

# Virginia State Corporation Commission eFiling CASE Document Cover Sheet

170450142

<b>Case Number (if already assigned)</b>	PUE-2016-00111
<b>Case Name (if known)</b>	Petition of Virginia Electric and Power Company for approval to implement new, and to extend existing, demand-side management programs and for approval of two updated rate adjustment clauses
<b>Document Type</b>	EXBR
<b>Document Description Summary</b>	Post-Hearing Brief of the Division of Consumer Counsel
<b>Total Number of Pages</b>	6
<b>Submission ID</b>	12807
<b>eFiling Date Stamp</b>	4/28/2017 1:56:51PM



**COMMONWEALTH of VIRGINIA**  
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April 28, 2017

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**BY ELECTRONIC FILING**

Joel H. Peck, Clerk  
c/o Document Control Center  
State Corporation Commission  
P.O. Box 2118  
Richmond, Virginia 23218

Re: *Petition of Virginia Electric and Power Company*  
*For approval to implement new, and to extend existing, demand-side*  
*management programs and for approval of two updated rate adjustment*  
*clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*  
Case No. PUE-2016-00111

Dear Mr. Peck:

Please accept for filing in the above-referenced case the following Post-Hearing Brief of the Office of the Attorney General's Division of Consumer Counsel.

Thank you for your assistance in this matter.

Sincerely,

/s/ Kiva Bland Pierce

Kiva Bland Pierce  
Assistant Attorney General

cc: Service List

170450142

**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION**

**PETITION OF**

**VIRGINIA ELECTRIC AND  
POWER COMPANY**

**CASE NO. PUE-2016-00111**

For approval to implement new, and to extend existing, demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia

**POST-HEARING BRIEF OF THE  
OFFICE OF THE ATTORNEY GENERAL,  
DIVISION OF CONSUMER COUNSEL**

Virginia Electric and Power Company (the “Company” or “Dominion”) seeks the approval of two new demand-side management programs, the extension of two demand-side management programs, and the approval of two updated rate adjustment clauses (“RACs”).<sup>1</sup> By Order dated March 31, 2017, the State Corporation Commission (“Commission”) directed post-hearing briefs to be filed on April 28, 2017, and to include a list of issues. The Division of Consumer Counsel’s Issues List is attached hereto as Exhibit A.

The Company and the Commission Staff are in agreement as to the true-up factor and the projected cost recovery factor with the only difference between them being the proper return on equity.<sup>2</sup> The Commission recently approved a 9.4% return on equity for these RACs.<sup>3</sup>

The two new proposed demand-side management programs appear to be marginally cost-effective programs that move the Company closer to the statewide goal of reducing energy

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<sup>1</sup> Ex. 2 at 2 (Petition).

<sup>2</sup> Tr. 37.

<sup>3</sup> *Application of Virginia Electric and Power Company, For approval to implement new, and to extend existing, demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2016-00111, Order (April 14, 2017).

consumption as expressed in the Virginia Energy Plan.<sup>4</sup> Consumer Counsel does not oppose the two new programs or the extension of the two currently approved programs.

During the hearing, the meaning of the phrase “among other factors” from Virginia Code Section 56-576 was raised with respect to how that phrase impacts the Commission’s determination of whether energy efficiency programs are “in the public interest.”<sup>5</sup> The interpretation of a statute is a legal issue. While the Commission need not render an opinion on the statutory interpretation to reach a decision in this proceeding, Consumer Counsel briefly addresses the topic since it was raised.

Consumer Counsel agrees with the Virginia Efficiency Energy Council that the phrase “among other factors” (1) does not negate the four cost-benefit tests and (2) that any other factors are outside of the four cost-benefit tests.<sup>6</sup> Virginia Code Section 56-576 mandates that the Commission consider the four cost-benefit tests in its determination. Therefore, the four tests should be the foundation of the analysis of whether or not energy efficiency programs are “in the public interest.” It is within the Commission’s discretion to determine what “other factors” are appropriate in the analysis. Such other secondary factors may include, for example, economic benefits,<sup>7</sup> the policy of gradualism to avoid rate shock, or anything else the Commission deems appropriate to consider. Additionally, it is within the Commission’s discretion to determine the appropriate weight to be given any other factors in its analysis.

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<sup>4</sup> See, [https://www.dmme.virginia.gov/DE/2014\\_VirginiaEnergyPlan2.shtml](https://www.dmme.virginia.gov/DE/2014_VirginiaEnergyPlan2.shtml)

<sup>5</sup> Tr. 40-44.

<sup>6</sup> Tr. 43.

<sup>7</sup> In all relevant proceedings under the Regulation Act, the Commission is to “take into consideration, among other things, the goal of economic development in the Commonwealth.” Va. Code § 56-596 A.

Respectfully submitted,

DIVISION OF CONSUMER COUNSEL  
OFFICE OF THE ATTORNEY GENERAL

*/s/ Kiva Bland Pierce*

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April 28, 2017

**Exhibit A**

**Case No. PUE-2016-00111**

**Issues List**

- Are the two proposed Phase VI programs in the public interest?
  - If yes, how many years should the approval last?
- Is the extension of the Phase II Residential Heat Pump Upgrade Program in the public interest?
  - If yes, how many years should the program be extended?
- Is the extension of the Phase II Non-residential Distributed Generation Program in the public interest?
  - If yes, how many years should the program be extended?

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**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing was, this 28<sup>th</sup> day of April, 2017, served by first-class mail, postage prepaid, to:

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