

**REPORT OF THE
STATE CORPORATION COMMISSION ON**

Outdoor Electric Lighting

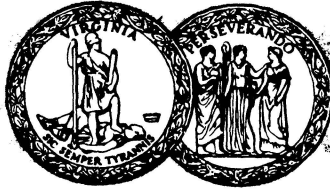
**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 36

**COMMONWEALTH OF VIRGINIA
RICHMOND
1989**

COMMONWEALTH OF VIRGINIA



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COMMISSIONER
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COMMISSIONER

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CLERK OF THE COMM
BOX 1197
RICHMOND, VIRGINIA 23207

STATE CORPORATION COMMISSION

January 11, 1989

TO: The Honorable Gerald L. Baliles
Governor of Virginia
and
The General Assembly of Virginia

We are pleased to transmit this Report of the State Corporation Commission on Outdoor Electric Lighting.

The study was initiated and the report prepared pursuant to House Joint Resolution 129 of the 1988 Session of the General Assembly of Virginia.

Respectfully submitted,

A large, stylized handwritten signature of Preston C. Shannon, written in black ink over a horizontal line.

Preston C. Shannon
Chairman

A large, stylized handwritten signature of Thomas P. Harwood, Jr., written in black ink over a horizontal line.

Thomas P. Harwood, Jr.
Commissioner

On March 27, 1978, the State Corporation Commission cancelled the Virginia Electric and Power Company (Virginia Power) tariff for outdoor lighting service available to residential, commercial and industrial customers and, further, directed the elimination of the associated rate treatment. Virginia Power appealed the Commission's action and the State Supreme Court subsequently affirmed the Commission's power to determine whether outdoor lighting service should be treated as a public utility function. Vepco v. Corp. Comm., 219 Va. 894 (1979).

House Joint Resolution No. 129 was passed in March 1988 and recognized that outdoor lighting for residential customers was important, particularly for safety in urban and rural areas. The General Assembly therein noted that the installation of outdoor lighting equipment and facilities by electrical contractors was more readily available to industrial and commercial customers than to residential customers. In that resolution the Commission was requested to assess the desirability of authorizing Virginia Power to provide outdoor lighting for residential customers pursuant to tariff. The Commission has reviewed the regulatory history of outdoor lighting in Virginia, considered the availability of such service for residential customers and has taken action as embodied in the attached order.

In summary, Virginia Power filed a proposed schedule on November 23, 1988, which would allow residential outdoor lighting service to be provided as a tariffed service. The tariff was allowed to go into effect pursuant to Virginia Code §56-240. The Commission thereby authorized Virginia Power to provide such outdoor lighting service to residential customers for a one-year period and to provide quarterly reports to the Commission's Division of Energy Regulation detailing both the requests for service and the number of facilities actually installed. After data is collected the Commission can then more thoroughly consider the merits of such a tariffed service.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 23, 1988

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUE880049

In Re: Virginia Electric and Power Company,
residential outdoor lighting facilities

ORDER

Historically, Virginia Electric and Power Company ("Virginia Power" or "Company") offered outdoor lighting service to residential, commercial and industrial customers pursuant to tariff. Under its "Schedule 26," Company contracted to install, maintain and operate "watchlite, area and roadway lighting service on the private property of such customers." To the extent that the cost of installing such facilities was less than four times the anticipated continuing annual revenue, the installation was performed at Virginia Power's expense. The cost of installation was included in Company's rate base and earned a return.

By Final Order dated March 27, 1978, the Commission cancelled Schedule 26, and directed Virginia Power to eliminate the ratemaking treatment afforded such service. N.E.C.A. v. VEPCO, 1978 Annual Report, 74; aff'd, VEPCO v. Corp. Comm., 219 Va. 894 (1979). Company was, however, authorized to continue to service existing facilities installed pursuant to Schedule No. 26. Id. at 81. Other investor-owned electric utilities in the Commonwealth continue to install and maintain outdoor lighting facilities for their customers pursuant to tariff.

In March 1988, the General Assembly of Virginia passed House Joint Resolution No. 129 which provides as follows:

WHEREAS, the availability of outdoor lighting service is important to customers of electric utilities, particularly residential customers and for safety in urban and rural areas, as well as for the convenience of citizens; and

WHEREAS, the State Corporation Commission in 1978 directed Virginia Power to cease offering the equipment and facilities for outdoor lighting services pursuant to tariff provisions and stated that Virginia Power is not required to provide outdoor lighting service as part of its public service obligations; and

WHEREAS, since that decision, Virginia Power has not provided new outdoor lighting installations, though it has received requests to do so; and

WHEREAS, the installation and maintenance of outdoor lighting equipment and facilities by electrical contractors may be more readily available to industrial and commercial establishments than to residential customers; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the State Corporation Commission is hereby requested to study the desirability of authorizing Virginia Power to provide outdoor lighting facilities for safety and security to residential customers pursuant to regulated tariff; and, be it

RESOLVED FURTHER, That the State Corporation Commission present its recommendations to the 1989 Session of the General Assembly of Virginia.

On September 23, 1988, Virginia Power filed with the Commission an amended Schedule 27 - Outdoor Lighting Service. This new tariff would allow any residential customer to contract with Virginia Power for the provision of outdoor lighting service "where such service is desired by the Customer for safety and

security purposes and where the installation is furnished, maintained and operated by the Company."

We believe Virginia Power should be authorized to implement Schedule 27 for one year on an interim basis to facilitate collection of data. For the study period the service availability should also be strictly limited to outdoor lighting for safety and security purposes for single family detached dwellings. As Company's Schedule 27 is a new tariff, we shall authorize it to go into effect immediately, as filed, pursuant to the provisions Va. Code § 56-240. Formal consideration of the merits of this tariff must await the availability of actual data.

NOW, THEREFORE, THE COMMISSION, upon consideration of House Joint Resolution No. 129, is of the opinion that Virginia Power should be directed to offer outdoor lighting facilities for safety and security to residential customers as defined above pursuant to regulated tariff and should give notice to the public of the availability of such service.

Accordingly,

IT IS ORDERED:

(1) That, for a period of one year from this date, Virginia Power is authorized to offer outdoor lighting service for safety and security purposes to residential customers under its Schedule 27;

(2) That in accordance with the provisions of Va. Code § 56-237, Virginia Power is hereby directed to provide notice to the public of the availability of service under Schedule 27 in the form of a bill insert to its residential customers, such

notice to commence with bills rendered on and after December 1, 1988;

(3) That Virginia Power file quarterly reports with the Commission's Division of Energy Regulation detailing both the requests for service received under Schedule 27 and the number of outdoor lighting facilities actually installed; and

(4) That this matter be continued generally pending the future directive of this Commission.

AN ATTESTED COPY HEREOF shall be sent by the Clerk of the Commission to: T. J. O'Neil, Virginia Electric and Power Company, P.O. Box 26666, Richmond, Virginia 23261; Edward L. Flippen, Esquire, Mays & Valentine, P.O. Box 1122, Richmond, Virginia 23208-9970; and to the Commission's Divisions of Energy Regulation, Accounting and Finance, and Economic Research and Development.

