

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 12, 2016

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

CASE NO. PUE-2016-00049

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

ORDER FOR NOTICE AND HEARING

On April 29, 2016, Virginia Electric and Power Company ("Dominion Virginia Power" 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.

Dominion Virginia Power states that it serves approximately 2.5 million electric customers in Virginia and North Carolina and that the Company's combined service territory in these two states covers approximately 30,000 square miles.² As indicated in its IRP, Dominion Virginia Power is a member of PJM Interconnection, L.L.C. ("PJM"), a regional transmission

¹ Coincident with filing the IRP, Dominion Virginia Power filed (1) a motion for entry of a protective order ("Motion for Protective Order") 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.*; and (2) a legal memorandum ("Legal Memorandum"), addressed further below.

² IRP Executive Summary at 4.

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organization in the Mid-Atlantic region of the United States.³ The Company states that the IRP was prepared for its service territories in Virginia and North Carolina, which are both within the PJM region.⁴

According to the Company, the IRP encompasses the 15-year planning period from 2017 to 2031 and is based on the Company's current assumptions regarding load growth, commodity price projections, economic conditions, environmental regulations, construction and equipment costs, demand-side management programs, and many other regulatory and market developments that may occur in the future.⁵

Dominion Virginia Power states in its filing that the Company's objective in developing the IRP was to identify the mix of resources necessary to meet future energy and capacity requirements in an efficient and reliable manner at the lowest reasonable cost while considering future uncertainties. According to the Company, potential negative impacts and challenges facing customers include commodity price volatility; reliability concerns based on overreliance on any single fuel source; and changing regulatory requirements, particularly regulation by the United States Environmental Protection Agency ("EPA") of carbon dioxide emissions from new and existing electric generation.⁶

As amended in 2015, § 56-599 of the Code requires, among other things, that an IRP evaluate: (i) 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 (ii) the most cost-effective means of complying with current and

³ *Id.* at 1.

⁴ *Id.*

⁵ *Id.* at 3.

⁶ *Id.*

pending environmental regulations.⁷ With respect to the EPA's regulation of carbon dioxide emissions from electric generation through the "Clean Power Plan," which is currently stayed by the United States Supreme Court pending judicial review,⁸ the Company's filing provides discussion and analysis of potential approaches for compliance.⁹

Contemporaneous with its IRP, the Company, by counsel, filed a Legal Memorandum in this proceeding. In its Legal Memorandum, the Company provides, among other things, its position on the legal authority for recovering expenditures associated with the potential North Anna 3 nuclear unit.

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 written or electronic 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 Order.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUE-2016-00049.

⁷ 2015 Acts of Assembly, Chapter 6.

⁸ *Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units*, 80 Fed. Reg. 64,662, Final Rule (Oct. 23, 2015), *appeal docketed sub nom., West Virginia v. Environmental Protection Agency*, No. 15-1363 (D.C. Cir.), *stay granted* (U.S. Feb. 9, 2016) (No. 15A776).

⁹ IRP Executive Summary at 6-9.

(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 rule on any discovery matters that may arise during the course of this proceeding.

(3) A public hearing on the IRP shall be convened at 10 a.m. on October 5, 2016, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive into the record 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 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.

(4) 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, Jennifer D. Valaika, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents 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 also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

(5) On or before June 10, 2016, 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 Virginia service territory:

NOTICE TO THE PUBLIC OF A
FILING BY VIRGINIA ELECTRIC AND POWER COMPANY
OF ITS INTEGRATED RESOURCE PLAN
CASE NO. PUE-2016-00049

On April 29, 2016, Virginia Electric and Power Company ("Dominion Virginia Power" 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.

According to the Company, the IRP encompasses the 15-year planning period from 2017 to 2031 and is based on the Company's current assumptions regarding load growth, commodity price projections, economic conditions, environmental regulations, construction and equipment costs, demand side management programs, and many other regulatory and market developments that may occur in the future.

Dominion Virginia Power states in its filing that its objective in developing the IRP was to identify the mix of resources necessary to meet future energy and capacity requirements in an efficient and reliable manner at the lowest reasonable cost while considering future uncertainties. According to the Company, potential negative impacts and challenges facing customers include commodity price volatility; reliability concerns based on overreliance on any single fuel source; and changing regulatory requirements, particularly regulation by the United States Environmental Protection Agency of carbon dioxide emissions from new and existing electric generation.

