposed fixed charge increase doesn't
11 adhere to the widely accepted rate design principle
12 of providing customers with an incentive to use
13 electricity efficiently since a larger proportion
14 of a customer's bill is disconnected from energy
15 usage each time the fixed charge increases, it
16 takes -- a fixed increase takes effect. If SVEC
17 does require an increase in revenue, that increase
18 can and should be recovered through higher volume
19 metric rates, not higher fixed charges.

20 I want to talk about democratic control of
21 electric cooperatives, an issue that I've been
22 working on for over ten years now in Virginia. A
23 democratic control and education are two of the
24 seven cooperative principles that all electric
25 cooperatives are supposed to follow.

1 But SVEC did not describe its proposal or
2 educate its consumers in its magazine or otherwise
3 before the SVEC Board considered approving this
4 proposal which it had to do before it came before
5 the Commission. By not educating its consumers and
6 informing them, SVEC deprived consumers of the
7 chance to have their voices heard and to make their
8 views known to the Board on what is really a major
9 reallocation of expenses and costs will be
10 recovered. That was a navigation of the Co-ops
11 responsibility to its member.

12 The Commission should not assume that SVEC
13 is generally democratically governed. A few years
14 ago in 2018, the National Rural Electric
15 Cooperative Association issued a report from a
16 governance task force that revealed many issues of
17 electric co-ops across the country pertaining to
18 democratic control, transparency and governance.

19 Unfortunately, some Virginia electric
20 co-ops are not following the recommendations that
21 came out of that report, and one of the ones you've
22 already heard from other witnesses this morning is
23 the importance of open Board meetings and education
24 so that consumers have more of a chance to
25 participate in the important decisions that their

1 co-op Board and the co-op management makes.

2 Consumers are often left in the dark in Virginia
3 about what their co-op's management and their
4 Boards are doing.

5 So with that, I want to express my strong
6 opposition to this rate increase and urge the
7 Commission to tell SVEC to go back and to come back
8 with a method that doesn't penalize efficiency.

9 Thank you.

10 HEARING EXAMINER BERKEBILE: Thank you
11 very much. Let me see if there are any questions
12 for you from the attorneys representing the parties
13 in the case.

14 Counsel for the Cooperative?

15 MR. PAGE: We have no questions, Your
16 Honor.

17 HEARING EXAMINER BERKEBILE: Counsel for
18 SUN Virginia?

19 MR. REISINGER: No questions, Your Honor.

20 HEARING EXAMINER BERKEBILE: Counsel for
21 Frederick County?

22 MR. WILLIAMS: No questions, Your Honor.

23 HEARING EXAMINER BERKEBILE: Any questions
24 from Commission Staff?

25 MS. COLE: No questions, Your Honor.

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1	Thank you.
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3 Thank you very much, Mr. Heald, for your time today
4 and for offering your testimony to the Commission.

6 | MR. HEALD: Thank you.

9 MS. BINGHAM: Virginia Poverty Law.

12 MS. BINGHAM: Yes.

14 MS. BINGHAM: Yes, this is Carmen Bingham.

19 MS. BINGHAM: Thank you. Yes.

25 MS. BINGHAM: Okay.

1 (Public witness, Carmen Bingham, was duly
2 sworn.)

3 HEARING EXAMINER BERKEBILE: All right.
4 Ms. Bingham, if you will now state your full name
5 again, and if you represent an organization, tell
6 me who that is and give me either a home or a work
7 address.

8 MS. BINGHAM: Okay. My name is Carmen
9 Bingham. I am with the Virginia Poverty Law
10 Center. Our office is located at 919 East Main
11 Street, Suite 610 in Richmond, Virginia 23219.

12 HEARING EXAMINER BERKEBILE: Thank you.
13 If you will go ahead and offer the testimony that
14 you would like the Commission to consider in
15 connection with the Shenandoah Valley Electric
16 Cooperative's Application.

