

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 24, 2015

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APPLICATION OF  
PRINCE GEORGE  
ELECTRIC COOPERATIVE

CASE NO. PUE-2015-00078

For approval of prepaid electric service tariff

ORDER FOR NOTICE AND HEARING

On July 8, 2015, Prince George Electric Cooperative ("PGEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application and exhibits pursuant to § 56-247.1 A 7 of the Code of Virginia ("Code") requesting approval of a new proposed voluntary tariff, Schedule PE, to allow certain PGEC residential and small general service customers to establish and maintain a prepaid balance for their electric service ("Application").<sup>1</sup> The Cooperative also proposed the addition of a new Appendix C to its Terms and Conditions of Service to address PGEC's prepaid electric service.<sup>2</sup>

The Cooperative states that its new proposed voluntary prepaid tariff would be available to certain residential and small general service customers at their option who wish to establish and maintain a prepaid balance with PGEC for their electric service.<sup>3</sup> The Cooperative states that for a customer requesting service under a small general service rate to be eligible for Schedule PE, the service must be located on the property of a current residential service being served under Schedule PE and the service shall not be greater than 200 amps.<sup>4</sup> The Application

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<sup>1</sup> Application at 2-3.

<sup>2</sup> *Id.* at 3.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 3-4.

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provides that access to the new schedule will be subject to the availability of the necessary automated metering infrastructure and associated equipment at the customer's location.<sup>5</sup> Further, as proposed by PGEC, certain customers would not be eligible to participate: customers who participate in the Cooperative's net metering, time-of-use, or budget billing programs; and customers receiving service subject to a Serious Medical Condition Certification who are dependent on electricity to power medical equipment.<sup>6</sup>

While the proposed prepaid tariff would allow customers to forgo certain fees and charges, including mandatory deposits to initiate service, late payment fees, and reconnection charges, customers still would be responsible for other charges and fees.<sup>7</sup> For example, a minimum \$25 prepayment balance would be required to initiate prepaid service.<sup>8</sup>

According to PGEC, the Cooperative would check a prepaid customer's usage at least once daily and would notify the customer daily by the customer's chosen medium – phone, e-mail, or text message – when the prepayment balance falls below a predetermined amount.<sup>9</sup> The Application states that should a customer's balance fall to zero, however, electric service would be subject to being suspended.<sup>10</sup> PGEC states that the automated metering system currently used by PGEC is not capable of supporting in-home device technology and therefore proposes to provide customers with an additional 24-hour grace period to establish a positive

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<sup>5</sup> *Id.* at 4.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 6-7.

<sup>8</sup> *Id.* at 7.

<sup>9</sup> *Id.* at 8. Customers also would have the option of requesting notification to a third party who would be notified in the same manner as the customer. *Id.* at 10.

<sup>10</sup> *Id.* at 8.

prepayment balance after customary notice has been given that service may be suspended because the customer's prepayment balance has reached zero.<sup>11</sup> Upon suspension, electric service would resume only after the customer made a payment to re-establish a prepayment balance on the account.<sup>12</sup> PGEC further represents that no additional fees would be applied to the account as a result of an automatic disconnect or automatic reconnect of prepaid electric service.<sup>13</sup>

Further, as proposed by the Cooperative, no bills would be sent to customers under PGEC's prepaid tariff.<sup>14</sup> Instead, participating customers would be responsible for maintaining their prepayment balance and may check their prepayment balance through the Cooperative's internet-based account management service which includes smart phone applications, through the Cooperative's automated phone system, or by request to the Cooperative.<sup>15</sup>

In support of its Application, PGEC states that the proposed prepaid tariff would provide several benefits to customers, including the ability to avoid customary deposit requirements, and increased awareness of energy usage, which could lead to self-initiated conservation.<sup>16</sup>

NOW THE COMMISSION, upon consideration of the Application and applicable statutes and rules, finds that we will docket this Application, establish a procedural schedule, and provide for notice as required by the Code and our Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice").

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<sup>11</sup> *Id.* at 9.

<sup>12</sup> *Id.* at 10.

<sup>13</sup> *Id.* at 11.