As amended in 2015, § 56-599 of the Code requires, among other things, that an IRP evaluate: (i) 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 (ii) the most cost-effective means of complying with current and pending environmental regulations. The Company's filing contains discussion of such matters.

Contemporaneous with its IRP, the Company, by counsel, filed a Legal Memorandum in this proceeding. In its Legal Memorandum, the Company provides, among other things, its position on the legal authority for recovering expenditures associated with the potential North Anna 3 nuclear unit.

The Commission entered an Order for Notice and Hearing in this case that, among other things, scheduled a public hearing at 10 a.m. on October 5, 2016, 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 Commission's Staff. Any person desiring to testify as a public witness should appear at the hearing location fifteen (15) minutes before the starting time of the hearing and contact the Commission's Bailiff.

Copies of the public version of all documents filed in this case 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>.

Copies of the public version of the Company's IRP and the Commission's Order for Notice and Hearing also may be inspected during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies of these documents also may be obtained, at no charge, by submitting a written request to counsel for the Company, Jennifer D. Valaika, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means.

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On or before September 28, 2016, any interested person may file written comments on the IRP 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 file comments electronically may do so on or before September 28, 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 such comments shall refer to Case No. PUE-2016-00049.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before July 6, 2016. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be filed with the Clerk of the Commission at the address set forth above. 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 ("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 Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUE-2016-00049. 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.

The Commission's Rules of Practice may be viewed at <http://www.scc.virginia.gov/case>. A printed copy of the Commission's Rules of Practice 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.

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(6) On or before June 10, 2016, 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. Unless electronic delivery is requested, 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 July 8, 2016, the Company shall file proof of the notice and service required by Ordering Paragraphs (5) and (6), including the name, title, and address of each official served with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(8) On or before June 29, 2016, Dominion Virginia Power 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 (7), and each witness's testimony shall include a summary not to exceed two pages and shall specify those portions of the IRP that the witness 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 June 29, 2016, 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 two pages of each such witness's testimony. The Company shall serve copies thereof on counsel for all respondents and the Staff.

(9) On or before September 28, 2016, any interested person may file written comments on the IRP with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). Any interested person desiring to file comments electronically may do so on or before September 28, 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-2016-00049.

(10) On or before July 6, 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 filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (7), and the respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address set forth in Ordering Paragraph (4). 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-2016-00049.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon the 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.

(12) On or before August 17, 2016, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (7) 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 two pages. On or before August 17, 2016, each respondent also may file and serve on the Staff, the

Company, and all other respondents any response to the Company's Legal Memorandum filed contemporaneously with its IRP. If not filed electronically, an original and fifteen (15) copies of such testimony, exhibits, and response to the Legal Memorandum shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). In all filings, respondents 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-2016-00049.

(13) The Staff shall investigate the IRP. On or before August 31, 2016, 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 two pages. On or before August 31, 2016, the Staff also may file any response to the Company's Legal Memorandum filed contemporaneously with its IRP. The Staff shall serve a copy of its testimony, exhibits, and its response to the Legal Memorandum on counsel to Dominion Virginia Power and all respondents.

(14) On or before September 14, 2016, Dominion Virginia Power shall 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 two pages. On or before September 14, 2016, the Company also may file any reply to the responses of any respondent and the Staff to the Company's Legal Memorandum. The Company shall serve a copy of its rebuttal testimony and exhibits and its reply on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of these documents shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (7).

(15) 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) 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 the Staff.¹⁰ 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.*

(16) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Vishwa B. Link, Esquire, and Jennifer D. Valaika, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; Lisa S. Booth, Esquire, and Charlotte P. McAfee, Esquire, Dominion Resources Services, Inc., 120 Tredegar Street, Riverside 2, Richmond, Virginia 23219; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 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.

¹⁰ The assigned Staff attorney is identified on the Commission's website, <http://www.scc.virginia.gov/case>, by clicking "Docket Search," then "Search Cases," and entering the case number, PUE-2016-00049, in the appropriate box.