

**Commonwealth of Virginia**

**State Corporation Commission**

**Report to the Commission on Electric Utility Regulation  
of the Virginia General Assembly**

**and the Governor of the Commonwealth of Virginia**



**Status Report: Implementation of the Virginia  
Electric Utility Regulation Act**

**Pursuant to § 56-596 B of the Code of Virginia**

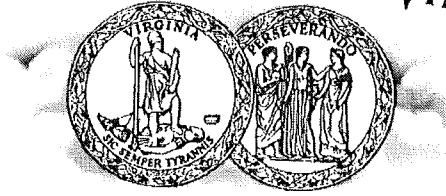
**September 1, 2011**

MARK C. CHRISTIE  
COMMISSIONER

JAMES C. DIMITRI  
COMMISSIONER

JUDITH WILLIAMS JAGDMANN  
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# COMMONWEALTH OF VIRGINIA



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## STATE CORPORATION COMMISSION

September 1, 2011


TO: The Honorable Robert F. McDonnell  
Governor, Commonwealth of Virginia

The Honorable Thomas K. Norment, Jr.  
Member, Senate of Virginia  
Chairman, Commission on Electric Utility Regulation

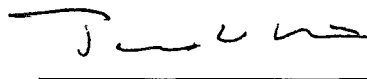
Members of the Commission on Electric Utility Regulation

The State Corporation Commission is pleased to transmit its report on the status of the implementation of the Virginia Electric Utility Regulation Act, Chapter 23 of Title 56 of the Code of Virginia, as required by § 56-596 B. As always, we will provide additional information or assistance upon request.

Respectfully submitted,

  
\_\_\_\_\_  
Judith Williams Jagdmann  
Commission Chair

  
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Mark C. Christie  
Commissioner

  
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James C. Dimitri  
Commissioner

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## EXECUTIVE SUMMARY

The Commission's fourth annual report, in compliance with § 56-596 B of the Code of Virginia, updates the General Assembly on the status of the implementation of the Virginia Electric Utility Regulation Act, §§ 56-576 through -596 of the Code. Major changes since the last report presented on September 1, 2010, include the following:

- Though scaled back, the *Virginia Energy Sense* program continues to offer consumers information to help save energy. Over the past year, businesses and organizations have become program partners and public service announcements have begun.
- The Commission is currently revising its Regulations Governing Net Energy Metering and expects changes to be effective by the end of 2011.
- Over the past year, the Commission has approved the construction of a 49.9 MW biomass facility in Halifax County and has approved the acquisition by Appalachian Power Company of a partially constructed 580 MW combined-cycle natural gas facility in Dresden, Ohio. The Commission is also in the process of evaluating applications by Virginia Electric and Power Company to construct a 1,300 MW combined-cycle facility in Warren County, Virginia, and to convert three existing coal facilities at Altavista, Southampton, and Hopewell, Virginia, into biomass facilities. The Commission has received no applications for approval of distributive solar generation facilities at this time.
- Concerning transmission, the Commission granted the withdrawal of an application of the PATH-VA project. Additionally, the TrAILCo transmission project was completed and energized on May 19, 2011.
- Both Appalachian Power Company and Virginia Electric and Power Company have stated that they have met the first renewable portfolio standard goal of § 56-585.2 of the Code.
- The Commission has approved an application by Virginia Electric and Power Company for an electric vehicle pilot program.
- The Commission is currently considering an application by Kentucky Utilities for approval of four demand-side management and energy efficiency programs, as well as for an adjustment to its base rates.
- During the first six months of 2011, the Commission has received and is considering several applications from Appalachian Power Company and Virginia Electric and Power Company for biennial reviews of base rates as well as rate adjustment clauses related to generation facilities, renewable energy, and expenditures related to

transmission and environmental concerns. Though Appalachian Power Company is not requesting a change to its fuel rates at this time, Virginia Electric and Power Company has requested, and the Commission has approved, a fuel factor increase from 2.803 to 3.289 cents/kWh. The Commission also has approved a fuel factor increase for Kentucky Utilities from 2.482 to 3.026 cents/kWh.

- The Commission is considering a rate increase for Central Virginia Electric Cooperative and recently approved a rate decrease for Northern Virginia Electric Cooperative.
- Electricity rates for Appalachian Power Company and Virginia Electric and Power Company appear to be competitive with their peers, though pending rate requests could lessen the competitiveness of rates in the future.
- The Commission continues to be involved in and monitoring several dockets at the Federal Energy Regulatory Commission concerning PJM Interconnection, LLC.

## I. INTRODUCTION

In 2008, the General Assembly amended § 56-596 B of the Code of Virginia (“Code”) to require the State Corporation Commission (“SCC” or “Commission”) to provide annual reports to the Governor and the General Assembly on the status of the implementation of the Virginia Electric Utility Regulation Act, §§ 56-576 through -596 of the Code (the “Regulation Act”), and to offer recommendations for any actions by the General Assembly or others.<sup>1</sup> On September 1, 2010, the Commission provided its third report (“2010 Report”) and now tenders its fourth annual report in compliance with § 56-596 B of the Code.

During the past year, the SCC continued its oversight of components of the Regulation Act as required by statute. Specifically, the Commission has approved or is reviewing several applications from electric utilities for biennial reviews, rate adjustment clauses, base rate changes, integrated resource plans, generation and transmission additions and modifications, and demand-side management programs. The Commission also has continued development of *Virginia Energy Sense* to educate consumers about energy saving opportunities. The Commission, both independently and as a member of the Organization of PJM States, Inc. (“OPSI”), also has continued to participate in various proceedings before the Federal Energy Regulatory Commission (“FERC”). Virginia’s electric investor-owned utilities<sup>2</sup> continue their

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<sup>1</sup> The SCC makes no legislative recommendations in this report.

