

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, SEPTEMBER 11, 2018

SCC-CLERK'S OFFICE  
DOCUMENT CONTROL CENTER

2018 SEP 11 P 3: 38

APPLICATION OF

CENTRAL VIRGINIA ELECTRIC COOPERATIVE

CASE NO. PUR-2018-00125

For general rate relief

ORDER FOR NOTICE AND HEARING

On August 6, 2018, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code") requesting approval of its proposed rates and charges ("Application"). CVEC also filed a Motion for Protective Ruling ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice").

In its Application, CVEC requests that the Commission allow it to revise retail rates to increase total system revenues by approximately \$5 million, an overall increase of 5.9%.<sup>1</sup> The Cooperative states that, based on pro-forma test-year results, the rates requested in this Application will result in a jurisdictional rate of return on rate base of 5.77% and produce a total system times interest earned ratio ("TIER") of 2.25, or 2.19 on a jurisdictional basis.<sup>2</sup> CVEC proposes changes to both the volumetric and fixed monthly charges for its customers on Rate Schedule A – Farm and Home; Rate Schedule B – General Services; Rate Schedule LP – Large

---

<sup>1</sup> Application at 3.

<sup>2</sup> *Id.* at 3-4. CVEC requests that if the Commission determines that the Cooperative's proposed rates generate a TIER that is above 2.25, that the Commission approve the proposed rates so long as the resulting rate year TIER is within a reasonable range that would normally be recommended for an electric cooperative in Virginia. *Id.* at 4.

180910245

Power Service; Rate Schedule I – Commercial and Industrial Service; and Rate Schedule SHL – Street, Highway and Homestead Lighting Service.<sup>3</sup>

CVEC requests that the Commission authorize the Cooperative to place its proposed rates into effect for service rendered on and after November 1, 2018, subject to refund, if any, based on the Commission's Final Order.<sup>4</sup> CVEC submits that placing its proposed rates into effect on November 1, 2018, will allow the Cooperative to maintain a strong financial position in order to better serve its members.<sup>5</sup>

CVEC also is proposing to revise its Terms and Conditions for Providing Electric Service.<sup>6</sup> These proposed revisions include changes regarding installment deposit payments; use of electric distribution service; extension of facilities; and the budget billing program.<sup>7</sup> CVEC also proposes to increase its meter testing fees from \$30 to \$60 for single phase meters and from \$39 to \$90 for poly phase meters.<sup>8</sup>

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that CVEC should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Cooperative's Application; a procedural schedule should be established to allow interested persons an opportunity to file comments on

---

<sup>3</sup> *Id.* at 4-5; Direct Testimony of Charles B. Maurhoff, Jr., at 5-7 ("Maurhoff Direct").

<sup>4</sup> Application at 4-5.

<sup>5</sup> *Id.* at 4.

<sup>6</sup> *Id.* at 4-5.

<sup>7</sup> *Id.*; Maurhoff Direct at 3-5.

<sup>8</sup> Application at 5; Maurhoff Direct at 5; and Schedule 5A at 81 (Appendix A, Schedule F-Fees).

the Cooperative's Application or to participate in this proceeding as a respondent;<sup>9</sup> and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on CVEC's Motion, and filing a final report containing the Hearing Examiner's findings and recommendations. We also will permit CVEC's proposed rates to become effective for services rendered on and after November 1, 2018, on an interim basis and subject to refund with interest.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2018-00125.

(2) Pursuant to Code § 12.1-31 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 including filing a final report containing the Hearing Examiner's findings and recommendations.

(3) The Cooperative's proposed changes in rates, tolls, charges, fees, terms, and conditions are suspended pursuant to Code § 56-238 through October 31, 2018. CVEC may, but is not obligated to, implement the proposed rates, charges, and terms and conditions for service rendered on and after November 1, 2018, on an interim basis and subject to refund with interest.

(4) A public hearing shall be convened on March 27, 2019, 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 Cooperative, any respondents, and the Staff. Any person desiring to offer testimony as a public

---

<sup>9</sup> On August 20, 2018, Nelson County Cablevision Corporation filed a Notice of Participation as a Respondent.

witness at the hearing need only appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

(5) CVEC forthwith shall make copies of its Application and this Order for Notice and Hearing available for public inspection during regular business hours at CVEC's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for CVEC, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23221. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. In addition, interested persons may review all public documents filed in this proceeding 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>.

(6) On or before October 11, 2018, CVEC shall cause a copy of the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation in its service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
CENTRAL VIRGINIA ELECTRIC COOPERATIVE  
FOR GENERAL RATE RELIEF  
CASE NO. PUR-2018-00125

On August 6, 2018, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia requesting approval of its proposed rates and charges ("Application"). CVEC also filed a Motion for Protective Ruling in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice").