17 MS. BINGHAM: Okay. Thank you.

18 Virginia Poverty Law Center works through
19 policy advocacy to remove systemic barriers that
20 keep people in poverty. VPLC's affordable energy
21 projects specifically works to address systemic
22 imbalances in Virginia's regulatory and legislative
23 energy processes and energy policies that place
24 inequitable burden on customers who have the least
25 ability to afford excessive utility costs.

1 After review of the publicly available
2 version of Shenandoah Valley Electric Cooperative's
3 Application for a general rate increase, VPLC's
4 concern centered on two key items. One, the
5 request for an increase in SVEC's fixed customer
6 charge; and, two, SVEC's proposed terms and
7 conditions.

8 Our first concern directly affects our
9 constituency as low income and poverty level
10 households bear a disproportionate burden of energy
11 costs than other households. In our work, VPLC
12 seeks to find ways to correct imbalances in our
13 energy processes that intentionally or
14 unintentionally continue to inflate the cost of
15 energy for low income, poverty level consumers.

16 SVEC's low income and low poverty level
17 customers already experience an excessively high
18 fixed customer charge. Increasing this will
19 exacerbate their financial hardship. One of the
20 basic rate making premises is that all costs are
21 inevitably variable and, therefore, any fixed
22 charges ideally should only be those charges or a
23 portion thereof that are directly tied to the cost
24 to provide service to that customer.

25 If the customer did not exist, then the

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1 cost does not exist for the utility. Therefore,
2 high fixed customer charges that include
3 noncustomer costs are regressive, particularly for
4 those customers who can least afford it.

5 Fixed charges also negatively impact
6 energy consumption by sending the wrong pricing
7 signals. By implementing high fixed charges,
8 consumers are not encouraged to reduce usage or
9 increase efficient use of their energy because it
10 will not affect their bill.

11 Increasing fixed charges negate energy
12 efficiency and other demand side management
13 programs that are targeting peak load and other
14 consumption behaviors. Rather than increasing
15 fixed charges, SVEC should be working to develop
16 pricing schedules that directly address high usage
17 and peak demand usage while improving upon and
18 developing more programs with our members that
19 address energy consumption and increase energy
20 efficiency.

21 VPLC recommends the Commission deny the
22 increase to the fixed customer charge and direct
23 SVEC to reconsider a rate schedule that would
24 correctly reflect the fixed charge for direct
25 customer cost and would send the proper pricing

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1 signals to high consumption and peak demand users.

2 VPLC's other concerns are SVEC's terms and
3 conditions. The COVID pandemic has turned our
4 attention to what, quote, utility service, end
5 quote, is and what consumers should expect from
6 their utility providers, and cooperatives have a
7 higher bar to meet because of their ownership
8 design.

9 We have enumerated specific changes to the
10 proposed terms and conditions changes, but to
11 summarize, VPLC would like SVEC to consider the
12 following:

13 A, deposit requirements should be
14 consistent among customer classes, but should have
15 flexible terms. Consumers should be able to pay
16 per their ability, so those who have discretionary
17 income can pay in full, while those with little to
18 no income can pay in installments that do not
19 create undo financial hardship. We do note that
20 SVEC currently does allow this flexibility but
21 limits the installments to three months, and we ask
22 that they consider extending that up to six months
23 with the ability to revisit by the customer if
24 necessary.

25 B, deposits provided should be considered

1 and treated as money held on behalf of the consumer
2 member, thus the deposit should not be used as a
3 ransom to elicit additional funds from a consumer
4 member. A consumer member should be able to direct
5 that deposit money, along with any accrued
6 interest, can apply to their arrearage --

7 THE BAILIFF: You have one minute
8 remaining.

9 MS. BINGHAM: -- or refunded to them if no
10 payment is due.

11 SVEC should default to assistant consumer
12 member struggling with their monthly utility bill
13 by developing a customized repayment plan that is
14 sustainable affordable to the consumer member and
15 work with the consumer member to enroll them in
16 available programs for bill assistance,
17 weatherization, energy efficiency shared, solar, et
18 cetera.