<sup>2</sup> Electric investor-owned utilities subject to the Regulation Act include Virginia Electric and Power Company d/b/a Dominion Virginia Power (“Dominion Virginia Power” or “DVP”) and Appalachian Power Company (“Appalachian” or “APCo”). On October 19, 2010, the Commission approved the transfer of ownership and control, subject to certain requirements, of Kentucky Utilities d/b/a Old Dominion Power (“KU”) in Virginia to PPL Corporation as part of its acquisition of E.ON AG, E.ON US Investments Corp., and E.ON U.S. LLC. The transfer was completed on November 1, 2010. *Joint Petition of PPL Corporation, E.ON AG., E.ON AG U.S. Investments Corp., E.ON U.S. LLC, and Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of transfer of ownership and control*, Case No. PUE-2010-00060, 2010 S.C.C. Ann. Rept. 534, Final Order (Oct. 19, 2010). KU is not subject to the ratemaking requirements of the Regulation Act and currently has no plans to move into PJM.

participation in PJM Interconnection, LLC (“PJM”),<sup>3</sup> markets and purchase a significant portion of their energy needs from PJM-administered wholesale markets. Additionally, Virginia’s electric cooperatives and municipal utilities and their retail customers are directly affected by exposure to PJM’s wholesale market electricity prices. This report highlights recent Commission activity concerning the Regulation Act, as well as recent relevant FERC proceedings.

## II. IMPLEMENTATION OF THE REGULATION ACT

### A. Consumer Education

Since early 2010, the Commission has been engaged in *Virginia Energy Sense*, an integrated consumer education program to provide retail customers with information about energy conservation, energy efficiency, demand-side management, demand response, and renewable energy. The major goals of the *Virginia Energy Sense* consumer education program, in its second year of activity, have been to continue to build awareness of the campaign, to educate Virginians across the Commonwealth about their electric energy consumption, and to encourage customers to take steps that can reduce energy consumption.

In light of current economic conditions, state budgetary constraints and their related impacts on SCC funds, the Commission scaled back certain outreach activities during 2010 to concentrate on three specific components of the campaign: digital media, partnerships, and public relations. Before implementing the revised strategy, the Staff consulted with the *Virginia Energy Sense* Education Advisory Committee, a group of stakeholders from consumer groups,

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<sup>3</sup> PJM is a regional transmission organization in the mid-Atlantic area comprising all or part of 13 states: Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. PJM’s role is to ensure the reliable operation of the electric power supply system, facilitate an effective wholesale electricity market, and manage a long-term regional electric transmission planning process to maintain grid reliability and relieve congestion. Additional information is available at: <http://www.pjm.com>.



utilities, electric cooperatives, and state agencies who share an interest in decreasing electric energy consumption in the Commonwealth.

The *Virginia Energy Sense* website ([www.virginiaenergysense.org](http://www.virginiaenergysense.org)) is the hub of the informational campaign, functioning as the primary resource for the facts and information on energy conservation and efficiency. It also provides resources, including an online tracking tool, to help consumers make informed energy choices, to increase awareness of opportunities for conservation, and to enable consumers to reduce electricity consumption.

In addition to accessing the extensive amount of information available on the website, Virginians can participate in the program through social networking sites and through the use of handheld mobile devices. Consumers can follow the program on Twitter (@VAEnergySense), they can “like” the *Virginia Energy Sense* Facebook page ([www.facebook.com/virginiaenergysense](http://www.facebook.com/virginiaenergysense)), or they can join the energy discussion on the Tumblr blog (<http://virginiaenergysense.tumblr.com>). These social networking sites help build an online community and dialogue about energy savings and provide links to resources available on the *Virginia Energy Sense* website.

Beginning in February 2011, *Virginia Energy Sense* invited businesses and organizations across the Commonwealth to become partners. As of July, more than 36 corporations, institutions and nonprofit groups agreed to share tips and best practices on being energy efficient with their employees or members. *Virginia Energy Sense* provides the informational resources for partners to distribute to their employees or members through periodic e-mails, newsletters, or other preferred forms of communication and encourages partners to share what steps they are currently taking to save energy. Through the expanding partnership program, *Virginia Energy Sense* has reached over 430,000 Virginians.

Concerning public relations opportunities, *Virginia Energy Sense* has partnered with Washington Redskin and Virginia Tech alumnus DeAngelo Hall to record a series of radio public service announcements (“PSA”) in the spring of 2011 promoting the importance of conserving energy. Hall’s PSAs received 4,269 airings on 55 radio stations around the Commonwealth. Hall also has encouraged more than 50,000 Twitter followers to join *Virginia Energy Sense* by sharing tips for saving energy and hosting a contest encouraging others to get involved in the program. Many Virginians responded by “re-tweeting” Hall’s tips, sharing their own energy-saving tips, signing up for the energy tracker feature on the *Virginia Energy Sense* website, and taking a pledge to reduce electricity consumption. The Commission will continue to monitor the program’s objectives and make adjustments to achieve the energy efficiency goals of the 2010 Virginia Energy Plan (“VEP”), prepared by Virginia’s Department of Mines, Minerals and Energy pursuant to Chapters 1 and 2 of Title 67 (§§ 67-100 through -203) of the Code.

## **B. Retail Access to Competitive Services**

Since the expiration of capped rates on December 31, 2008, the ability of most consumers to purchase electric generation service from competing suppliers has been limited. Under §§ 56-587 and 56-588 of the Code, the Commission licenses suppliers and aggregators interested in participating in the retail access programs in Virginia. Currently, 39 electric and natural gas CSPs and aggregators are licensed as retail access providers. A current list of licensed suppliers can be found on the SCC’s website at <http://www.scc.virginia.gov/power/compsup.aspx>. Although several CSPs are registered with DVP to provide service within its Virginia territory, none currently provide competitive generation supply service to Virginia retail electric customers. Further, one CSP is in the process of registering with APCo. Large customers exceeding 5 MW in demand maintain the ability to shop among CSPs, and nonresidential

customers may apply with the Commission to aggregate load up to the 5 MW threshold to receive services from a CSP. Residential retail consumers presently have the statutory right to purchase electric generation from competitive service providers (“CSP”) selling electric energy provided 100% from renewable energy resources (§ 56-577 A 5 of the Code) but only if the incumbent electric utility serving these consumers does not itself offer an approved tariff for electric energy provided 100% from renewable energy resources.

