

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 26, 2018

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PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2018-00100

For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On July 24, 2018, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition with the State Corporation Commission ("Commission") for approval of a plan for electric distribution grid transformation projects ("Petition") pursuant to § 56-585.1 A 6 ("Subsection A 6") of the Code of Virginia ("Code"). Specifically, Dominion seeks approval of the first three years ("Phase I") of its ten-year Grid Transformation Plan ("GT Plan"). The estimated total proposed investment associated with Phase I is \$816.3 million in capital investment and \$101.5 million in operations and maintenance investment.¹ Pursuant to Subsection A 6, the Commission is required to issue its final order on the Petition within six months of the filing date.

The Company states that Phase I will focus on seven components of the overall GT Plan including: (i) smart meters; (ii) customer information platform; (iii) reliability and resilience; (iv) telecommunications infrastructure; (v) cyber and physical security; (vi) predictive analytics; and (vii) emerging technology.² The Company proposes to fully deploy smart meters and their

¹ Petition at 7. The Company states that the forecasted total proposed investment associated with the ten-year GT Plan is approximately \$3 billion in capital investment and approximately \$429 million in operations and maintenance investment. Direct Testimony of Edward H. Baine at 21.

² Petition at 4.



supporting network infrastructure across its service territory, which the Company asserts is a foundational component of the GT Plan.³ During Phase I, the Company estimates that it will install approximately 1.4 million smart meters across its service territory.⁴ The Company also proposes to develop and deploy a new customer information platform ("CIP") to replace its twenty-year-old customer information system. The Company asserts that the CIP will be a framework of technologies and applications that together deliver comprehensive customer information and streamlined transactions, as well as multi-channeled engagement between Dominion and its customers.⁵ The CIP will include, among other things, a customer information system supporting processes such as metering, billing, credit, service orders and revenue reporting.⁶

The Company states that to improve reliability and resilience, the Company proposes to (i) deploy intelligent grid devices; (ii) implement operations and automated control systems; (iii) perform grid hardening activities; and (iv) implement physical security measures at certain substations.⁷ The Company also states that it proposes to deploy a foundational, forward-looking telecommunications strategy and solution as a critical and interdependent component of the GT Plan, in addition to a comprehensive strategy for predictive analytics.⁸

³ *Id.*

⁴ *Id.*

⁵ *Id.* at 4-5.

⁶ Direct Testimony of Franklin M. Hinckle, Jr., at 2.

⁷ Petition at 5.

⁸ *Id.* at 5-6.

The Company states that it will also monitor emerging technologies and propose investments where reasonable and prudent.⁹ As part of the Petition, the Company is proposing to begin its Smart Lighting Initiative and to deploy a streamlined net metering application process.¹⁰ Through the Smart Lighting Initiative, the Company states that it intends to mount intelligent grid devices on certain Company-owned streetlights.¹¹

The Company asserts that Phase I of the GT Plan is reasonable, prudent, and in the public interest, and states that it will provide benefits to customers in three primary categories: (i) increased reliability and resiliency; (ii) improved customer experience; and (iii) reduced components of cost of service.¹²

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company should provide public notice of its Petition; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's Petition; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Company's Petition or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the Petition 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.

⁹ *Id.* at 6.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00100.

(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 ("Rules of Practice"), a Hearing Examiner is appointed to rule on any discovery matters that may arise during the course of this proceeding, including any motions related to the protective treatment of confidential information.

(3) A public hearing on the Petition shall be convened at 10 a.m. on November 14, 2018, 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. 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. A public hearing shall convene on November 15, 2018, at 9:30 a.m., in the same location, to receive the testimony and evidence offered by the Company, respondents, and the Staff on the Company's Petition.

(4) The Company shall make a copy of its Petition, 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, Sarah R. Bennett, 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 August 17, 2018, 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 PETITION
OF VIRGINIA ELECTRIC AND POWER COMPANY FOR
APPROVAL OF A PLAN FOR ELECTRIC DISTRIBUTION
GRID TRANSFORMATION PROJECTS PURSUANT TO
§ 56-585.1 A 6 OF THE CODE OF VIRGINIA
CASE NO. PUR-2018-00100

On July 24, 2018, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition with the State Corporation Commission ("Commission") for approval of a plan for electric distribution grid transformation projects ("Petition") pursuant to § 56-585.1 A 6 ("Subsection A 6") of the Code of Virginia. Specifically, Dominion seeks approval of the first three years ("Phase I") of its ten-year Grid Transformation Plan ("GT Plan"). The estimated total proposed investment associated with Phase I is \$816.3 million in capital investment and \$101.5 million in operations and maintenance investment. Pursuant to Subsection A 6, the Commission is required to issue its final order on the Petition within six months of the filing date.