<sup>14</sup> *Id.* at 8.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 5-6.

The Commission further finds that this matter should be assigned to a Hearing Examiner to conduct all further proceedings; that a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Cooperative's Application; that an opportunity for interested persons to comment or participate in this proceeding should be given; and that the Commission Staff ("Staff") should review the reasonableness of PGEC's request and file testimony and exhibits containing the Staff's findings and recommendations regarding the Application.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUE-2015-00078.
- (2) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.
- (3) A public hearing on the Application shall be convened at 10 a.m. on January 13, 2016, 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 Cooperative, any respondents, and the Staff. Any person desiring to offer testimony as a public witness need only appear at the hearing location fifteen (15) minutes before the starting time of the hearing and identify himself or herself to the Commission's Bailiff.
- (4) The Cooperative shall make copies of its Application, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Cooperative's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for PGEC, John A. Pirko, Esquire, LeClairRyan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. If acceptable

to the requesting party, the Cooperative may provide the documents by electronic means. Copies of all documents filed in this case 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 at: <http://www.scc.virginia.gov/case>.

(5) On or before January 6, 2016, any person desiring to file written comments on the Cooperative's Application shall file such comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any person desiring to file comments electronically may do so on or before January 6, 2016, by following the instructions found at the Commission's website: <http://www.scc.virginia.gov/case>. All comments shall refer to Case No. PUE-2015-00078.

(6) On or before September 25, 2015, any person or entity may participate as a respondent in this proceeding by filing a notice of participation in accordance with 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice. 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 (5) herein. Any person or entity shall serve a copy of the notice of participation upon counsel to the Cooperative at the address set forth in Ordering Paragraph (4) herein. Pursuant to 5 VAC 5-20-80, *Regulatory proceedings*, of the 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-2015-00078.

(7) Within five (5) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve upon the respondent a copy of this Order for Notice and Hearing, the Application, and the Cooperative's supporting materials filed in this proceeding, unless these materials already have been provided to the respondent.

(8) On or before October 16, 2015, each respondent may file with the Clerk of the Commission and serve on the Staff, the Cooperative, 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 in Ordering Paragraph (5) herein. All filings shall refer to Case No. PUE-2015-00078.

(9) The Staff shall investigate the Application. On or before November 18, 2015, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's testimony and exhibits and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Cooperative and all respondents.

(10) On or before December 15, 2015, PGEC may file with the Clerk of the Commission (a) 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; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Cooperative 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 in Ordering Paragraph (5) herein.

(11) Responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, 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,<sup>17</sup> if the interrogatory or request for production is directed to the Staff.

(12) On or before September 2, 2015, PGEC shall serve a copy of this Order on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager of every city and town (or equivalent officials in the counties, cities, and towns having alternative forms of government) in which the Cooperative offers service. Service shall be made by first class mail or personal delivery to the customary place of business or residence of the person served.

(13) On or before September 2, 2015, PGEC shall publish the following notice of its Application in an issue of *Cooperative Living Magazine*:

NOTICE TO THE PUBLIC OF  
PRINCE GEORGE ELECTRIC COOPERATIVE'S REQUEST  
FOR APPROVAL OF A PREPAID ELECTRIC SERVICE  
TARIFF  
CASE NO. PUE-2015-00078

On July 8, 2015, Prince George Electric Cooperative  
("PGEC" or "Cooperative") filed with the State Corporation  
Commission ("Commission") an application and exhibits pursuant

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<sup>17</sup> The assigned Staff attorney is identified on the Commission website, <http://www.scc.virginia.gov/case>, by clicking "Docket Search" and entering the case number, PUE-2015-00078, in the appropriate box.

to § 56-247.1 A 7 of the Code of Virginia requesting approval of a new proposed voluntary tariff, Schedule PE, to allow certain PGEC residential and small general service customers to establish and maintain a prepaid balance for their electric service ("Application"). The Cooperative also proposed the addition of a new Appendix C to its Terms and Conditions of Service to address PGEC's prepaid electric service.