### **C. Renewable Tariff**

The Commission has approved tariffs for customers of DVP and APCo to purchase renewable energy voluntarily.<sup>4</sup> Under both programs, customers have the opportunity to purchase renewable energy certificates (“RECs”) representing the production of electricity from renewable sources such as wind, solar, falling water, biomass, energy from waste, wave motion, tides, and geothermal power to offset some, or all, of the electricity such customers consume.

DVP and APCo will purchase RECs procured from renewable power sources equivalent to the amount of renewable energy purchased through customer contributions. Each participating customer sees a separate line item on his or her monthly bill reflecting the additional costs for program participation.

The Commission has found that neither DVP’s nor APCo’s renewable energy option satisfies Virginia’s statutory definition for electric energy provided 100% from renewable energy.<sup>5</sup> Consequently, customers in these utilities’ service territories may presently purchase 100% renewable electricity supply service from CSPs licensed by the Commission. To the

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<sup>4</sup> *Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For approval of its Renewable Energy Tariff*, Case No. PUE-2008-00044, 2008 S.C.C. Ann. Rept. 539, Order Approving Tariff (Dec. 3, 2008); *Application of Appalachian Power Company, For approval of its Renewable Power Rider*, Case No. PUE-2008-00057, 2008 S.C.C. Ann. Rept. 557, Order Approving Tariff (Dec. 3, 2008).

<sup>5</sup> *Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For approval of its Renewable Energy Tariff*, Case No. PUE-2008-00044, 2008 S.C.C. Ann. Rept. 539, 542, Order Approving Tariff (Dec. 3, 2008); *Application of Appalachian Power Company, for approval of its Renewable Power Rider*, Case No. PUE-2008-00057, 2008 S.C.C. Ann. Rept. 557, 559, Order Approving Tariff (Dec. 3, 2008).

Staff's knowledge, however, no CSP has yet committed to provide competitive supply service from 100% renewable resources in either utility's service territory.

Pursuant to § 56-577 A 6 of the Code, nine electric cooperatives filed petitions with the SCC for approval to offer a tariff for electric energy provided 100% from renewable energy to their residential member-consumers using RECs. The Commission approved these tariffs on December 17, 2010.<sup>6</sup> The cooperatives' implementation of these tariffs thus precludes competitive offerings of electric energy provided 100% from renewable energy within their respective service territories.

#### **D. Net Metering**

On July 5, 2011, the Commission entered an Order Establishing Proceeding<sup>7</sup> to amend Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq.* ("Net Energy Metering Rules") to reflect statutory changes pursuant to Chapter 239 of the 2011 Acts of Assembly, which amends § 56-564 of the Code. The Commission is seeking to revise the Net Energy Metering Rules to: (1) increase from 10 to 20 kW the maximum capacity of an electrical generation facility of a residential customer that qualifies for participation in a net energy metering program; and (2) require that an eligible residential customer-generator whose

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<sup>6</sup> *Application of Mecklenburg Electric Cooperative, For approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00066, 2010 S.C.C. Ann. Rept. 543, Order Approving Tariff (Dec. 17, 2010); *Application of BARC Electric Cooperative, For approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00067, 2010 S.C.C. Ann. Rept. 547, Order Approving Tariff (Dec. 17, 2010); *Application of Shenandoah Valley Electric Cooperative, For approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00068, 2010 S.C.C. Ann. Rept. 551, Order Approving Tariff (Dec. 17, 2010); *Application of Prince George Electric Cooperative, For approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00069, 2010 S.C.C. Ann. Rept. 555, Order Approving Tariff (Dec. 17, 2010); *Application of Northern Virginia Electric Cooperative, For approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00071, 2010 S.C.C. Ann. Rept. 565, Order Approving Tariff (Dec. 17, 2010); *Application of Central Virginia Electric Cooperative, For approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00085, 2010 S.C.C. Ann. Rept. 582, Order Approving Tariff (Dec. 17, 2010); *Application of Northern Neck Electric Cooperative, For approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00086, 2010 S.C.C. Ann. Rept. 586, Order Approving Tariff (Dec. 17, 2010); *Application of A&N Electric Cooperative, For approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00088, 2010 S.C.C. Ann. Rept. 590, Order Approving Tariff (Dec. 17, 2010); and *Application of Southside Electric Cooperative, For Approval of a 100% Renewable Energy Tariff*, Case No. PUE-2010-00103, 2010 S.C.C. Ann. Rept. 608, Order Approving Tariff (Dec. 17, 2010).

<sup>7</sup> *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter of amending regulations governing net energy metering*, Case No. PUE-2011-00079.

generating facility has a capacity that exceeds 10 kW pay a Commission approved monthly standby charge that allows the utility to recover that portion of its infrastructure costs that are properly associated with serving the eligible customer-generator. The proceeding to amend the Net Energy Metering Rules is expected to conclude by the end of 2011.

#### **E. Sources of Virginia's Electricity**

Virginia's electric utilities supply their customers with power from their own facilities that are located both inside and outside Virginia and from purchases from other entities. In 2008 approximately 87% of the total supply of energy to Virginia electricity customers was produced from facilities under the Commission's rate jurisdiction even though some of these facilities were located outside the boundaries of the Commonwealth. Power from jurisdictional plants that may be physically located in another state is not "imported" in any relevant definition because, from legal and regulatory standpoints, Virginia consumers have the same claim on such power as they do on power from jurisdictional plants physically located in Virginia.

