

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JULY 1, 2016

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PETITION OF

APPALACHIAN POWER COMPANY

CASE NO. PUE-2016-00042

For approval of a rate adjustment clause,
RPS-RAC, to recover the incremental costs
of participation in the Virginia renewable energy
portfolio standard program pursuant to
Va. Code §§ 56-585.1 A 5 d and 56-585.2 E

AMENDING ORDER

On June 1, 2016, Appalachian Power Company ("APCo" or "Company"), pursuant to §§ 56-585.1 A 5 d and 56-585.2 E of the Code of Virginia ("Code") and the Final Order issued in Case No. PUE-2015-00034,¹ filed with the State Corporation Commission ("Commission") a Petition asking the Commission to approve: (1) a rate adjustment clause, designated as the RPS-RAC, through which APCo seeks approval to implement a zero revenue factor, effective April 1, 2017, through March 31, 2018, for the incremental costs related to the Company's participation in Virginia's Renewable Portfolio Standard ("RPS") Program; and (2) a new Renewable Energy Purchase Agreement ("REPA") between APCo and a wind generation project developer and add this resource to the portfolio of resources that the Company states will enable it to meet its RPS goals ("RPS Compliance Portfolio").² The Company also requests that the

¹ *Petition of Appalachian Power Company, For approval of a rate adjustment clause, RPS-RAC, to recover the incremental costs of participation in the Virginia renewable energy portfolio standard program pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E, Case No. PUE-2015-00034, 2015 S.C.C. Ann. Rept. 317, Final Order (Nov. 16, 2015) ("2015 RPS Order").*

² Petition at 1. The Petition states that the effective dates for the RPS-RAC are April 1, 2017, through January 31, 2018. On June 13, 2016, the Company filed a corrected page 1 of the Petition to reflect the effective dates as April 1, 2017, through March 31, 2018.

Commission clarify the definition of "incremental costs"³ to state that incremental costs can be negative.⁴

On June 30, 2016, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, directed the Company to give notice of its Petition to interested persons and the public; provided interested persons the opportunity to comment on the Petition and to participate in this proceeding; directed the Commission's Staff ("Staff") to investigate the Petition and file a report containing the Staff's findings and recommendations; and established a public hearing for the purpose of receiving testimony and evidence on the Petition.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the hearing date shall be changed from November 8, 2016, to November 9, 2016.

Accordingly, IT IS ORDERED THAT:

(1) Ordering Paragraph (3) of the Commission's June 30, 2016 Order for Notice and Hearing is amended as follows:

A public hearing shall be convened on November 9, 2016, 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 the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff. Any person desiring to offer testimony as a public witness at this public hearing need only 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 term "incremental costs" is used several times in Code § 56-585.2 E.

⁴ Petition at 1, 9.

(2) Ordering Paragraph (4) of the Commission's June 30, 2016 Order for Notice and Hearing is amended to read as follows:

The Company shall make copies of its Petition, as well as a copy of the Order for Notice and Hearing and Amending Order, 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, Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 E. Cary Street, Suite 1100, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the copies by electronic means. Copies of public versions 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 may also download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

(3) Ordering Paragraph (5) of the Commission's June 30, 2016 Order for Notice and Hearing is amended to read as follows:

On or before July 26, 2016, the Company shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within Virginia:

NOTICE TO THE PUBLIC OF A PETITION BY
 APPALACHIAN POWER COMPANY FOR APPROVAL OF
 A RATE ADJUSTMENT CLAUSE, RPS-RAC, TO RECOVER
 THE INCREMENTAL COSTS OF PARTICIPATION IN THE
 VIRGINIA RENEWABLE ENERGY PORTFOLIO
 STANDARD PROGRAM PURSUANT TO
 VA. CODE §§ 56-585.1 A 5 D AND 56-585.2 E
CASE NO. PUE-2016-00042

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The Company states that it calculated a revenue requirement for the RPS-RAC for April 2017 to March 2018 of \$918,100, which takes into account: (1) actual and projected costs associated with wind purchased power agreements for the period August 2012 through March 2018; (2) an actual over-recovery balance as of March 31, 2016; (3) projected net proceeds associated with sales of renewable energy credits from April 2016 through March 2018; (4) projected Generation Attribute Tracking System volumetric fees from April 2016 through March 2018; and (5) the projected RPS-RAC surcredit payments for the period April 2016 through March 2017.