19 And the terms and conditions should be
20 carefully reviewed with consumer members
21 representing each of SVEC's customer class to
22 update information, such as payment method options,
23 billing and disconnection notice, delivery, et
24 cetera, to reflect current business practices and
25 more.

1 VPLC thanks the Commission or their time
2 and ability for us to be able to provide these
3 comments.

4 Thank you.

5 HEARING EXAMINER BERKEBILE: Thank you
6 very much. Let me see if the attorneys have any
7 questions for you.

8 Counsel for the Cooperative?

9 MR. PAGE: We have no questions, Your
10 Honor.

11 HEARING EXAMINER BERKEBILE: Counsel for
12 SUN Virginia.

13 MR. REISINGER: No questions, Your Honor.

14 HEARING EXAMINER BERKEBILE: Frederick
15 County?

16 MR. WILLIAMS: No question, Your Honor.

17 HEARING EXAMINER BERKEBILE: And
18 Commission Staff?

19 MS. COLE: No questions, Your Honor.

20 HEARING EXAMINER BERKEBILE: All right.
21 Thank you, Ms. Bingham. I probably mispronounced
22 your last name, I apologize, but I truly appreciate
23 your testimony here today and as does the
24 Commission.

25 You are excused?

1 MS. BINGHAM: Thank you.

2 MS. ROBERTSON: The last public witness is
3 Janet Trettner.

4 MS. TRETTNER: Hello.

5 MS. ROBERTSON: Good morning,
6 Ms. Trettner. Is that how you pronounce your last
7 name?

8 MS. TRETTNER: Last name is Trettner,
9 T-R-E-T-T-N-E-R.

10 MS. ROBERTSON: Hi. Good morning. This
11 is the State Corporation Commission calling to
12 receive your public witness testimony in the
13 Cooperative case.

14 MS. TRETTNER: Wonderful.

15 MS. ROBERTSON: Thank you. One moment.

16 MS. TRETTNER: Am I -- when do I start?
17 What's the procedure?

18 HEARING EXAMINER BERKEBILE: Ms. Trettner,
19 I'm going to tell you in just a second.

20 MS. TRETTNER: Okay.

21 HEARING EXAMINER BERKEBILE: Hi. My name
22 is Ann Berkebile, and I am the hearing examiner who
23 is presiding over this case.

24 The first thing that is going to happen is
25 we are going to have the bailiff swear you in, and

1 he is going to do that right now.

2 MS. TRETTNER: Okay.

3 (Public witness, Janet Trettner, was duly
4 sworn.)

5 HEARING EXAMINER BERKEBILE: Now, the next
6 thing I would ask, if you'll restate your full
7 name, and if you're testifying on behalf of an
8 organization, tell me who that is. Otherwise just
9 tell me your address, and then after that you can
10 offer the testimony that the Commission -- you
11 would like the Commission to hear in connection
12 with Shenandoah Valley's Application.

13 MS. TRETTNER: Okay. Let me make sure I
14 understand. First I say my name and where I live,
15 and then I go immediately into my testimony?

16 HEARING EXAMINER BERKEBILE: That is fine.
17 That would work.

18 MS. TRETTNER: Okay. When do I start?

19 HEARING EXAMINER BERKEBILE: You can start
20 right now.

21 MS. TRETTNER: Okay. Good morning. My
22 name is Janet Trettner. I live in Keezletown,
23 Virginia, and I'm a member of the Shenandoah Valley
24 Electric Cooperative. I appreciate this
25 opportunity to address the SCC regarding proposed

1 rate hikes for co-op members.

2 The purpose of a co-op is to serve its
3 customers. To best accomplish this goal, costs
4 should be kept low, energy efficiency should be
5 encouraged and because of the untenable
6 consequences of ignoring the impact of fossil fuels
7 on climate change, renewable sources of energy
8 should be encouraged and facilitated. Energy bills
9 should reflect the true cost of generating
10 electricity. This encourages people to mind their
11 energy consumption and look for alternative ways to
12 generate it whenever possible. I do not see how
13 the proposed rate hikes accomplish any of these
14 goals.