For example, DVP's Mount Storm facility, while physically located in West Virginia, is dispatched as part of DVP's fleet, is part of DVP's rate base, and its rates are regulated by the Commission. The same is true of APCo's facilities, some of which are physically located in West Virginia and Ohio. Despite these facilities' locations, the Virginia jurisdictional share of these generation assets is included in APCo's Virginia rate base. These facilities also are dispatched as part of APCo's fleet and are subject to Commission regulation.

The percentage of energy supplied from facilities physically located outside Virginia will change with the acquisition by APCo of the Dresden generating facility in Ohio and the start of commercial operations of DVP's Wise County and Bear Garden facilities, both of which are located in Virginia.

Virginia's investor-owned utilities also procure energy through purchases from other utilities. For example, DVP frequently purchases energy from the PJM market. Such purchases are often made because it is cheaper for DVP to purchase the energy than to produce it at company-owned facilities, and therefore DVP's ratepayers benefit from these purchases by paying lower prices for energy. APCo typically purchases additional energy and capacity at cost from its affiliates that are part of the AEP East Pool of companies, such as Ohio Power Company and Indiana Michigan Power Company. Such purchases are regulated by a FERC-approved Interconnection Agreement that may terminate on or after January 1, 2014.<sup>8</sup>

The table at the end of the next section provides information regarding electric generating facilities added in Virginia during the past 40 years.

#### **F. Recent Generation and Transmission Additions**

The Commission considered a few applications for generation additions over the past year. Specifically, the SCC approved Northern Virginia Electric Cooperative's application to construct and operate a 49.9 MW biomass facility in Halifax County expected to be operational by the end of 2013.<sup>9</sup> The SCC also granted approval of the affiliate transactions necessary for APCo to acquire a 580 MW combined-cycle natural gas facility under construction in Dresden, Ohio.<sup>10</sup> The Commission also received and is considering an application from DVP to construct and operate a 1,300 MW combined-cycle facility in Warren County.<sup>11</sup>

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<sup>8</sup> In December 2010 each member of the AEP East Pool gave notice to American Electric Power Service Corporation and to each other of its decision to terminate the Interconnection Agreement as of January 1, 2014, or another date approved by the Federal Energy Regulatory Commission. The notices do not require a change in the Interconnection Agreement but make all parties aware that it could happen.

<sup>9</sup> *Application of South Boston Energy, LLC, For approval to construct, own and operate a nominal 49.9 MW biomass electric generating facility in Halifax County pursuant to Va. Code § 56-580 D, Case No. PUE-2010-00126, Doc. Con. Cen. No. 446904, Order On Application (Apr. 28, 2011).*

<sup>10</sup> *Application of Appalachian Power Company, AEG Generating Company and American Electric Power Company, Inc., For authority to enter into affiliate transactions under Title 56, Chapter 4, of the Code of Virginia, Case No. PUE-2011-00023, Doc. Con. Cen. No. 450157, Order Granting Authority (July 20, 2011).*

<sup>11</sup> *Application of Virginia Electric and Power Company, For approval and certification of the proposed Warren County Power Station electric generation and related transmission facilities under §§ 56-580 D, 56-265.2, and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated as Rider W, under § 56-585.1 A 6 of the Code of Virginia, Case No. PUE-2011-00043.*

Generation additions that the Commission approved prior to September 1, 2010, are in various stages of construction. GPC Green Energy, LLC has acquired most of its required permits and is expected to begin construction later this year of a 20 MW landfill gas facility in Suffolk, Virginia.<sup>12</sup> Other projects, for which construction certificates were issued, including a 6.4 MW landfill gas plant in Henrico County and DVP's 580 MW combined-cycle natural gas facility in Buckingham County, were completed and have begun commercial operation. A 585 MW circulating fluidized bed coal facility in Wise County is nearing 90% completion according to DVP, and the 39 MW Highland Wind turbine facility remains under development.

Concerning nuclear facilities, DVP filed an application with the U.S. Nuclear Regulatory Commission ("NRC") on November 27, 2007, for a Combined Operating License ("COL") to build and operate a new nuclear reactor at its North Anna Power Station in central Virginia. The NRC docketed the application on January 29, 2008, and began its environmental and safety analyses, which are expected to continue into 2013, including the completion of a mandatory hearing process by November 2013.

On May 7, 2010, DVP announced that it selected Mitsubishi Heavy Industry's Advanced Pressurized Water Reactor ("US-APWR") technology, currently undergoing the NRC certification process, for the potential third unit. Dominion Virginia Power has not yet decided to build a new nuclear unit at North Anna but expects to make a decision in late 2013. Before DVP builds the new unit, it must first receive a COL from the NRC as well as the approval of this Commission.<sup>13</sup>

Virginia utilities also continue to expand their transmission facilities. The SCC approved the TrAILCo 500 kV transmission project, which was completed and energized on May 19,

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<sup>12</sup> *Application of GPC Green Energy, LLC, For approval to construct, own and operate an electric generation facility in Suffolk, Virginia, pursuant to Va. Code §§ 56-46.1 and 56-580 D, Case No. PUE-2008-00085, Doc. Con. Cen. No. 421639, Final Order (Nov. 25, 2009).*

<sup>13</sup> Currently, two of DVP's nuclear units are off-line pending review in the aftermath of the recent earthquake in Mineral, Virginia.

2011. Eight other transmission lines approved by the Commission are now under construction, and construction of one additional line is scheduled to begin by December 2011. Six transmission certificate applications are currently pending before the Commission.

