

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 5, 2022

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SOLAR UNITED NEIGHBORS OF VIRGINIA  
STATE CORPORATION COMMISSION

APPLICATION OF

SHENANDOAH VALLEY ELECTRIC  
COOPERATIVE

CASE NO. PUR-2021-00054

For a general increase in electric rates

ORDER ON RECONSIDERATION

On March 11, 2022, the State Corporation Commission ("Commission") issued a Final Order in this case, wherein Shenandoah Valley Electric Cooperative ("SVEC" or "Cooperative") had filed an application ("Application") for approval of a general increase in electric rates. On March 22, 2022, the Cooperative filed a Petition for Reconsideration and Motion for Suspension of Final Order ("Petition for Reconsideration").

On March 28, 2022, the Commission entered an Order Granting Reconsideration, in which the Commission suspended the Final Order and granted reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Commission also set deadlines for responses and reply to the Petition for Reconsideration. On April 8, 2022, Commission Staff ("Staff") and Solar United Neighbors of Virginia ("SUN-VA") each filed a response. On April 15, 2022, SVEC filed a reply ("Reply").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that: the Final Order is clarified and modified as set forth herein; and, otherwise, SVEC's request for reconsideration is denied.

Initially, SVEC misconstrues the Commission's finding as to the proposed Residential Demand Charge. Contrary to SVEC's suggestion, the Commission did *not* find that SVEC is

unable to implement "All kW of Billing Demand" at this time.<sup>1</sup> Rather, the Commission's denial of the Residential Demand Charge is based on the finding that SVEC does not have the capability – at the present – "to fully implement" all aspects of the proposed demand charge.<sup>2</sup> Specifically, the Commission found that SVEC does not have the capability *at this time* to implement time-of-use demand charges in order to *currently* effectuate the Incremental Off-Peak Billing Demand Charge component of the proposed demand charge. Indeed, SVEC acknowledges as much in its Reply.<sup>3</sup>

SVEC also suggests that the Commission erred by rejecting a demand charge for residential customers while at the same time approving a demand charge for church service customers.<sup>4</sup> The Final Order, however, cited the explanation of SVEC's witness that the proposed residential demand charge "also would apply to the church class."<sup>5</sup> Accordingly, the Commission clarifies that its denial of the demand charge likewise applies to both residential and church service customers; to the extent such finding needs to be made expressly, the Final Order is hereby so modified.

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<sup>1</sup> See, e.g., SVEC's Reply at 7-9.

<sup>2</sup> Final Order at 8. See also SVEC's Petition for Reconsideration at 4 and SVEC's Reply at 3.

<sup>3</sup> See, e.g., SVEC's Reply at 7-9 (citing Tr. at 205-206). Per SVEC witness Rogers on cross-examination from counsel for SUN-VA:

Q. "...I just want to confirm with you today or right now, the Cooperative doesn't currently have these meters in place to take advantage of the demand charge; is that correct?"

A. "Not of the time of use demand charges...."

<sup>4</sup> SVEC's Petition for Reconsideration at 7-8 and SVEC's Reply at 4-5.

<sup>5</sup> Final Order at 6 n.25.

Next, SVEC also alleges that the Commission erred because a residential demand charge was previously approved for Craig-Botetourt Electric Cooperative ("CBEC").<sup>6</sup> As discussed by SUN-VA, this is not error. The Commission's finding herein is based upon – and supported by – the distinct record in the instant proceeding.<sup>7</sup> Furthermore, the stipulation as approved by the Commission in the CBEC proceeding (containing the residential demand charge) expressly directs it shall *not* serve as precedent in *any* future case.<sup>8</sup>

In addition, SVEC asks the Commission to, "in the alternative, amend its Final Order to approve only the 'All kW of Billing Demand' component of the Residential Demand Charge."<sup>9</sup> The Commission, however, has already in effect denied this request in the Final Order, when we denied approval of the entire residential demand charge because SVEC does not have the existing capability to fully implement *all* aspects thereof as explained above. Moreover, to the extent that SVEC's instant request "in the alternative" is different from the relief sought in its Application, the Commission hereby exercises its discretion not to consider such on reconsideration.<sup>10</sup>

Finally, SVEC and Staff are correct that: (1) the Commission approved a total revenue increase of \$5,325,148 as set forth in the Partial Stipulation; and (2) because there is no

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<sup>6</sup> See, e.g., SVEC's Petition for Reconsideration at 8-10.

<sup>7</sup> See, e.g., SUN-VA's Response at 5 ("The Commission's decision to decline to approve SVEC's demand charge was properly based on the evidence *in this case*.") (emphasis in original).

<sup>8</sup> See, e.g., *id.* at 4-5 (quoting from the approved CBEC stipulation that it "represents a compromise for the purposes of settlement in this case only and shall not be regarded as a precedent with respect to any ratemaking or any other principle in any future rate case").

<sup>9</sup> See, e.g., SVEC's Reply at 15.

<sup>10</sup> See, e.g., *Wal-Mart Stores East, LP v. State Corp. Comm'n*, 299 Va. 57, 76-77 (2020) ("That is not a request to reconsider a prior decision. It is a request to consider for the first time something the movant had never before specifically sought. ... [T]he Commission did not abuse its discretion in denying Walmart's motion to reconsider."). See also SUN-VA's Response at 6.

distribution *demand* charge for residential customers, \$952,015 of the approved residential distribution revenue requirement shall be recovered through the residential distribution *energy* charge.<sup>11</sup> Similarly, \$14,354 of the revenue increase that was previously associated with the proposed church service demand charge shall be recovered through the church service distribution energy charge.<sup>12</sup>

Accordingly, IT IS SO ORDERED, the Final Order is no longer suspended, and this case is DISMISSED.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

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<sup>11</sup> See, e.g., SVEC's Petition for Reconsideration at 14, Staff's Response at 3-4, and SVEC's Reply at 14-15.

<sup>12</sup> See, e.g., Ex. 1 (Application), Sch. 15B at 2.