

Virginia State Corporation Commission eFiling CASE Document Cover Sheet

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Case Number (if already assigned)	PUR-2018-00065
Case Name (if known)	Commonwealth of Virginia ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.
Document Type	EXMO
Document Description Summary	Motion in Limine of Virginia Electric and Power Company to Strike Portions of Direct Testimony of Gregory Lander
Total Number of Pages	9
Submission ID	15224
eFiling Date Stamp	9/7/2018 3:50:54PM

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September 7, 2018

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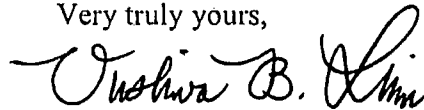
*Commonwealth of Virginia ex rel. State Corporation Commission,
In re: Virginia Electric and Power Company's Integrated Resource Plan
filing pursuant to Va. Code § 56-597 et seq.
Case No. PUR-2018-00065*

Dear Mr. Peck:

Please find enclosed for electronic filing in the above-referenced matter *Motion in Limine of Virginia Electric and Power Company to Strike Portions of Direct Testimony of Gregory Lander*.

Please do not hesitate to contact me if you have any questions in regard to this filing.

Very truly yours,



Vishwa B. Link

Enclosure

cc: Service List
Lisa S. Booth, Esq.
Audrey T. Bauhan, Esq.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA, *ex rel.*)
)
STATE CORPORATION COMMISSION)
) Case No. PUR-2018-00065
In re: Virginia Electric and Power Company's)
Integrated Resource Plan filing pursuant to)
Va. Code § 56-597 *et seq.*)

**MOTION IN LIMINE OF VIRGINIA ELECTRIC AND POWER COMPANY
TO STRIKE PORTIONS OF DIRECT TESTIMONY OF GREGORY LANDER**

Virginia Electric and Power Company (“Dominion Energy Virginia” or the “Company”), by counsel, hereby moves the State Corporation Commission of Virginia (the “Commission”) *in limine* to strike portions of the Direct Testimony of Gregory M. Lander filed on behalf of Appalachian Voices (“Environmental Respondents”) on August 10, 2018, in the above-captioned proceeding (“Motion to Strike”) pursuant to Rule 110 of the Commission’s Rules of Practice and Procedure (“Procedural Rules”),¹ 5 VAC 5-20-110.

In support thereof, the Company respectfully states as follows:

1. On May 1, 2018, Dominion Energy Virginia filed its Integrated Resource Plan (“2018 Plan”) with the Commission pursuant to § 56-597 *et seq.* of the Code of Virginia.
2. On May 7, 2018, the Commission entered an Order for Notice and Hearing that, among other things, docketed the matter, established a procedural schedule, and assigned a Hearing Examiner to rule on discovery matters that may arise during the course of the proceeding.

¹ 5 VAC 5-20-10, *et seq.*

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3. On May 24, 2018, Environmental Respondents filed a Notice of Participation as Respondent.²

4. Pursuant to the Commission's May 7, 2018 Order for Notice and Hearing, each of the Respondents filed the direct testimony of their witnesses on August 10, 2018. Among other testimony, the Environmental Respondents filed the Direct Testimony of Gregory M. Lander.

5. Portions of Mr. Lander's testimony address the theoretical impact of future costs associated with the Atlantic Coast Pipeline ("ACP") on Virginia ratepayers. For example, Mr. Lander asserts that ratepayers will experience no net value from the ACP and estimates that the ACP would produce a net cost to ratepayers of \$2.5 billion over the next 20 years as compared to the cost of utilizing existing infrastructure.³ He also contends that the ACP would not address anticipated future demand spikes.⁴

6. Portions of Mr. Lander's direct testimony noted below are based on future, speculative assertions that are not ripe for adjudication at this time. Additionally, this testimony is not relevant to any finding the Commission is required to make pursuant to Va. Code § 56-597, *et seq.*, in this integrated resource plan (generally, "Plan") proceeding. Accordingly, for these reasons, as discussed more fully below, the Direct Testimony of Gregory Lander should be stricken as irrelevant and improper testimony in this proceeding (collectively, the "ACP Testimony") as follows:⁵

