

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 5, 2018

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2018 APR -5 P 2: 38

APPLICATION OF

SHENANDOAH VALLEY ELECTRIC
COOPERATIVE

CASE NO. PUR-2018-00041

For approval of prepaid electric service tariff

ORDER FOR NOTICE AND COMMENT

On March 7, 2018, Shenandoah Valley Electric Cooperative ("SVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application pursuant to § 56-247.1 A 7 of the Code of Virginia ("Code") requesting approval of a new proposed voluntary tariff, Schedule PES ("Prepaid Tariff"), to allow certain residential customers to establish and maintain a prepaid balance for their electric service ("Application").¹ The Cooperative also proposes the addition of a new Appendix B to its Terms and Conditions of Service to address SVEC's prepaid electric service.²

The Cooperative indicates that the Prepaid Tariff would be available to certain residential customers at their option who wish to establish and maintain a prepaid balance with SVEC for their electric service.³ The Cooperative states that the Prepaid Tariff is not universally available and that the following customers would not be eligible to participate: (1) customers who have a serious medical condition, (2) customers who receive service under Schedule NEM – Net Metering, and (3) customers signed up for Levelized Billing (budget billing).⁴

¹ Application at 1.

² Direct Testimony of J. Michael Aulgur at 10.

³ Application at 1.

⁴ *Id.* at 3.

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The Cooperative represents that customers taking service under the Prepaid Tariff will pay the same rate as any other customer served under its Residential Service, Schedule A-11, however, Prepaid Tariff customers will not be subject to fees associated with the disconnection or reconnection of service.⁵

SVEC states that the Prepaid Tariff will allow customers to establish a prepaid balance on their account with a minimum payment of \$50 prior to receiving service.⁶ The Cooperative indicates that it will make an account calculation after each daily meter reading and after each payment is applied to the Prepaid Tariff customer's account.⁷ SVEC states that, at the customer's request, the Cooperative will contact the customer by electronic mail, text message, or an automated telephone call whenever the prepaid balance drops below a prescribed level set by the customer or a minimum of five days estimated electric service usage.⁸ SVEC represents that it will continue to make daily notifications until the prepayment balance exceeds the predetermined notification level or reaches zero.⁹ The Cooperative states that, at the time that a customer's balance reaches zero or below, the Cooperative will issue a notification of pending service suspension if payment sufficient to re-establish a positive balance is not received by 9 a.m. the next business day.¹⁰

⁵ *Id.*

⁶ Direct Testimony of J. Michael Aulgur at 3.

⁷ *Id.*

⁸ Application at 3.

⁹ Direct Testimony of J. Michael Aulgur at 6.

¹⁰ *Id.*

SVEC states that it will not mail bills to customers receiving service under the Prepaid Tariff.¹¹ In addition to receiving notice when the prepayment balance falls below the predetermined notification level, the Cooperative indicates that customers will be able to check their balance online at SVEC's e-business portal and at 24-hour kiosks located in SVEC's offices.¹²

In support of its Application, the Cooperative states that the proposed Prepaid Tariff will provide several benefits to customers, including the ability to avoid customary deposit requirements, the ability to pay for their service in multiple smaller payments throughout the month, and a better understanding of their daily usage patterns, which will likely encourage conservation.¹³ SVEC also asserts that the Prepaid Tariff will be beneficial to the Cooperative by reducing administrative costs associated with the collection and deposit processes, improving the cash flow position of the Cooperative by receiving payment in advance of service, and eliminating the cost of generating and mailing paper bills to Prepaid Tariff customers.¹⁴

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; SVEC should provide public notice of its Application; interested persons should have an opportunity to file comments on the Application and request a hearing; and the Commission's Staff ("Staff") should be directed to investigate the Application and file a report containing the Staff's findings and recommendations ("Staff Report").

¹¹ *Id.* at 3-4.

¹² *Id.* at 15.

¹³ *Id.* at 6.

¹⁴ *Id.* at 7.

We also find that a Hearing Examiner should be assigned to rule on any discovery matters that arise during the course of this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUR-2018-00041.

(2) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before Hearing Examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),¹⁵ a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.

(3) The Cooperative shall make copies of the public version of its Application, as well as a copy of this Order for Notice and Comment, 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 the Cooperative, Timothy E. Biller, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219. 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 May 22, 2018, SVEC shall publish the following notice of its Application in an issue of *Cooperative Living Magazine*.

¹⁵ 5 VAC 5-20-10 *et seq.*

NOTICE TO THE PUBLIC OF AN APPLICATION BY
SHENANDOAH VALLEY ELECTRIC COOPERATIVE
FOR APPROVAL OF PREPAID ELECTRIC SERVICE TARIFF
CASE NO. PUR-2018-00041

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On March 7, 2018, Shenandoah Valley Electric Cooperative ("SVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application pursuant to § 56-247.1 A 7 of the Code of Virginia requesting approval of a new proposed voluntary tariff, Schedule PES ("Prepaid Tariff"), to allow certain residential customers to establish and maintain a prepaid balance for their electric service ("Application"). The Cooperative also proposes the addition of a new Appendix B to its Terms and Conditions of Service to address SVEC's prepaid electric service.