In its 2009 Report regarding the Regulation Act, the Commission noted that PATH Allegheny Virginia Transmission Corporation (“PATH-VA”), a joint venture between Allegheny Energy, Inc., and American Electric Power Company, Inc. (“AEP”), submitted an application for SCC approval and certification of a portion of a proposed 765 kV transmission line stretching from West Virginia through Virginia to Maryland. The Virginia portion of the 765 kV Potomac-Appalachian Transmission Highline (“PATH”) line would have passed through Loudoun, Frederick, and Clarke Counties. Construction of the PATH Project was directed by PJM under the PJM Regional Transmission Expansion Plan to relieve transmission congestion and enhance west-to-east power flows and reliability. The applicants subsequently filed a joint motion to withdraw the application, which the Commission granted.<sup>14</sup>

On September 20, 2010, PATH-VA filed a second application for approval of the PATH line, and on February 28, 2011, PATH-VA filed a Motion to Withdraw Application as a result of changes in circumstances. On May 24, 2011, the Commission granted the Motion to Withdraw and dismissed the case.<sup>15</sup>

On December 17, 2010, Potomac Electric Power Company (“Pepco”) and DVP filed an application for approval of a 500 kV, 1,600-foot Virginia segment of the Mid-Atlantic Power Pathway transmission line project (“MAPP”). MAPP would begin at the Possum Point Generating Station in Prince William County, Virginia, and travel 150 miles to Indian River,

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<sup>14</sup> *Application of PATH Allegheny Virginia Transmission Corporation, For certificates of public convenience and necessity to construct facilities: 765 kV Transmission Line through Loudoun, Frederick, and Clarke Counties*, Case No. PUE-2009-00043, 2010 S.C.C. Ann. Rept. 333, Order Granting Withdrawal (Jan. 27, 2010).

<sup>15</sup> *Application of PATH Allegheny Virginia Transmission Corporation, For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utilities Facilities Act, Va. Code § 56-265.1 et seq.*, Case No. PUE-2010-00115, Doc. Con. Cen. No. 447999, Order Granting Withdrawal (May 24, 2011).



Delaware. The application is currently incomplete, and Pepco has requested that the Commission delay consideration of its application in light of the PJM Board's recent decision to retain the MAPP project in its regional transmission plan but to move the line's in-service date from 2015 to the 2019-2021 timeframe.

A summary of additional generating capacity in Virginia and recent transmission line construction activity follows.

**Generating Capacity Additions in Virginia  
as of August 1, 2011**

	<b>Number of Units Added</b>	<b>1970s Total Capacity Additions (MW)</b>	<b>Number of Units Added in VA</b>	<b>Total Capacity Additions in VA (MW)</b>		<b>Number of Units Added</b>	<b>1980s Total Capacity Additions (MW)</b>	<b>Number of Units Added in VA</b>	<b>Total Capacity Additions in VA (MW)</b>
<b>APCo</b>	3	2900	0	0	<b>APCo</b>	2	1406	1	106
<b>DVP</b>	14	4736	13	4705	<b>DVP</b>	26	1644	26	1644
<b>ODEC</b>		107		107	<b>ODEC</b>		106		106
<b>Total*</b>	17	7743	13	4812	<b>Total*</b>	28	3156	27	1856
	<b>Number of Units Added</b>	<b>1990s Total Capacity Additions (MW)</b>	<b>Number of Units Added in VA</b>	<b>Total Capacity Additions in VA (MW)</b>		<b>Number of Units Added</b>	<b>2000s Total Capacity Additions (MW)</b>	<b>Number of Units Added in VA</b>	<b>Total Capacity Additions in VA (MW)</b>
<b>APCo</b>	0	0	0	0	<b>APCo</b>	0	0	0	0
<b>DVP</b>	35	4188	33	3979	<b>DVP</b>	11	2534	10	2534
<b>ODEC</b>		441		441	<b>ODEC</b>	9	1167	9	1167
<b>Total*</b>	35	4629	33	4420	<b>Total*</b>	19	3701	19	3701

\*Note: Units jointly owned by ODEC and DVP were included as units added by DVP. The respective share of jointly owned capacity was allocated by utility.

**Summary of Transmission Line Case and Construction Activity in Virginia  
as of August 24, 2011**

<b>Company/Facility</b>	<b>Size</b>	<b>Location</b>	<b>Docket</b>	<b>C.O.D.*</b>	<b>Status</b>
<u>Transmission Lines</u>					
DVP Garrisonville Phase 3***	230kV - 5mi	Stafford		6/12	under construction
DVP Remington-Gainesville	230kV – 24 mi	Fauquier, Prince William		5/12	under construction
DVP-Hayes-Yorktown	230kV – 8 mi	Gloucester & York		6/12	under construction
DVP Loudoun-New Road	230kV- 4 mi	Loudoun, Prince William		5/13	under construction
DVP Ballston-Radnor Heights –Line #2036**	230kV – 5 mi	Arlington		6/12	under construction
DVP Landstown-Pendleton-Virginia Beach	230kV – 11 mi	Virginia Beach		12/12	under construction
DVP Hopewell-Prince George	230kV – 3 mi	Hopewell, Prince George		5/12	under construction
DVP/Pepco Possum Point MAPP	500kV – 1600 ft	Prince William	PUE-2010-00148	6/15	pending
DVP Mt. Storm-Doubs	500 kV – 31 mi	Frederick, Clarke, Loudoun	PUE-2011-00003	6/15	pending
DVP Cannon Branch-Cloverhill	230 kV – 2 mi	Prince William, Manassas	PUE-2011-00011	7/13	pending
DVP Hollymead Tap	230 kV – 8 mi	Albemarle	PUE-2011-00015	5/14	pending
DVP Bremo-Dooms	230 kV – 43 mi	Albemarle, Fluvanna	PUE-2011-00039	5/14	pending
DVP Lakeside-Northwest	230 kV – 12 mi	Hanover, Henrico	PUE-2011-00082	5/13	pending
APCo Huntington Court-Roanoke	138kV – 6 mi	Roanoke City		12/12	start construction 12/11
APCo Matt Funk Extension	138kV – 4.5 mi	Roanoke County		12/11****	under construction

\* Commercial operation date

\*\* Underground pilot project pursuant to Chapter 799 of the 2008 Acts of Assembly (House Bill 1319)

\*\*\* Underground pilot project pursuant to Commission Order (i.e., non-House Bill 1319 underground project)

\*\*\*\* The June 24, 2009 Final Order required completion of the construction of the bus tie and transmission line within 18 months. Subsequently, the Commission granted an extension for completion of these transmission facilities to June 24, 2012. *See, Application of Appalachian Power Company, For a certificate of public convenience and necessity for facilities in Montgomery and Roanoke Counties: Matt Funk 138 kV transmission line project*, Case No. PUE-2008-00079, 2009 S.C.C. Ann. Rept. 339, Final Order (June 24, 2009), *modified*, 2010 S.C.C. Ann. Rept. 300, Order Extending Project Completion Date (July 29, 2010).