APCo's currently effective RPS-RAC reflects a surcredit on customers' bills since the Company is currently returning a prior period over-collection from customers. Additionally, APCo states that because it anticipates that the revenue requirement for the April 2017 to March 2018 period will be less than \$1 million, "it would be prudent to set rates to zero and accelerate the decline of the current over-recovery position." Elimination of the existing

surcredit and a zero recovery factor would result in a net increase of \$0.84 to the monthly bill of a residential customer using 1,000 kilowatt hours per month, when compared to the current surcredit. If the Commission does not adopt the Company's proposed zero recovery factor and orders APCo to implement an RPS-RAC with the \$918,100 revenue requirement, such customer's monthly bill would increase by \$0.94.

APCo also requests approval of a new 120 megawatt REPA between the Company and Bluff Point Wind Farm LLC ("Bluff Point REPA") and include it in APCo's RPS Compliance Portfolio, which the Company states will enable APCo to meet its RPS goals. APCo also asserts that the Bluff Point REPA is "an economical and reasonable resource well-suited to address the Company's energy deficit and reduce its reliance on purchases from the market."

Finally, APCo requests that the Commission clarify that incremental costs can be negative. The Company states in the Petition that, "[f]ollowing the approved methodology to calculate non-incremental costs, incremental costs will be negative when market (non-incremental) costs exceed the cost of the RPS Compliance Portfolio, such as during the polar vortex of early 2014." The Company states further that, instead of reflecting incremental costs as being zero in that instance, the requested clarification "ensures that the customers who are subject to the RPS-RAC receive the full financial benefit of the RPS Compliance Portfolio when market costs are higher than the costs of the RPS Compliance Portfolio, which could conceivably occur in the future, given market dynamics and the addition of lower cost resources to the [RPS Compliance] Portfolio."

Interested persons are encouraged to review the Petition and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may adopt rates that differ from those appearing in the Company's Petition and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Petition and supporting documents.

The Commission entered an Order for Notice and Hearing and Amending Order in this proceeding that, among other things, scheduled a hearing on November 9, 2016, beginning at 10 a.m., in the Commission's second floor courtroom located in the Tyler

Building, 1300 East Main Street, Richmond, Virginia 23219, for the purpose of receiving testimony from members of the public and evidence related to the Company's Petition from the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness at this public hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

A copy of the Company's Petition and the Commission's Order for Notice and Hearing and Amending Order are available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. A copy may also be obtained, at no cost, by written request to counsel for the Company, Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 E. Cary Street, Suite 1100, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the copies by electronic means.

Interested persons may also review copies of the public version of all documents filed in Case No. PUE-2016-00042 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 may also download unofficial copies of these documents from the Commission's website: <http://www.scc.virginia.gov/case>.

On or before November 1, 2016, any interested person wishing to comment on the Company's Petition shall file written comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any interested person desiring to submit comments electronically may do so 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 should refer to Case No. PUE-2016-00042.

On or before August 23, 2016, 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 above. A copy of the notice of participation as a respondent simultaneously shall be

sent to counsel for APCo 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 ("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. 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 and Amending Order.

On or before September 21, 2016, 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 above. Respondents also shall comply with the Commission's Rules of Practice, including: 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-2016-00042.

The Commission's Rules of Practice may be viewed at: <http://www.scc.virginia.gov/case>. A printed copy of the Rules of Practice and an official copy of the Commission's Order in this proceeding may be obtained from Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

APPALACHIAN POWER COMPANY

(4) Ordering Paragraph (6) of the Commission's June 30, 2016 Order for Notice and Hearing is amended to read as follows:

On or before July 26, 2016, the Company shall serve a copy of the Order for Notice and Hearing and Amending Order on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager (or equivalent official) 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.