The Cooperative states that its new proposed voluntary prepaid tariff would be available to certain residential and small general service customers at their option who wish to establish and maintain a prepaid balance with PGEC for their electric service. The Cooperative states that for a customer requesting service under a small general service rate to be eligible for Schedule PE, the service must be located on the property of a current residential service being served under Schedule PE and the service shall not be greater than 200 amps. The Application provides that access to the new schedule will be subject to the availability of the necessary automated metering infrastructure and associated equipment at the customer's location. Further, as proposed by PGEC, certain customers would not be eligible to participate: customers who participate in the Cooperative's net metering, time-of-use, or budget billing programs; and customers receiving service subject to a Serious Medical Condition Certification who are dependent on electricity to power medical equipment.

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According to PGEC, the Cooperative would check a prepaid customer's usage at least once daily and would notify the customer daily by the customer's chosen medium – phone, e-mail, or text message – when the prepayment balance falls below a predetermined amount. The Application states that should a customer's balance fall to zero, however, electric service would be subject to being suspended. PGEC states that the automated metering system currently used by PGEC is not capable of supporting in-home device technology and therefore proposes to provide customers with an additional 24-hour grace period to establish a positive prepayment balance after customary notice has been given that service may be suspended because the customer's prepayment balance has reached zero. Upon suspension, electric

service would resume only after the customer made a payment to re-establish a prepayment balance on the account. PGEC further represents that no additional fees would be applied to the account as a result of an automatic disconnect or automatic reconnect of prepaid electric service.

Further, as proposed by the Cooperative, no bills would be sent to customers under PGEC's prepaid tariff. Instead, participating customers would be responsible for maintaining their prepayment balance and may check their prepayment balance through the Cooperative's internet-based account management service which includes smart phone applications, through the Cooperative's automated phone system, or by request to the Cooperative.

In support of its Application, PGEC states that the proposed prepaid tariff would provide several benefits to customers, including the ability to avoid customary deposit requirements, and increased awareness of energy usage, which could lead to self-initiated conservation

Interested persons may review a copy of the Commission's Order for Notice and Hearing and the Company's Application at the Cooperative's business offices where bills can be paid during regular business hours and 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 request a copy of the same, at no charge, by written request to counsel for PGEC, John A. Pirko, Esquire, LeClairRyan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. In addition, unofficial copies of the Cooperative's Application, Commission orders entered in this docket, the Commission's Rules of Practice and Procedure ("Rules of Practice"), as well as other information concerning the Commission and the statutes it administers, may be downloaded from the Commission's website at: <http://www.scc.virginia.gov/case>.

The Commission entered an Order for Notice and Hearing in this docket that, among other things, scheduled a public hearing on the Application. A Hearing Examiner will convene this hearing at 10 a.m. on January 13, 2016, 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 Cooperative, any respondents, and the Staff. Any person desiring to testify as a public witness should appear at the hearing location fifteen (15) minutes before the starting time on the day of the hearing and identify himself or herself to the Commission's Bailiff.

On or before January 6, 2016, interested persons may file written comments on the Cooperative's Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons desiring to submit comments electronically may do so on or before January 6, 2016, 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-2015-00078.

On or before September 25, 2015, any person or entity may participate as a respondent in this proceeding by filing a notice of participation in accordance with 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice. 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 above. Any person or entity also shall serve a copy of the notice of participation upon counsel to the Cooperative 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, any notice of participation shall set forth: (i) a precise statement of 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 Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice.

All filings with the Clerk of the Commission shall refer to Case No. PUE-2015-00078 and shall be served on counsel for the Cooperative at the address set forth above.

PRINCE GEORGE ELECTRIC COOPERATIVE

(14) On or before September 16, 2015, the Cooperative shall file with the Clerk of the Commission a certificate of mailing of the notice prescribed in Ordering Paragraph (12) herein, including the name, title, and address of each official served.

(15) On or before September 16, 2015, the Cooperative shall file with the Clerk of the Commission proof of notice by publication as prescribed in Ordering Paragraph (13) herein.

(16) This proceeding shall be continued generally pending further order of the Commission.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: John A. Pirko, Esquire, LeClairRyan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060; 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. A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Energy Regulation and Utility Accounting and Finance.