15 Mr. Greg Power, CEO of the co-op, was
16 recently quoted in a Harrisonburg newspaper as
17 having said that as a result of the rate hikes,
18 members will be better able to control consumption
19 and demand where before they could only control
20 consumption.

21 The logic of this evades me. It is true I
22 can control consumption but only to a point, and I
23 can never know if I'm anywhere near off setting
24 increases in the basic consumer charge or the
25 demand rate. I have controlled consumption by

1 purchasing energy efficient lightbulbs and weather
2 stripping by keeping air conditioning at a higher
3 temperature and heating at a lower temperature.

4 My husband and I live in a passive solar
5 house which decreases our need for both. We've
6 installed rooftop solar and we have an electric
7 car. However, even though the price of doing so
8 has decreased, it is still expensive and others are
9 not so fortunate.

10 People in middle fixed and low income and
11 people who have lost their jobs because of COVID or
12 other unfortunate circumstances most likely do not
13 live in a passive solar house and cannot so easily
14 afford the expense of energy saving measures and
15 devices. They are unable to pursue alternative
16 forms of energy.

17 The co-ops should be working with its
18 consumers to encourage and facilitate these sorts
19 of investments rather than impede them on increased
20 fees. The co-op should embrace solar and wind and
21 not discourage it.

22 In 2020, January 2020, co-op customers ere
23 asked to absorb a basic customer charge increase of
24 81 percent per month without approval from the SCC.
25 This 25-dollar fee is currently much higher than

1 the basic charges paid by Dominion energy customers
2 and neighboring Rappahannock customers, and neither
3 of these utilities have the demand charge.

4 Now the co-op is asking us to absorb an
5 additional 20 percent. That would amount to a
6 total of \$360 a year in basic consumer charges in
7 addition to a variable consumer charge, both of
8 which are on top of actual usage charges. This
9 would have a greater impact on middle fixed and low
10 income household and to those who are trying to do
11 the right thing by adopting renewable resources of
12 energy.

13 This transfer of wealth is not fair and
14 should not be implemented. There are already
15 Virginians who cannot pay their utility bills or
16 have a hard time doing so. Increasing the basic
17 consumer charge would increase those numbers which
18 could affect their ability to finance other basic
19 needs.

20 Controlling when I use electricity is yet
21 another conundrum. I am at loss for how to address
22 it, to what extent must I stretch out my usage to
23 avoid the higher charge, how do I track it, and how
24 is a low income person who's already working two
25 jobs supposed to stretch out their usage when they

1 only have a limited number of hours at home for
2 housekeeping.

3 I have lived in other states where usage
4 was more expensive during accumulative peak hours,
5 such as during the weekday and less expensive
6 during off-peak hours. This is a much more
7 straightforward and dependable method of affecting
8 use.

9 Charging residential members for their
10 individual peak demand, regardless of when it
11 occurs, means that the proposed rate is not based
12 on costs to the co-op of generating electricity but
13 rather on an arbitrary hard to respond to
14 arrangement. It will generate income for the co-op
15 but won't have any significant impact on member
16 usage or demand. In other words, just because
17 Mr. Rogers says that this new fee structure will
18 enable all consumers to better control consumption
19 and demand doesn't mean a --

20 THE BAILIFF: You have one minute.

21 MS. TRETTNER: -- [indiscernible] will
22 occur.

23 As the proposed changes now stand, they
24 reflect inflated customer costs, they guaranty a
25 source of income to the co-op but impose an unfair

1 burden on middle fixed, low income and unemployed
2 households. They do not inspire energy
3 mindfulness, and they are a disincentive for the
4 ultimate goal which should be to move towards solar
5 and renewable.

6 Thank you for this opportunity to address
7 the SCC.

8 HEARING EXAMINER BERKEBILE: Thank you,
9 Ms. Trettner. I'm going to see if any of the
10 attorneys have questions for you.