## G. Integrated Resource Planning

Section 56-597 *et seq.*, of the Code contains a mandatory Integrated Resource Plan (“IRP”) requirement for each of Virginia's investor-owned public utilities (“IOUs”) that provide electric energy for use by retail customers.

Each IOU is required to file an IRP with the Commission by September 1 every two years. Additionally, by September 1 of each year in which a plan is not required, each IOU must file a narrative summary describing any significant event necessitating a major revision to the most recently filed IRP, including adjustments to the type and size of resources identified.

As described in the 2010 Report, Virginia’s IOUs filed IRPs in 2009. The Commission approved the IRPs of KU, APCo, and DVP on August 6, 2010, finding each IRP to be reasonable and in the public interest pursuant to § 56-599 E of the Code. The Commission’s orders also emphasized that the IRP, as a planning document, does not control future resource-specific decisions and that nothing in these cases should “preclude the Commission from approving or rejecting a particular supply-side or demand-side resource in the future, nor does the Commission’s determination in this case create any presumption in favor, or not in favor, of a particular resource.” Each utility was also directed to improve future IRP submissions with more robust consideration of environmental and economic effects on Virginia customers.

On September 1, 2010, DVP, APCo, and KU filed narrative updates to their 2009 IRPs to comply with the IRP Guidelines. The SCC, on November 10, 2010, deemed each such filing in compliance with its IRP Guidelines and accepted each filing.<sup>16</sup> The next full IRP for each IOU is expected on September 1, 2011.

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<sup>16</sup> *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. PUE-2010-00107, 2010 S.C.C. Ann. Rept. 614, Final Order (Nov. 10, 2010); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company’s Integrated Resource Plan, 2010 Narrative Summary*, 2010 S.C.C. Ann. Rept. 616, Final Order (Nov. 10, 2010); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Kentucky Utilities Company d/b/a Old Dominion Power Company’s Integrated Resource Plan, 2010 Narrative Summary*, 2010 S.C.C. Ann. Rept. 624, Final Order (Nov. 10, 2010).

## **H. Voluntary Renewable Portfolio Standard Programs**

### **1. Appalachian Power**

As previously reported, the SCC approved APCo's application under § 56-585.2 of the Code for participation in a voluntary renewable energy portfolio standard ("RPS") program and for approval of two purchased power agreements ("PPA") for wind resources, the Camp Grove and Fowler Ridge projects with capacities of 75 MW and 100 MW, respectively.<sup>17</sup> In 2010, the SCC denied, as not in the public interest, APCo's application for approval of two additional wind PPAs related to the Beech Grove and Grand Ridge projects.<sup>18</sup> APCo has not sought approval for additional renewable resources during the past year.

Pursuant to § 56-585 2 H of the Code, each investor-owned electric utility is required to report to the Commission by November 1 of each year about (i) its efforts, if any, to meet the RPS goals, (ii) its overall generation of renewable energy, and (iii) advances in renewable generation technology that affect activities described in clauses (i) and (ii). On October 29, 2010, APCo's filing stated that it was on track to meet the interim goals established in the Virginia Renewable Energy Portfolio Standard Program beyond 2020 and would meet the 2010 goal of purchasing from renewable energy resources 4% of total electric energy sold to Virginia retail customers in calendar year 2007 ("RPS Goal I")<sup>19</sup> for 2010. In its biennial review application discussed later in this report, APCo asserted that it met RPS Goal I.

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<sup>17</sup> *Application of Appalachian Power Company, For approval to participate in the Virginia Renewable Energy Portfolio Standard Program*, Case No. PUE-2008-00003, 2008 S.C.C. Ann. Rept. 466, Final Order (Aug. 11, 2008).

<sup>18</sup> *Application of Appalachian Power Company, For approval pursuant to Va. Code § 56-585.2 of purchase power agreements as part of its participation in the Virginia renewable energy portfolio standard program*, Case No. PUE-2009-00102, 2010 S.C.C. Ann. Rept. 395, Order Denying Application (June 2, 2010).

<sup>19</sup> Va. Code § 56-585.2 D. For purposes of meeting RPS Goals, the total electric energy sold to Virginia jurisdictional customers in calendar year 2007 is exclusive of an amount equal to the average of the annual percentages of electric energy supplied to such customers from nuclear generating plants from 2004 through 2006. Va. Code § 56-585.2 A.

## 2. Dominion Virginia Power

On May 18, 2010, the Commission issued a Final Order approving DVP's application to participate in a voluntary RPS program under § 56-585.2 of the Code, finding that DVP met the statutory requirements to participate in such program.<sup>20</sup> DVP did not request approval for any particular renewable resource.

In accordance with § 56-585.2 H of the Code, on November 1, 2010, DVP provided a report stating that it would meet the RPS goals. DVP also provided the Commission with verification on January 26, 2011, that it had met the 2010 RPS Goal I. These reports are available on the SCC's website (<http://www.scc.virginia.gov/eaf/renew.aspx>).

### I. Other Renewable Energy

Although not directly in response to the Regulation Act, two additional chapters of the 2009 Acts of Assembly required the Commission to address cogeneration facilities that generate renewable energy.