(5) Ordering Paragraph (10) of the Commission's June 30, 2016 Order for Notice and Hearing is amended to read as follows:

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 the Order for Notice and Hearing and Amending Order, a copy of the Petition, and all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(6) Ordering Paragraph (15) of the Commission's June 30, 2016 Order for Notice and Hearing is amended to read as follows:

The Company's request for a waiver of the requirement of Rule 20 VAC 5-201-60 to file Schedule 45 is granted as set forth in this Order for Notice and Hearing.

(7) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 E. Cary Street, Suite 1100, Richmond, Virginia 23219; James R. Bacha, Esquire, and Hector Garcia, Esquire, American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215; Timothy E. Biller, Esquire, Hunton & Williams LLP, 951 E. Byrd Street, Richmond, Virginia 23219-4074; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 North Ninth Street, 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.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JUNE 30, 2016

SCC-CLERK'S OFFICE
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PETITION OF

APPALACHIAN POWER COMPANY

CASE NO. PUE-2016-00042

For approval of a rate adjustment clause, RPS-RAC, to recover the incremental costs of participation in the Virginia renewable energy portfolio standard program pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E

ORDER FOR NOTICE AND HEARING

On June 1, 2016, Appalachian Power Company ("APCo" or "Company"), pursuant to §§ 56-585.1 A 5 d and 56-585.2 E of the Code of Virginia ("Code") and the Final Order issued in Case No. PUE-2015-00034,¹ filed with the State Corporation Commission ("Commission") a Petition asking the Commission to approve: (1) a rate adjustment clause, designated as the RPS-RAC, through which APCo seeks approval to implement a zero revenue factor, effective April 1, 2017, through March 31, 2018, for the incremental costs related to the Company's participation in Virginia's Renewable Portfolio Standard ("RPS") Program; and (2) a new Renewable Energy Purchase Agreement ("REPA") between APCo and a wind generation project developer and add this resource to the portfolio of resources that the Company states will enable it to meet its RPS goals ("RPS Compliance Portfolio").² The Company also requests that the

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² Petition at 1. The Petition states that the effective dates for the RPS-RAC are April 1, 2017, through January 31, 2018. On June 13, 2016, the Company filed a corrected page 1 of the Petition to reflect the effective dates as April 1, 2017, through March 31, 2018.

Commission clarify the definition of "incremental costs"³ to state that incremental costs can be negative.⁴

The Company states that it calculated a revenue requirement for the RPS-RAC for April 2017 to March 2018 of \$918,100, which takes into account: (1) actual and projected costs associated with wind purchased power agreements for the period August 2012 through March 2018; (2) an actual over-recovery balance as of March 31, 2016; (3) projected net proceeds associated with sales of renewable energy credits from April 2016 through March 2018; (4) projected Generation Attribute Tracking System volumetric fees from April 2016 through March 2018; and (5) the projected RPS-RAC surcredit payments for the period April 2016 through March 2017.⁵

APCo's currently effective RPS-RAC reflects a surcredit on customers' bills since the Company is currently returning a prior period over-collection from customers. Additionally, APCo states that because it anticipates that the revenue requirement for the April 2017 to March 2018 period will be less than \$1 million, "it would be prudent to set rates to zero and accelerate the decline of the current over-recovery position."⁶ Elimination of the existing surcredit and a zero recovery factor would result in a net increase of \$0.84 to the monthly bill of a residential customer using 1,000 kilowatt hours per month, when compared to the current surcredit.⁷ If the Commission does not adopt the Company's proposed zero recovery factor and orders APCo to

³ The term "incremental costs" is used several times in Code § 56-585.2 E.

⁴ Petition at 1, 9.

⁵ Pre-filed Direct Testimony of Jennifer B. Sebastian ("Sebastian Direct") at 3-4, Schedule 2. The Commission approved an RPS surcredit in Case No. PUE-2015-00034, which the Company expects to remain in effect until modified by the Commission. *See* Sebastian Direct at 4; 2015 RPS Order at 7 (and attached Stipulation).

⁶ Petition at 5.

