

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 7, 2015

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

CASE NO. PUE-2015-00036

In re: Appalachian Power Company's
Integrated Resource Plan filing pursuant to
Va. Code § 56-597 et seq.

ORDER FOR NOTICE AND HEARING

On July 1, 2015, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-599 of the Code of Virginia ("Code").¹

An IRP, as defined by § 56-597 of the Code, is "a document developed by an electric utility that provides a forecast of its load obligations and a plan to meet those obligations by supply side and demand side resources over the ensuing 15 years to promote reasonable prices, reliable service, energy independence, and environmental responsibility." Pursuant to § 56-599 C of the Code, the Commission determines whether an IRP is reasonable and in the public interest.

APCo states that it serves approximately 958,000 retail electric customers in Virginia, West Virginia, and Tennessee, and that the Company's combined service territory in these three states covers approximately 19,260 square miles.²

¹ This filing was accompanied by the Motion of Appalachian Power Company for Protective Ruling ("Motion for Protective Ruling") seeking to maintain the confidentiality of certain information filed under seal in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.*

² IRP at 2.

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APCo states that its IRP, based upon various assumptions, provides for adequate capacity resources, at reasonable cost, through a combination of supply-side resources, renewable supply- and demand-side programs through the forecast period.³ According to the Company, the IRP encompasses the 15-year planning period from 2015 to 2029 and is based on the Company's current assumptions regarding customer load requirements, commodity price projections, supply-side alternative costs, and demand-side management program costs and analysis.⁴

APCo states in its filing that the Company's IRP process attempts to strike a balance among various factors, including rate stability, energy independence, economic development, service reliability, and compliance options to minimize the effects on customer rates of pending state and federal environmental regulations.⁵ According to the Company, APCo faces significant uncertainties, which include changing regulatory requirements, particularly regulation by the United States Environmental Protection Agency of carbon dioxide emissions from new and existing electric generation, and new capacity market rules approved by the Federal Energy Regulatory Commission.⁶

The 2015 Session of the Virginia General Assembly enacted legislation ("2015 Amendments") that, among other things, amended the IRP statutes to require that IRPs evaluate the effect of current and pending environmental regulations upon the continued operation of existing electric generation facilities or options for construction of new electric generation facilities and the most cost-effective means of complying with current and pending

³ IRP Executive Summary at 12.

⁴ *Id.* at 1-2.

⁵ *Id.* at 3-4.

⁶ *Id.* at 1.

environmental regulations.⁷ The Company indicates that its IRP filing conforms to the requirements of the IRP statutes, as modified by the 2015 Amendments.⁸

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company should provide public notice of its IRP; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's IRP; a procedural schedule should be established to allow interested persons an opportunity to file comments on the Company's IRP or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the IRP and file testimony and exhibits containing its findings and recommendations. Further, we find that a Hearing Examiner should be appointed to rule on all discovery matters that arise during the course of this proceeding, including the Company's Motion for Protective Ruling.

Accordingly, IT IS ORDERED THAT:

(1) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner shall be appointed to rule on any discovery matters that may arise during the course of this proceeding.

(2) A public hearing on the IRP shall be convened on December 8, 2015, at 10 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and Staff. Any person desiring to offer testimony as a public witness at this

⁷ 2015 Acts of Assembly, Chapter 6.

⁸ IRP Executive Summary at 3. By Order Establishing Proceedings issued on April 6, 2015, the Commission ordered that Virginia investor-owned electric utilities, including the Company, fully conform their IRP filings to the requirements of the IRP statutes, as modified by the 2015 Amendments.

hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and identify himself or herself to the Commission's Bailiff.

(3) The Company shall make a copy of the public version of its IRP, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. A copy also may be obtained by submitting a written request to counsel for the Company, Anthony Gambardella, Esquire, Woods Rogers PLC, Riverfront Plaza, West Tower, 901 East Byrd Street, Suite 1550, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of the public version of all documents also shall be available for interested persons to review in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

(4) On or before August 4, 2015, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF
A FILING BY APPALACHIAN POWER COMPANY OF AN
INTEGRATED RESOURCE PLAN
CASE NO. PUE-2015-00036

On July 1, 2015, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-599 of the Code of Virginia ("Code").

An IRP, as defined by § 56-597 of the Code, is "a document developed by an electric utility that provides a forecast

of its load obligations and a plan to meet those obligations by supply side and demand side resources over the ensuing 15 years to promote reasonable prices, reliable service, energy independence, and environmental responsibility." Pursuant to § 56-599 C of the Code, the Commission determines whether an IRP is reasonable and in the public interest.

APCo states that it serves approximately 958,000 retail electric customers in Virginia, West Virginia, and Tennessee, and that the Company's combined service territory in these three states covers approximately 19,260 square miles.

APCo states that its IRP, based upon various assumptions, provides for adequate capacity resources, at reasonable cost, through a combination of supply-side resources, renewable supply- and demand-side programs through the forecast period. According to the Company, the IRP encompasses the 15-year planning period from 2015 to 2029 and is based on the Company's current assumptions regarding customer load requirements, commodity price projections, supply-side alternative costs, and demand-side management program costs and analysis.