First, pursuant to § 56-235.1:1 of the Code, the SCC adopted rules pertaining to Rates for Stand-by Service Furnished to Certain Renewable Cogeneration Facilities.<sup>21</sup> The regulations are set forth in Chapter 317 of Title 20 of the Virginia Administrative Code. In late summer 2010, the Commission approved several electric utilities' standby service compliance plans.<sup>22</sup>

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<sup>20</sup> *Application of Virginia Electric and Power Company, For approval to participate in a renewable energy portfolio standard program pursuant to Va. Code § 56-585.2*, Case No. PUE-2009-00082, 2010 S.C.C. Ann. Rept. 367, Final Order (May 18, 2010).

<sup>21</sup> *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter of establishing rules of the State Corporation Commission governing rates for stand-by service furnished to certain renewable cogeneration facilities*, Case No. PUE-2009-00080, 2009 S.C.C. Ann. Rept. 526, Order Promulgating Regulations (Dec. 2, 2009).

<sup>22</sup> *Application of Virginia Electric and Power Company, For a determination that its plan complies with 20 VAC 5-317-10 through -50 of the Virginia Administrative Code*, Case No. PUE-2010-00026, 2010 S.C.C. Ann. Rept. 487, Order (Aug. 26, 2010); *Application of Appalachian Power Company, For a determination that its plan complies with 20 VAC 5-317-10 through -50 of the Virginia Administrative Code*, Case No. PUE-2010-00028, 2010 S.C.C. Ann. Rept. 488, Order (Sept. 3, 2010); *Application of the Potomac Edison Company d/b/a Allegheny Power, For a determination that its plan complies with 20 VAC 5-317-10 through -50 of the Virginia Administrative Code*, Case No. PUE-2010-00034, 2010 S.C.C. Ann. Rept. 494, Dismissal Order (July 29, 2010); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For a determination that its plan complies with 20 VAC 5-317-10 through -50 of the Virginia Administrative Code*, Case No. PUE-2010-00035, 2010 S.C.C. Ann. Rept. 495, Final Order (Aug. 31, 2010); *Application of Virginia Electric Cooperatives, For approval of Standby Service Compliance Plan*, Case No. PUE-2010-00036, 2010 S.C.C. Ann. Rept. 496, Order (Aug. 26, 2010).

Second, Chapter 816 of the 2009 Acts of Assembly directed the Commission to conduct a proceeding to establish two types of pilot programs for certain customers of electric utilities that generate electricity from renewable generation facilities. The first type of pilot program is intended to address dynamic rates for power purchases by eligible customers (“Pilot 1”) and the second type is intended to address dynamic rates allowing participating customers to sell electricity to a participating utility (“Pilot 2”).

The Commission issued its Order Establishing Pilot Programs on July 30, 2010, for the two IOUs with the largest number of customers, DVP and APCo.<sup>23</sup> The Commission found that DVP’s current Rate Schedule 10 for large general service customers and DVP’s proposed experimental dynamic pricing tariffs DP-R, DP-1, and DP-2 satisfy the requirements for Pilot 1. Such tariffs were filed with the Commission in September 2010. The Commission also found that the requirements for Pilot 2 are satisfied by DVP’s current Rate Schedule 19. The SCC directed APCo to develop voluntary pilot programs that were filed in September 2010. On April 8, 2011, and May 18, 2011, the SCC issued orders establishing pilot programs for DVP and APCo, respectively.<sup>24</sup>

## **J. Conservation, Energy Efficiency and Demand Response**

### **1. Activity by Dominion Virginia Power**

#### *Demand-Side Management (“DSM”) Pilot*

DVP continues to file annual reports on one ongoing pilot program, the Distributed Generation/Load Curtailment for Large Non-residential Customers Pilot, approved by the SCC

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<sup>23</sup> *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Establishing pilot programs to develop certain rate structures for renewable generation facilities*, Case No. PUE-2009-00084, 2010 S.C.C. Ann. Rept. 371, Order Establishing Pilot Programs (July 30, 2010), *modified*, 2010 S.C.C. Ann. Rept. 374, Order Establishing Separate Proceedings (Dec. 3, 2010).

<sup>24</sup> *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company’s proposed pilot program on dynamic rates*, Case No. PUE-2010-00135, Doc. Con. Cen. No. 446094, Order Establishing Pilot Program (Apr. 8, 2011); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company’s proposed pilot programs on dynamic rate structures for renewable generation facilities*, Case No. PUE-2010-00134, Doc. Con. Cen. No. 447824, Order Establishing Pilot Programs (May 18, 2011).

in Case No. PUE-2007-00089. This pilot program is currently scheduled to end in December 2014, after which time DVP will file a final comprehensive report on that pilot.

### *Long-Term DSM Programs*

After a hearing involving participation by several respondents and public witnesses, on March 24, 2010, the Commission approved five DSM programs for customers of Dominion Virginia Power.<sup>25</sup> The five programs are as follows:

- The Residential Lighting Program which provides instant rebates on energy efficient lighting for residential customers.
- The Low Income Program which provides energy audits and improvements for low-income residential customers.
- The Commercial Heating/Air Conditioning Upgrade Program which provides HVAC system upgrades to more efficient systems for the commercial sector in exchange for an incentive.
- The Commercial Lighting Program which provides commercial participants with the opportunity to retrofit existing inefficient lighting with more energy efficient lighting in exchange for an incentive.
- The Air Conditioner Cycling Program which allows DVP to control the central air conditioner or heat pumps of participating customers. Under this program, DVP can cycle the unit off and on for short periods of time during peak periods in return for incentive payments.

The Commission found that these programs meet the requirements of Virginia law. In addition, these programs satisfied the Commission's analysis of various tests for cost effectiveness. The programs are approved for a period to expire on March 31, 2013. DVP was directed to provide the Commission with detailed six-month reports during this period. The reports will be used to monitor costs and to determine whether certain programs warrant continuation. DVP issued its initial progress report on October 1, 2010, and an update on April 1, 2011.