In its Application, CVEC requests that the Commission allow it to revise retail rates to increase total system revenues by approximately \$5 million, an overall increase of 5.9%. The Cooperative states that, based on pro-forma test-year results, the rates requested in this Application will result in a jurisdictional rate of return on rate base of 5.77% and produce a total system times interest earned ratio of 2.25, or 2.19 on a jurisdictional basis. CVEC proposes changes to both the volumetric and fixed monthly charges for its customers on Rate Schedule A – Farm and Home; Rate Schedule B – General Services; Rate Schedule LP – Large Power Service; Rate Schedule I – Commercial and Industrial Service; and Rate Schedule SHL – Street, Highway and Homestead Lighting Service.

CVEC requests that the Commission authorize the Cooperative to place its proposed rates into effect for service rendered on and after November 1, 2018, subject to refund, if any, based on the Commission's Final Order. CVEC submits that placing its proposed rates into effect on November 1, 2018, will allow the Cooperative to maintain a strong financial position in order to better serve its members.

CVEC also is proposing to revise its Terms and Conditions for Providing Electric Service. These proposed revisions include changes regarding installment deposit payments; use of electric distribution service; extension of facilities; and the budget billing program. CVEC also proposes to increase its meter testing fees from \$30 to \$60 for single phase meters and from \$39 to \$90 for poly phase meters.

For more detailed information about the Cooperative's proposals, interested persons should view CVEC's Application. While the total revenue that may be approved by the Commission is limited to the amount produced by the Cooperative's proposed rates, TAKE NOTICE that the Commission may approve revenues and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission issued an Order for Notice and Hearing ("Order") in this proceeding that, among other things, scheduled a public hearing on March 27, 2019, 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 testimony from members of the public and evidence related to the Application from the Cooperative, any respondents, and the Commission Staff. Any person desiring to testify as a public witness at this hearing should appear fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

Copies of the Cooperative's Application and this Order are available for public inspection during regular business hours at CVEC's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for CVEC, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23221. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. In addition, interested persons may review copies of all public documents filed in this proceeding 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 March 20, 2019, any person wishing to comment on CVEC's Application may file written comments 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 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 written comments. All such comments shall refer to Case No. PUR-2018-00125.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before November 8, 2018. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. A copy of the notice of participation as a respondent also shall be sent to CVEC's counsel at the address set forth above.

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. All filings shall refer to Case No. PUR-2018-00125.

On or before January 29, 2019, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Cooperative, 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*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00125.

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 Rules of Practice and an official copy of the Commission's Order in this proceeding may be obtained from the Clerk of the Commission at the address above.

#### CENTRAL VIRGINIA ELECTRIC COOPERATIVE

(7) On or before October 11, 2018, CVEC 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 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 either

personal delivery or first-class mail to the customary place of business or residence of the person served.

(8) On or before November 6, 2018, CVEC shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), 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.

(9) On or before March 20, 2019, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (8). Diskettes, compact discs, or any other form of electronic storage medium may not be filed with written comments. Interested persons desiring to submit comments electronically may do so, on or before March 20, 2019, by following the instructions on the Commission's website: <http://www.scc.virginia.gov/case>. All comments shall refer to Case No. PUR-2018-00125.

(10) On or before November 8, 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 a notice of participation shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph (8). The respondent shall serve a copy of the notice of participation on CVEC's counsel at the address set forth in Paragraph (5). Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2018-00125.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, CVEC shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the Application, and all materials filed with the Commission, unless these materials already have been provided to the respondent.

(12) On or before January 29, 2019, each respondent may file with the Clerk of the Commission and serve on the Staff, the Cooperative, 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 shall be submitted to the Clerk of the Commission at the address set forth 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*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00125.

(13) The Staff shall investigate the Petition. On or before February 26, 2019, 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.

(14) On or before March 13, 2019, CVEC 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 Cooperative

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 (8).

(15) 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.

(16) 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.<sup>10</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.*

(17) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:  
Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond,  
Virginia 23221; Louis R. Monacell, Esquire, Peter E. Broadbent, Jr., Esquire, Cliona Mary  
Robb, Esquire, Christian & Barton, L.L.P., 909 East Main Street, Suite 1200, Richmond,

---

<sup>10</sup> 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-2018-00125, in the appropriate box.

Virginia 23219-3095; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 North 9th Street, 8<sup>th</sup> Floor, 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.

180910245