

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 5, 2017

SCC-CLERK'S OFFICE  
DOCUMENT CONTROL CENTER

2017 SEP -5 A 9:35

170910038

APPLICATION OF

MECKLENBURG ELECTRIC  
COOPERATIVE

CASE NO. PUR-2017-00108

For approval of prepaid electric service tariff

ORDER FOR NOTICE AND COMMENT

On August 9, 2017, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to § 56-247.1 A 7 of the Code of Virginia ("Code") requesting approval of a proposed voluntary Prepaid Electric Service tariff ("Prepaid Service"). According to the Application, the Prepaid Service would allow MEC to install and operate, upon a consumer's request (and pursuant to an appropriate tariff for any type of classification of service), the equipment and processes necessary to allow a consumer to pre-pay for electric service.<sup>1</sup>

Prepaid Service would be available to MEC's residential class and will allow those customers to establish and maintain a prepaid balance with MEC for their electric service.<sup>2</sup> Prepaid Service would not be universally available. Residential customers who (1) participate in the Cooperative's net metering or budget billing programs; (2) are dependent on electricity to power medical equipment with a Serious Medical Condition Certification; or (3) pay MEC through an automatic payments plan would not be eligible to elect Prepaid Service.<sup>3</sup>

According to the Application, upon a customer's request to take Prepaid Service, MEC personnel would review the tariff with the customer to provide education as to the benefits and

<sup>1</sup> Application at 1; Lipscomb Direct at 2.

<sup>2</sup> Application at 1; Lipscomb Direct at 3.

<sup>3</sup> Application at 3; Lipscomb Direct at 4.

duties associated with Prepaid Service.<sup>4</sup> Customers selecting Prepaid Service would be subject to a one-time Prepaid Electric Service Initiation Fee of \$15.00.<sup>5</sup> A customer choosing to take Prepaid Service must establish a Prepayment Balance.<sup>6</sup> MEC would then read a customer's meter at least once each day to determine electricity usage, using the existing automated metering system.

As proposed by MEC, no bills for electric service would be mailed to customers utilizing Prepaid Service. Instead, the customer would be able to check the remaining Prepayment Balance in person, by way of an automated phone system, through internet based account management access, or by calling the Cooperative's office and speaking to a District Services Representative. In addition, the customer would be notified by the customer's chosen medium (phone call, email, or text message) when the Prepayment Balance falls below a predetermined amount.<sup>7</sup> MEC further states that the Cooperative would provide multiple notifications to the customer whenever the Prepayment Balance is close to being depleted, using the medium selected by the customer (phone call, text message, or email). The Application states that if the amount of electric service used equals or exceeds the customer's prepayments, electric service would be suspended automatically without additional notification.<sup>8</sup> Electric service would

---

<sup>4</sup> Application. at 3-4; Lipscomb Direct at 15-16.

<sup>5</sup> Application at 4 and Exhibit 1 page 3.

<sup>6</sup> *Id.* at 4. The Prepayment Balance can be any amount of the customer's choosing subject to a minimum initial balance of \$25. *Id.* at 4 and Exhibit 1 page 3.

<sup>7</sup> *Id.* at 5; Lipscomb Direct at 14.

<sup>8</sup> Application at 5, 6, and Exhibit 1 pages 2-3.

resume when the Cooperative receives payments re-establishing a positive balance of prepayments.<sup>9</sup>

In support of its Application, MEC states that Prepaid Service would provide several benefits to customers including control over how electric service is paid for, the ability to avoid customary deposit requirements, and an increased awareness of the relationship between daily activities and energy costs which may allow customers to become more likely to implement efficiency and conservation efforts.<sup>10</sup> According to MEC, Prepaid Service also would be beneficial to the Cooperative by eliminating the administrative burden and costs of securing and accounting for deposits and generating and mailing paper bills, as well as reducing the time MEC must spend handling delinquent accounts for a portion of MEC's customers.<sup>11</sup>

NOW THE COMMISSION, upon consideration of the Application and applicable statutes and rules, finds: that this matter should be docketed; that MEC should give notice of its Application to interested persons and the public; that interested persons should be afforded an opportunity to file comments on the Cooperative's Application and request a hearing; and that the Commission Staff ("Staff") should investigate the Application and file a report containing the Staff's findings and recommendations ("Staff Report").

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2017-00108.
- (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 and Procedure,

---

<sup>9</sup> *Id.* at 5, 6. According to MEC's proposed schedule and general rules and regulations applicable to Prepaid Service, once a positive Prepayment Balance has been established MEC will restore electric service within three hours. *Id.* at Exhibit 1 pages 2-3, and Exhibit 2 § V D 2; Lipscomb Direct at 7.

<sup>10</sup> Application at 6, 7-8, Exhibit 1 page 1, and Exhibit 2 § V A 1; Lipscomb Direct at 2, 8, 10, and 11.

<sup>11</sup> Application at 8; Lipscomb Direct at 8-9.

5 VAC 5-20-10 *et seq.* ("Rules of Practice"), a Hearing Examiner hereby is appointed to rule on any discovery matters that may arise during this proceeding.