⁷ *Id.*; Sebastian Direct at 6; pre-filed Direct Testimony of William K. Castle ("Castle Direct") at 3.

implement an RPS-RAC with the \$918,100 revenue requirement, such customer's monthly bill would increase by \$0.94.⁸

APCo also requests approval of a new 120 megawatt REPA between the Company and Bluff Point Wind Farm LLC ("Bluff Point REPA") and include it in APCo's RPS Compliance Portfolio, which the Company states will enable APCo to meet its RPS goals.⁹ APCo also asserts that the Bluff Point REPA is "an economical and reasonable resource well-suited to address the Company's energy deficit and reduce its reliance on purchases from the market."¹⁰

Finally, APCo requests that the Commission clarify that incremental costs can be negative. The Company states in the Petition that, "[f]ollowing the approved methodology to calculate non-incremental costs, incremental costs will be negative when market (non-incremental) costs exceed the cost of the RPS Compliance Portfolio, such as during the polar vortex of early 2014."¹¹ The Company states further that, instead of reflecting incremental costs as being zero in that instance, the requested clarification "ensures that the customers who are subject to the RPS-RAC receive the full financial benefit of the RPS Compliance Portfolio when market costs are higher than the costs of the RPS Compliance Portfolio, which could conceivably occur in the future, given market dynamics and the addition of lower cost resources to the [RPS Compliance] Portfolio."¹²

⁸ Petition at 5; Sebastian Direct at 6. By way of example, a typical residential customer using 1,000 kilowatt hours per month currently receives a monthly bill that includes a credit of \$0.84 for RPS-RAC costs. Under the Company's proposal, the \$0.84 credit would no longer be provided to the customer each month and the customer's bill would increase by \$0.84. Alternatively, should the Commission order APCo to implement an RPS-RAC with the \$918,100 revenue requirement, the above mentioned customer's monthly bill would increase by \$0.94.

⁹ Petition at 1, 6-7; Castle Direct at 3-4.

¹⁰ Petition at 7. The proposed RPS-RAC includes no costs related to the Bluff Point REPA.

¹¹ *Id.* at 9.

¹² *Id.*

In its Petition, the Company requests a waiver of Rule 20 VAC 5-201-60 of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq.*, to the extent this rule requires the submission of Schedule 45 (Return on Equity Peer Group Benchmark) with all petitions for approval of a rate adjustment clause because, according to the Company, there is no return on investment impacted by the request in the instant Petition.¹³

In addition, on June 1, 2016, APCo filed a Motion for Entry of a Protective Ruling and for Additional Protective Treatment for Extraordinarily Sensitive Information ("Motion for Protective Ruling") pursuant to Rule 110 and Rule 170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that public notice and an opportunity for participation in this proceeding should be given; that a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's Petition; and that the Commission Staff ("Staff") should be directed to investigate APCo's Petition and file testimony and exhibits regarding its recommendations and findings on the Petition. Further, we find that a Hearing Examiner should be assigned to conduct all further proceedings on behalf of the Commission, including ruling on the Company's Motion for Protective Ruling and filing a final report containing the Hearing Examiner's findings and recommendations.

Under the limited circumstances of this case, we grant APCo's request to waive the filing of Schedule 45 for purposes of commencing this proceeding.¹⁴

¹³ *Id.*

¹⁴ In granting this request, we are not ruling on the relevance, if any, that ROE-related information required by Schedule 45 may have in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUE-2016-00042.

(2) 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 is appointed to conduct all further proceedings in this matter on behalf of the Commission, concluding with the issuance of a report containing the Hearing Examiner's findings and recommendations.

(3) A public hearing shall be convened on November 8, 2016, 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 the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff. Any person desiring to offer testimony as a public witness at this public hearing need only 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.

(4) The Company shall make copies of its Petition, as well as a copy of this Order for Notice and Hearing ("Order"), 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, Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 E. Cary Street, Suite 1100, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the copies by electronic means. Copies of public versions 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.