APCo states in its filing that the Company's IRP process attempts to strike a balance among various factors, including rate stability, energy independence, economic development, service reliability, and compliance options to minimize the effects on customer rates of pending state and federal environmental regulations. According to the Company, APCo faces significant uncertainties, which include changing regulatory requirements, particularly regulation by the United States Environmental Protection Agency of carbon dioxide emissions from new and existing electric generation, and new capacity market rules approved by the Federal Energy Regulatory Commission.

The 2015 Session of the Virginia General Assembly enacted legislation ("2015 Amendments") that, among other things, amended the IRP statutes to require that IRPs evaluate the effect of current and pending environmental regulations upon the continued operation of existing electric generation facilities or options for construction of new electric generation facilities and the most cost-effective means of complying with current and pending environmental regulations. The Company indicates that its IRP filing conforms to the requirements of the IRP statutes, as modified by the 2015 Amendments.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled a public hearing on December 8, 2015, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony from members of the public and evidence related to the IRP from the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness at this hearing should appear fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff. Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing at 1-800-552-7945.

The public version of the Company's IRP and the Commission's Order for Notice and Hearing are available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Anthony Gambardella, Esquire, Woods Rogers PLC, Riverfront Plaza, West Tower, 901 East Byrd Street, Suite 1550, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means.

Copies of the public version of the IRP and documents filed in this case also are available for interested persons to review in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

Any person or entity may participate as a respondent in this proceeding by filing, on or before September 15, 2015, a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. A copy of the notice of participation as a respondent also must be sent to counsel for the Company at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to

the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No. PUE-2015-00036. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Hearing.

On or before October 27, 2015, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth above. Respondents also shall comply with the Commission's Rules of Practice and Procedure, including, but not limited to: 5 VAC 5-20-140, *Filing and service*; 5 VAC 5-20-150, *Copies and format*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUE-2015-00036.

On or before December 1, 2015, any interested person wishing to comment on the Company's IRP shall file written comments on the IRP with the Clerk of the Commission at the address set forth above. Any interested person desiring to file comments electronically may do so on or before December 1, 2015, by following the instructions on the Commission's website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUE-2015-00036.

The Commission's Rules of Practice and Procedure may be viewed at <http://www.scc.virginia.gov/case>. A printed copy of the Commission's Rules of Practice and Procedure and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address set forth above.

APPALACHIAN POWER COMPANY

(5) On or before August 4, 2015, the Company shall serve a copy of this Order for Notice and Hearing on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager (or equivalent official) and city or town attorney of every

city and town in which the Company provides service in the Commonwealth of Virginia.

Service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(6) On or before August 18, 2015, the Company shall file proof of the notice and service required by Ordering Paragraphs (4) and (5), including the name, title, and address of each official served with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219.

(7) On or before August 7, 2015, the Company shall file an original and fifteen (15) copies of any testimony and exhibits in support of its IRP with the Clerk of the Commission at the address set forth in Ordering Paragraph (6), and each testimony shall include a summary not to exceed one page and shall specify those portions of the IRP that such witnesses will sponsor at the hearing. In lieu of prefiled testimony and exhibits, the Company may file with the Clerk of the Commission, on or before August 7, 2015, a document in which the Company: (a) identifies witnesses who will appear and offer testimony in support of the Company's IRP at the hearing; (b) specifies those portions of the IRP that such witnesses will adopt and support as their testimony at the hearing; and (c) includes a summary not to exceed one page of each such witness's testimony. The Company shall serve copies thereof on counsel for all respondents and Staff.

(8) On or before December 1, 2015, any interested person may file written comments on the IRP with the Clerk of the Commission at the address set forth in Ordering Paragraph (6).

Any interested person desiring to submit comments electronically may do so on or before December 1, 2015, by following the instructions found on the Commission's website:

<http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage

medium may not be filed with the comments. All comments shall refer to Case No. PUE-2015-00036.

(9) On or before September 15, 2015, any person or entity may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (6), and the respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address in Ordering Paragraph (3). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUE-2015-00036.

(10) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the public version of the IRP, and all materials filed by the Company with the Commission, unless these materials have already been provided to the respondent.

(11) On or before October 27, 2015, each respondent may file with the Clerk of the Commission at the address set forth in Paragraph (6) and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be

submitted to the Clerk of the Commission. In all filings, the respondent shall comply with the Commission's Rules of Practice, including, but not limited to: 5 VAC 5-20-140, *Filing and service*; 5 VAC 5-20-150, *Copies and format*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUE-2015-00036.

(12) The Staff shall investigate the IRP. On or before November 10, 2015, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits concerning the IRP, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to APCo and all respondents.

(13) On or before November 24, 2015, the Company may file with the Clerk of the Commission any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page. The Company shall serve a copy thereof on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (6).

(14) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) business days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to

Staff.⁹ Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(15) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Anthony Gambardella, Esquire, Woods Rogers PLC, Riverfront Plaza, West Tower, 901 East Byrd Street, Suite 1550, Richmond, Virginia 23219; James R. Bacha, Esquire, and Hector Garcia, Esquire, American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215; and C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219; and a copy shall be delivered to the Commission's Office of General Counsel and Divisions of Energy Regulation and Utility Accounting and Finance.

⁹ The assigned Staff attorney is identified on the Commission's website, <http://www.scc.virginia.gov/case>, by clicking "Case Search" and entering the case number, PUE-2015-00036, in the appropriate box.