(3) A copy of the Application may be obtained by submitting a written request to counsel for MEC, 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 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 September 29, 2017, MEC shall publish the following notice of its Application in an issue of *Cooperative Living Magazine*:

NOTICE TO THE PUBLIC OF  
MECKLENBURG ELECTRIC COOPERATIVE'S  
APPLICATION FOR APPROVAL OF PREPAID ELECTRIC  
SERVICE TARIFF  
CASE NO. PUR-2017-00108

On August 9, 2017, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to § 56-247.1 A 7 of the Code of Virginia requesting approval of a proposed voluntary Prepaid Electric Service tariff ("Prepaid Service"). According to the Application, the Prepaid Service would allow MEC to install and operate, upon a consumer's request (and pursuant to an appropriate tariff for any type of classification of service), the equipment and processes necessary to allow a consumer to pre-pay for electric service.

Prepaid Service would be available to MEC's residential class and will allow those customers to establish and maintain a prepaid balance with MEC for their electric service. Prepaid Service would not be universally available. Residential customers who (1) participate in the Cooperative's net metering or budget

billing programs; (2) are dependent on electricity to power medical equipment with a Serious Medical Condition Certification; or (3) pay MEC through an automatic payments plans would not be eligible to elect Prepaid Service.

According to the Application, upon a customer's request to take Prepaid Service, MEC personnel would review the tariff with the customer to provide education as to the benefits and duties associated with Prepaid Service. Customers selecting Prepaid Service would be subject to a one-time Prepaid Electric Service Initiation Fee of \$15.00. A customer choosing to take Prepaid Service must establish Prepayment Balance. MEC would then read a customer's meter at least once each day to determine electricity usage, using the existing automated metering system.

As proposed by MEC, no bills for electric service would be mailed to customers utilizing Prepaid Service. Instead, the customer would be able to check the remaining Prepayment Balance in person, by way of an automated phone system, through internet based account management access, or by calling the office and speaking to a District Services Representative. In addition, the customer would be notified by the customer's chosen medium (phone call, email, or text message) when the Prepayment Balance falls below a predetermined amount.

MEC further states that the Cooperative would provide multiple notifications to the customer whenever the Prepayment Balance is close to being depleted, using the medium selected by the customer (phone call, text message, or email). The Application states that if the amount of electric service used equals or exceeds the customer's prepayments, electric service would be suspended automatically without additional notification. Electric service would resume when the Cooperative receives payments re-establishing a positive balance of prepayments.

Interested persons are encouraged to review the Application and supporting documents for the details of this proposal. TAKE NOTICE that the Commission may adopt fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Cooperative to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

Copies of the Application and documents filed in this case are available for interested persons to review at the Cooperative's business offices where bills can be paid 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 can download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

Interested persons also may obtain a copy of the Application by submitting a written request to counsel for MEC, 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.

On or before October 16, 2017, any person or entity desiring to participate in this proceeding as a respondent shall file a notice of participation pursuant to 5 VAC 5-20-80 of the Commission's Rules of Practice and Procedure ("Rules of Practice"). 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. Alternatively, the notice of participation may be filed electronically by following the instructions found on the Commission's website: [www.scc.virginia.gov/case](http://www.scc.virginia.gov/case). The notice of participation shall set forth: (i) a precise statement of the interest of the filing party; (ii) a statement of the specific action sought to the extent then known; and (iii) a statement of the factual and legal basis for such action. All filings shall refer to Case No. PUR-2017-00108, and copies thereof simultaneously shall be served on counsel for the Cooperative.

On or before October 16, 2017, any interested person may request that the Commission convene a hearing on the Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be filed with the Clerk of the Commission at the address set forth above. Requests for hearing shall refer to Case No. PUR 2017-00108 and shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. A copy also shall be served on counsel for the Petitioners at the address set forth above.

On or before October 16, 2017, any interested person wishing to comment on the Application shall file written

comments on the Application 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 October 16, 2017, 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 cannot be filed with the comments. All such comments shall refer to Case No. PUR-2017-00108.

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.

#### MECKLENBURG ELECTRIC COOPERATIVE

(6) On or before September 29, 2017, MEC 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.

(7) On or before October 13, 2017, the Cooperative 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 October 16, 2017, any interested person may file written comments on the Cooperative's Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). Any interested person desiring to submit comments electronically may do so on or before October 16, 2017, by following the instructions found at the Commission's website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic

storage medium cannot be filed with the comments. All comments shall refer to Case No. PUR-2017-00108.

(9) On or before October 16, 2017, any interested person may request that the Commission convene a hearing on the Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). Requests for hearing shall refer to Case No. PUR 2017-00108 and shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. A copy also shall be served on counsel for the Cooperative at the address set forth in Ordering Paragraph (3).

(10) On or before October 16, 2017, 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 (7), and the respondent simultaneously shall serve a copy of the notice of participation upon counsel to the Cooperative at the address set forth in Ordering Paragraph (3). Pursuant to 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. PUR-2017-00108.

(11) 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 the Application and supporting materials, unless these materials already have been provided to the respondent.

(12) The Staff shall investigate the Application. On or before November 3, 2017, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of a Staff Report containing the Staff's findings and recommendations.

(13) On or before November 17, 2017, MEC shall file with the Clerk of the Commission an original and fifteen (15) copies of any responses to the Staff Report or to comments filed with the Commission.

(14) The Cooperative and respondents shall respond to written interrogatories and requests for production of documents within seven (7) calendar days after receipt of the same. In addition to the service requirements of Rule 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.<sup>12</sup> 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.

---

<sup>12</sup> 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, PUR-2017-00108, in the appropriate box.

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,  
202 N. 9th Street, 8th Floor, Richmond, Virginia 23219-3424. A copy also shall be delivered to  
the Commission's Office of General Counsel and Divisions of Public Utility Regulation and  
Utility Accounting and Finance.