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APCo also requests approval of a new 120 megawatt REPA between the Company and Bluff Point Wind Farm LLC ("Bluff Point REPA") and include it in APCo's RPS Compliance Portfolio, which the Company states will enable APCo to meet its RPS goals. APCo also asserts that the Bluff Point REPA is "an economical and reasonable resource well-suited to address the Company's energy deficit and reduce its reliance on purchases from the market."

Finally, APCo requests that the Commission clarify that incremental costs can be negative. The Company states in the Petition that, "[f]ollowing the approved methodology to calculate non-incremental costs, incremental costs will be negative when market (non-incremental) costs exceed the cost of the RPS Compliance Portfolio, such as during the polar vortex of early 2014." The Company states further that, instead of reflecting incremental costs as being zero in that instance, the requested clarification "ensures that the customers who are subject to the RPS-RAC receive the full financial benefit of the RPS Compliance Portfolio when market costs are higher than the costs of the RPS Compliance Portfolio, which could conceivably occur in the future, given market dynamics and the addition of lower cost resources to the [RPS Compliance] Portfolio."

Interested persons are encouraged to review the Petition and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may adopt rates that differ from those appearing in the Company's Petition and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Petition and supporting documents.

The Commission entered an Order for Notice and Hearing ("Order") that, among other things, scheduled a hearing on November 8, 2016, beginning at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, for the purpose of receiving testimony from members of the public and evidence related to the Company's Petition from the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness at this public hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

A copy of the Company's Petition and the Commission's Order are available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. A copy may also be obtained, at no cost, by written request to counsel for the Company, Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 E. Cary Street, Suite 1100, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the copies by electronic means.

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comments. All comments should refer to Case No. PUE-2016-00042.

On or before August 23, 2016, 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 above. A copy of the notice of participation as a respondent simultaneously shall be sent to counsel for APCo 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 ("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. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order.

On or before September 21, 2016, 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 above. Respondents also shall comply with the Commission's Rules of Practice, including: 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-2016-00042.

The Commission's Rules of Practice may be viewed at: <http://www.scc.virginia.gov/case>. A printed copy of the Rules of Practice and an official copy of the Commission's Order in this proceeding may be obtained from Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

APPALACHIAN POWER COMPANY

(6) On or before July 26, 2016, the Company 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 (or equivalent official) 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.

(7) On or before August 23, 2016, the Company shall file with the Clerk of the Commission proof of the notice and service required by Ordering Paragraphs (5) and (6) herein, including the name, title, and address of each official served.

(8) On or before November 1, 2016, any interested person may file with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, written comments on the Petition. Any interested person desiring to submit comments electronically may do so 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 should refer to Case No. PUE-2016-00042.

(9) Any person or entity may participate as a respondent in this proceeding by filing, on or before August 23, 2016, a notice of participation. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph (8). Any person or entity simultaneously shall serve a copy of the notice of participation on counsel to APCo at the address in Ordering Paragraph (4). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, 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 Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filed papers shall refer to Case No. PUE-2016-00042.

(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, a copy of the Petition, and all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(11) On or before September 21, 2016, each respondent may file with the Clerk of the Commission 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 at the address in Ordering Paragraph (8). In all filings, respondents shall comply with the Commission's Rules of Practice, including: 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*.

(12) The Staff shall investigate the Petition. On or before October 6, 2016, 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. The Staff shall serve a copy on counsel to the Company and all respondents.

(13) On or before October 20, 2016, APCo 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 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 (8).

(14) The Commission's Rule of Practice, 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: answers to 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 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.¹⁵ 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) The Company's request for a waiver of the requirement of Rule 20 VAC 5-201-60 to file Schedule 45 is granted as set forth in this Order.

(16) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 E. Cary Street, Suite 1100, Richmond, Virginia 23219; James R. Bacha, Esquire, and Hector Garcia, Esquire, American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215; Timothy E. Biller, Esquire, Hunton & Williams LLP, 951 E. Byrd Street, Richmond, Virginia 23219-4074; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 North Ninth Street, Richmond,

¹⁵ The assigned Staff attorney is identified on the Commission's website, <http://www.scc.virginia.gov/case>, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUE-2016-00042, in the appropriate box.

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.

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