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The Cooperative represents that customers taking service under the Prepaid Tariff will pay the same rate as any other customer served under its Residential Service, Schedule A-11, however, Prepaid Tariff customers will not be subject to fees associated with the disconnection or reconnection of service.

SVEC states that the Prepaid Tariff will allow customers to establish a prepaid balance on their account with a minimum payment of \$50 prior to receiving service. The Cooperative indicates that it will make an account calculation after each daily meter reading and after each payment is applied to the Prepaid Tariff customer's account. SVEC states that, at the customer's request, the Cooperative will contact the customer by electronic mail, text message, or an automated telephone call whenever the prepaid balance drops below a prescribed level set by the customer or a minimum of five days estimated electric service usage. SVEC represents that it will continue to make daily notifications until the prepayment balance exceeds the predetermined notification level or reaches zero. The Cooperative states that, at the time that a customer's balance reaches zero or below, the

Cooperative will issue a notification of pending service suspension if payment sufficient to re-establish a positive balance is not received by 9 a.m. the next business day.

SVEC states that it will not mail bills to customers receiving service under the Prepaid Tariff. In addition to receiving notice when the prepayment balance falls below the predetermined notification level, the Cooperative indicates that customers will be able to check their balance online at SVEC's e-business portal and at 24-hour kiosks located in SVEC's offices.

In support of its Application, the Cooperative states that the proposed Prepaid Tariff will provide several benefits to customers, including the ability to avoid customary deposit requirements, the ability to pay for their service in multiple smaller payments throughout the month, and a better understanding of their daily usage patterns, which will likely encourage conservation. SVEC also asserts that the Prepaid Tariff will be beneficial to the Cooperative by reducing administrative costs associated with the collection and deposit processes, improving the cash flow position of the Cooperative by receiving payment in advance of service, and eliminating the cost of generating and mailing paper bills to Prepaid Tariff customers.

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 and request a hearing on the Cooperative's Application.

The public version of the Cooperative's Application, as well as the Commission's Order for Notice and Comment, are 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 the Cooperative, Timothy E. Biller, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219. If acceptable to the

requesting party, the Cooperative may provide the documents by electronic means.

Copies of the public version of the Application and other documents filed in this case are also 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>.

On or before June 12, 2018, any interested person wishing to comment on the Cooperative's Application shall file written comments on the Application 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 file comments electronically may do so on or before June 12, 2018, by following the instructions on the Commission's website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2018-00041.

On or before June 12, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so 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 above. A copy of the notice of participation as a respondent also must be sent to counsel for 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 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. All filings shall refer to Case No. PUR-2018-00041. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before June 12, 2018, any person may request a hearing on the Cooperative's Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address set forth below. Requests shall include: (i) a precise

statement of the interest of the filing party; (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 the matter. Persons filing a request for hearing shall serve a copy of their request upon SVEC at the address set forth above.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

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 Comment may be obtained from the Clerk of the Commission at the address above.

SHENANDOAH VALLEY ELECTRIC COOPERATIVE

(5) On or before May 22, 2018, the Cooperative shall serve a copy of this Order for Notice and Comment on the following officials, to the extent the position exists, in each county, city, and town in which the Cooperative provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by first class mail or personal delivery to the customary place of business or residence of the person served.

(6) On or before June 5, 2018, the Cooperative shall file with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, proof of the notice and service required by Ordering Paragraphs (4) and (5), including the name, title, and address of each official served.

(7) On or before June 12, 2018, any interested person may file written comments on the Application with the Clerk of the Commission at the address shown in Ordering Paragraph (6).

Any interested person desiring to submit comments electronically may do so on or before June 12, 2018, by following the instructions on the Commission's website:

<http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2018-00041.

(8) On or before June 12, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of such notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (6). The respondent shall serve a copy of the notice of participation on counsel to the Cooperative at the address set forth in Ordering Paragraph (3). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No. PUR-2018-00041.

(9) 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 Comment, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Cooperative with the Commission, unless these materials already have been provided to the respondent.

(10) On or before June 12, 2018, any person may request a hearing on the Cooperative's Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph

(6). Written requests for hearing shall refer to Case No. PUR-2018-00041 and shall include:
 (i) a precise statement of the interest of the filing party; (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 the matter. A copy also shall be served on SVEC at the address in Ordering Paragraph (3).

(11) The Staff shall investigate the Application. On or before June 28, 2018, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of a Staff Report containing its findings and recommendations and shall promptly serve a copy of the same on counsel to the Cooperative and all respondents.

(12) On or before July 12, 2018, the Cooperative may file with the Clerk of the Commission any response in rebuttal to the Staff Report and any comments filed by interested persons in this proceeding.

(13) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(14) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, 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.¹⁶ Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(15) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Timothy E. Biller, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the 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.

¹⁶ 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, PUR-2018-00041, in the appropriate box.