- Page 2, Line no. 8 through Line no. 10
- Page 3, Line no. 12 through Page 3, Line no. 20

² Notices of Participation were also filed by the Office of the Attorney General, Division of Consumer Counsel, the Sierra Club, the Virginia Committee for Fair Utility Rates, the Mid-Atlantic Renewable Energy Coalition, the County of Culpeper, Virginia, and the Solar Energy Industries Association.

³ Direct Testimony of Gregory M. Lander at 3, 38, 49.

⁴ Direct Testimony of Gregory M. Lander at 47, 48.

⁵ Testimony proposed to be stricken begins with the start of the sentence and concludes with the end of the sentence on each of the referenced lines.

- Page 21, Line no. 20 through Page 22, Line no. 3
- Page 36, Line no. 3 through Page 37, Line no. 2
- Page 38, Line no. 1 (including Chart 13) through Page 38, Line no. 11
- Page 47, Line no. 19 through Page 48, Line no. 2
- Page 49, Line no. 5 through Page 49, Line no. 8

ARGUMENT AND AUTHORITY

I. THIS PLAN PROCEEDING IS NOT THE PROPER FORUM IN WHICH TO ADDRESS OR RESOLVE THE ISSUES RAISED BY THE ACP TESTIMONY.

7. In evaluating a Plan, the Commission is required to “make a determination ... as to whether an integrated resource plan is reasonable and is in the public interest.”⁶ This determination is made “for the specific and limited purpose of filing the planning document as mandated by § 56-597 of the Code.”⁷ Accordingly, as the Commission has explained, “approval of an IRP does not in any way create the slightest presumption that resource options contained in the approved IRP will be approved in a future certificate of public convenience and necessity (“CPCN”), rate adjustment clause (“RAC”), fuel factor, or other type of proceeding governed by different statutes.”⁸

8. In the Company’s 2015 Plan proceeding, the Commission found for purposes of determining the reasonableness of the Company’s 2015 Plan filing, that Consumer Counsel’s concerns regarding future expenditures on the potential North Anna 3 nuclear unit were not a reason to reject the 2015 Plan, explaining that “the reasonableness and prudence of any actual or

⁶ Va. Code § 56-599(C).

⁷ *In re: Virginia Electric and Power Company’s Integrated Resource Plan filing pursuant to Va. Code § 56.597 et seq.*, Case No. PUE-2016-00049, Final Order (December 14, 2016) at 2.

⁸ *In re: Virginia Electric and Power Company’s Integrated Resource Plan filing pursuant to Va. Code § 56.597 et seq.*, Case No. PUE-2016-00049, Final Order (December 14, 2016) at 2-3.

projected expenditures toward one or more specific demand- or supply-side resource options is not an issue in an IRP proceeding.”⁸

9. Similarly, in the Company’s 2011 Plan proceeding, the Commission noted that “the IRP is a planning document, not a document that will control future decisions on specific resources.”⁹ As such, the Commission’s determination in a Plan proceeding “does not preclude the Commission from approving or rejecting a particular supply-side or demand-side resource in the future, nor does the Commission’s determination . . . create any presumption in favor, or not in favor, of a particular resource, including generation construction projects, generation from non-utility generators, conservation or other options.”¹⁰ Rather, any “actual expenditures incurred toward any specific resource option that has not been approved by th[e] Commission in an applicable formal proceeding are incurred solely at the risk of Dominion’s stockholders.”¹¹ In fact, the Commission has stated that the reasonableness or prudence of expenditures towards any particular resource is not a reason to reject an integrated resource plan.¹² Also, in the 2017 Plan proceeding, the Commission reminded counsel that the IRP hearing “is not a proceeding for the Commission to issue a Certificate of Public Convenience and Necessity, nor is it a rate recovery proceeding, so issues limited to those types of proceedings are not part of this IRP case and never have been a part of any IRP.”¹³

⁸ *In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2015-00035, Final Order (December 30, 2015) at 6-7.