The Company states that Phase I will focus on seven components of the overall GT Plan including: (i) smart meters; (ii) customer information platform; (iii) reliability and resilience; (iv) telecommunications infrastructure; (v) cyber and physical security; (vi) predictive analytics; and (vii) emerging technology. The Company proposes to fully deploy smart meters and their supporting network infrastructure across its service territory, which the Company asserts is a foundational component of the GT Plan. During Phase I, the Company estimates that it will install approximately 1.4 million smart meters across its service territory.

The Company also proposes to develop and deploy a new customer information platform ("CIP") to replace its twenty-year-old customer information system. The Company asserts that the CIP will be a framework of technologies and applications that together deliver comprehensive customer information and streamlined transactions, as well as multi-channeled engagement between Dominion and its customers. The CIP will include, among other things, a customer information system supporting processes such as metering, billing, credit, service orders, and revenue reporting.

The Company states that to improve reliability and resilience, the Company proposes to (i) deploy intelligent grid devices; (ii) implement operations and automated control systems; (iii) perform grid hardening activities; and (iv) implement physical security measures at certain substations. The Company also states that it proposes to deploy a foundational, forward-looking telecommunications strategy and solution as a critical and interdependent component of the GT Plan, in addition to a comprehensive strategy for predictive analytics.

The Company states that it will also monitor emerging technologies and propose investments where reasonable and prudent. As part of the Petition, the Company is proposing to begin its Smart Lighting Initiative and to deploy a streamlined net metering application process. Through the Smart Lighting Initiative, the Company states that it intends to mount intelligent grid devices on certain Company-owned streetlights.

The Company asserts that Phase I of the GT Plan is reasonable, prudent, and in the public interest, and states that it will provide benefits to customers in three primary categories: (i) increased reliability and resiliency; (ii) improved customer experience; and (iii) reduced components of cost of service.

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 November 14, 2018, 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. Any person desiring to testify as a public witness should appear at the hearing location fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff. A public hearing will convene on November 15, 2018, at 9:30 a.m., in the same location, to receive the testimony and

evidence offered by the Company, respondents, and the Commission Staff on the Company's Petition.

The Company's Petition and the Commission's Order for Notice and Hearing are 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, Sarah R. Bennett, 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 the Petition 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 November 7, 2018, 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 file comments electronically may do so on or before November 7, 2018, by following the instructions on the Commission's website: <http://www.scc.virginia.gov/case>. Compact disks or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2018-00100.

On or before September 11, 2018, 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 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. PUR-2018-00100. 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.

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 Hearing in this proceeding may be obtained from the Clerk of the Commission at the address above.

VIRGINIA ELECTRIC AND POWER COMPANY

(6) On or before August 17, 2018, the Company shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company 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 either personal delivery or first class mail to the customary place of business or residence of the person served.¹³

¹³ Service also may be made electronically if a locality has submitted a written request to the Company for electronic service, pursuant to the Commission's April 19, 2016 Order in Case No. PUE-2016-00039. *See Petition of Virginia Electric and Power Company, For a continuing waiver of 20 VAC-5-201-10 J of the Rules Governing Utility Rate Petitions and Annual Informational Filings to permit electronic service to local officials upon request*, Case No. PUE-2016-00039, Doc. Con. Cen. No. 160420194, Order (Apr. 19, 2016).

(7) On or before August 31, 2018, the Company 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 (5) and (6), including the name, title, and address of each official served.

(8) On or before November 7, 2018, any interested person may file written comments on the Petition with the Clerk of the Commission at the address shown in Ordering Paragraph (7). Any interested person desiring to submit comments electronically may do so on or before November 7, 2018, by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. Compact disks or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2018-00100.

(9) On or before September 11, 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 set forth in Ordering Paragraph (7). The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address 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. PUR-2018-00100.

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

(11) On or before October 12, 2018, 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 set forth in Ordering Paragraph (7). In all filings, respondents shall comply with the Commission's Rules of Practice, including: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00100.

(12) On or before October 30, 2018, the Staff shall investigate the Petition and shall file with the Clerk of the Commission an original and fifteen (15) copies of its testimony and exhibits, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to Dominion and all respondents.

(13) On or before November 6, 2018, Dominion shall file with the Clerk of the Commission: (a) any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company simultaneously shall serve a copy of the testimony and exhibits 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 set forth in Ordering Paragraph (7).

(14) 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.

(15) 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: responses and objections to written interrogatories and requests for production of documents shall be served within five (5) 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 the Staff.¹⁴ 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:

Joseph K. Reid, III, Esquire, Sarah R. Bennett, Esquire, and Andrea D. Gardner, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; Lisa S. Booth, Esquire, and Audrey T. Bauhan, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219; and C. Meade Browder, Jr., Senior Assistant Attorney General,

¹⁴ 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 Case Number PUR-2018-00100 in the appropriate box.

Division of Consumer Counsel, Office of the Attorney General, Richmond, Virginia 23219. 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.

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