11 Counsel for the co-op.

12 MS. TRETNER: Did I -- I kind of heard
13 something right towards the end. Did I get cut
14 off.

15 HEARING EXAMINER BERKEBILE: No, no. He
16 was just giving you a warning that your time was --
17 the five minutes was coming up, but --

18 MS. TRETNER: Oh, okay.

19 HEARING EXAMINER BERKEBILE: -- you
20 definitely made the five minutes so -- plus, you
21 happen to be our last witness. So I probably would
22 have let you keep going for a little bit, anyway.

23 So anyway, let me ask if the counsel for
24 the Cooperative has any questions for you.

25 MR. PAGE: We have no questions, Your

1 Honor.

2 HEARING EXAMINER BERKEBILE: No questions.

3 Okay.

4 How about counsel for SUN Virginia?

5 MR. REISINGER: No questions, Your Honor.

6 HEARING EXAMINER BERKEBILE: Counsel for

7 Frederick County?

8 MR. WILLIAMS: No questions, Your Honor.

9 HEARING EXAMINER BERKEBILE: And counsel

10 for Commission Staff?

11 MS. COLE: No questions, Your Honor.

12 HEARING EXAMINER BERKEBILE: All right.

13 They don't have any questions for you. I just

14 wanted to let you know that the Commission really

15 appreciates you taking the time out of your day to

16 offer the testimony in connection with this matter,

17 and you are now excused.

18 MS. TRETTNER: Well, I appreciate the

19 opportunity to testify before the SCC. Since I'm

20 not able to participate in co-op Board meetings, it

21 is good to be able to have an opportunity to

22 address this issue.

23 HEARING EXAMINER BERKEBILE: All right.

24 Thank you very much, ma'am. You have a good day.

25 MS. TRETTNER: Thank you. You too.

1 HEARING EXAMINER BERKEBILE: Just
2 confirming with Ms. Robertson. That is our last
3 public witness who signed up, correct?

4 MS. ROBERTSON: Yes, that's correct.

5 HEARING EXAMINER BERKEBILE: She's giving
6 me a thumbs up. So that's a yes.

7 MS. ROBERTSON: I apologize.

8 HEARING EXAMINER BERKEBILE: No problem.

9 Okay. All right. We're going to move on
10 to the next stage of the case, but before we do
11 that, I just wanted to -- oh, I probably should
12 have waited for her to officially exit.

13 We're going to go to opening statements in
14 just a minute, but I did want to also say on the
15 webcast and say to the attorneys that, you know, we
16 all are aware that there are a couple of motions
17 pending in this case, one of which is to approve a
18 partial joint stipulation, and the other one is
19 dealing with a motion in limine. Both of those are
20 being -- just to let you know -- being taken under
21 advisement and will be addressed in my report with
22 the recommendation to the Commission.

23 So particularly with the motion in limine,
24 if there are questions that the Cooperative has
25 about the testimony that they think should be

1 excluded, they should go ahead and ask them, just
2 to be make sure the record is clear, but it will
3 all be addressed, and I will give the Commission
4 what my recommendation is as to whether or not that
5 evidence should be excluded from the record in the
6 report.

7 With that in mind, we're going to start
8 with opening statements, and that will be first
9 coming from the Cooperative. Is that going to be
10 Mr. Page or Mr. Murphey?

11 MR. PAGE: It will be me, Your Honor.

12 HEARING EXAMINER BERKEBILE: Okay. I
13 would love to you hear from you, Mr. Page.

14 MR. PAGE: Thank you, Your Honor.

15 May it please the Commission. I am Eric
16 Page. I am an attorney in the Richmond office of
17 Eckert Seamans, and with me today is my colleague
18 Cody Murphey. We have the honor today of
19 representing Shenandoah Valley Electric Cooperative
20 in this proceeding.

21 The Cooperative is headquartered in
22 Rockingham County, Virginia, and serves
23 approximately 96,000 meters in the City of
24 Winchester and 11 counties in northwestern Virginia
25 and the Shenandoah Valley.