⁹ *In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2011-00092, Final Order (October 5, 2012) at 2.

¹⁰ *Id.* at 3, citing *In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2009-00096, Final Order (August 6, 2010) at 5-6.

¹¹ *Id.* at 3, citing *In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2011-00092, Order on Certified Question (March 19, 2012) at 4.

¹² *In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2015-00035, Final Order (December 30, 2015) at 6-7; *In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2011-00092, Final Order (October 5, 2012) at 3.

¹³ *In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2017-00051, Tr. 8-9 (Sept. 25, 2017).

10. Through the ACP Testimony, Mr. Lander seeks to litigate in this Plan proceeding whether costs for certain firm transportation services that have not yet been incurred or requested for recovery from customers are reasonable. Pursuant to the authority discussed above, this type of determination does not fall within the proper scope of a Plan proceeding.

11. Consequently, the ACP Testimony should be stricken because this Plan proceeding is not the proper forum in which to litigate the fuel cost issues raised by Lander.

II. THE ISSUES RAISED BY THE ACP TESTIMONY INVOLVE FUTURE, SPECULATIVE FACTS THAT ARE NOT YET RIPE FOR ADJUDICATION.

12. Mr. Lander's testimony discussing his ACP cost estimates is based on future, speculative facts that are not ripe for adjudication at this time. No transportation or other costs associated with the ACP that would be borne by Virginia ratepayers have yet been incurred, and accordingly, no ACP-related fuel costs were included in the Company's most recent fuel factor application approved by the Commission on August 27, 2018, in Case No. PUR-2018-00067.¹⁴ Any and all such costs for natural gas firm transportation services requested for recovery from Virginia jurisdictional customers will be subject to Commission review and approval in a future fuel factor proceeding under Va. Code § 56-249.6, and the Company will bear the burden of demonstrating that such costs were reasonably and prudently incurred at that time.

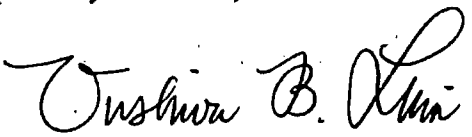
13. To the extent the Company seeks to develop or otherwise utilize additional natural gas-fired generation resources in the future, it must come before the Commission for approval and will be required to demonstrate that all applicable statutory requirements are met at that time. Environmental Respondents will have an opportunity to participate and be heard in those proceedings.

¹⁴ *Application of Virginia Electric and Power Company To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case. No. PUR-2018-00067, Order Establishing 2018-2019 Fuel Factor (August 27, 2018).

14. In sum, the ACP Testimony inappropriately requests that the Commission review in this Plan proceeding the costs for natural gas firm transportation services that have not yet been incurred, and which will be subject to Commission review and approval in a future fuel factor proceeding. Accordingly, the ACP Testimony should be stricken from the record in this proceeding and the Company should not be required to provide any response to it.

WHEREFORE, for good cause shown, the Company respectfully requests that the Commission: (1) grant its Motion *in Limine* to Strike the Testimony of Gregory Lander in the sections noted herein; (2) preclude Lander from offering testimony relating to the reasonableness of any costs associated with the ACP in this proceeding; and (3) grant any such other relief as may be deemed appropriate by the Commission.

Respectfully submitted,

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September 7, 2018

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CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of September, 2018, a true and accurate copy of the foregoing, filed in Case No. PUR-2018-00065, was emailed and mailed first class, postage pre-paid, to the following:

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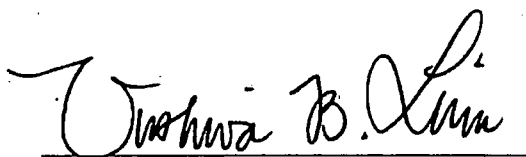
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