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<sup>25</sup> *Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia, Case No. PUE-2009-00081, 2010 S.C.C. Ann. Rept. 362, Order Approving Demand-Side Management Programs (Mar. 24, 2010).*



### *Electric Vehicle (“EV”) Pilot*

Although not filed under the Regulation Act, on January 31, 2011, DVP filed an application to establish an EV pilot program.<sup>26</sup> DVP anticipates that by 2013 more than 5,000 EVs will be in use in its service territory, with the potential for that number to grow to more than 86,000 by 2020. DVP’s pilot program offers time-of-day pricing options to encourage off-peak charging of EVs. One tariff option relates to charging the EV only and operates as a companion tariff to a customer’s existing standard household service tariff. The second tariff option applies to the customer’s entire service from DVP, including the house and the EV. The SCC granted approval of the EV pilot program, subject to certain requirements, on July 11, 2011.

#### **2. Activity by Appalachian Power**

APCo has indicated to the Commission Staff that it will likely file for approval of DSM programs later this year.

#### **3. Activity by Kentucky Utilities (Old Dominion Power Company)**

On April 1, 2011, KU filed an application for an adjustment of electric base rates that included a request for approval of four DSM and Energy Efficiency programs, as well as a Program Administrator to oversee the development, implementation, and management of the programs. KU is proposing a Commercial Audit and Incentives program, a Residential Audit program, a Residential Incentives program, and a Residential Low Income Weatherization program. A hearing for this case is scheduled for September 13, 2011.<sup>27</sup>

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<sup>26</sup> *Application of Virginia Electric and Power Company, For approval to establish an electric vehicle pilot program pursuant to § 56-234 of the Code of Virginia, Case No. PUE-2011-00014, Doc. Con. Cen. No. 449830, Order Granting Approval (July 11, 2011),*

<sup>27</sup> *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For an adjustment of electric rates, Case No. PUE-2011-00013. On May 25, 2011, the Commission also held a local hearing in Norton, Virginia, to receive testimony on the application from public witnesses.*

#### **4. Activity by Nonutility Providers**

The 2010 Report addressed five applications submitted to the SCC for approval to market and to provide demand response programs in APCo's service territory. Energy Curtailment Specialists, Inc.; EnerNOC, Inc.; Comverge, Inc.; CPower, Inc.; and EnergyConnect, Inc., sought to expand their respective participation in PJM's demand response programs by offering such programs to APCo's retail customers. The Commission approved these applications on September 3, 2010.<sup>28</sup> To the Commission Staff's knowledge, none of these curtailment service providers are currently offering service in APCo's service area.

#### **K. Regulatory/Rate Proceedings**

Below is a brief summary of regulatory proceedings, primarily involving rate increase requests, pending before the Commission or completed within the last year. Additional information on these cases is available on the Commission's website and can be reviewed through the *Obtain Case Information* link by entering the case number.

##### **1. Appalachian Power**

###### *Biennial Review*

On March 31, 2011, APCo filed its first biennial review<sup>29</sup> pursuant to § 56-585.1 A of the Code, providing information on its generation, distribution, and transmission services for

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<sup>28</sup> *Application of Energy Curtailment Specialists, Inc., Pursuant to Chapters 752 and 855 of the 2009 Acts of the Virginia General Assembly for approval of demand response programs to be offered to retail customers*, Case No. PUE-2010-00007, 2010 S.C.C. Ann. Rept. 450, Order Granting Approval (Sept. 3, 2010); *Application of EnerNOC, Inc., Pursuant to Chapters 752 and 855 of the 2009 Acts of the Virginia General Assembly for approval of demand response programs to be offered to retail customers*, Case No. PUE-2010-00008, 2010 S.C.C. Ann. Rept. 454, Order Granting Approval (Sept. 3, 2010); *Application of Comverge, Inc., Pursuant to Chapters 752 and 855 of the 2009 Acts of the Virginia General Assembly for approval of demand response programs to be offered to retail customers*, Case No. PUE-2010-00009, 2010 S.C.C. Ann. Rept. 458, Order Granting Approval (Sept. 3, 2010); *Application of CPower, Inc., Pursuant to Chapters 752 and 855 of the 2009 Acts of the Virginia General Assembly for approval of demand response programs to be offered to retail customers*, Case No. PUE-2010-00010, 2010 S.C.C. Ann. Rept. 461, Order Granting Approval (Sept. 3, 2010); *Application of EnergyConnect, Inc., Pursuant to Chapters 752 and 855 of the 2009 Acts of the Virginia General Assembly for approval of demand response programs to be offered to retail customers*, Case No. PUE-2010-00022, 2010 S.C.C. Ann. Rept. 481, Order Granting Approval (Sept. 3, 2010).

<sup>29</sup> *Application of Appalachian Power Company, For a 2011 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2011-00037.

calendar years 2009 and 2010. APCo's application requested an increase in its annual revenues of \$126,364,310, based on a return on equity ("ROE") of 11.65%.<sup>30</sup> APCo represented that the proposed rate increase would raise the average monthly bill of a residential customer using 1,000 kilowatt hours ("kWh") of electricity from \$94.66 to \$105.73, an increase of \$11.07, or 11.7%. As discussed below, APCo also has filed three applications for recovery of costs through rate adjustment clauses ("RACs") simultaneous to the filing of its biennial review. APCo has made several proposals to mitigate the proposed increases. First, \$51 million of the proposed revenue increase in the biennial review reflects the use of new depreciation rates. APCo requested that it be permitted to postpone the implementation of the new depreciation rates and address the issue in its next biennial review proceeding, currently scheduled for 2013.

Other mitigation measures include: (i) a commitment that if jurisdictional earnings exceed the ROE approved by the Commission, APCo would use the net funds available that are not credited to customers pursuant to § 56-585.1 A 8 of the Code to offset future rate increases or invest in improved reliability; (ii) a residential customer rate design that would allow customers to pay lower rates in the months when their usage is typically higher; and (iii) implementation of a capacity cost tracker that would allow a review of APCo's capacity equalization costs annually and could allow customers to receive the benefits of reduced (or allow APCo recovery of increased) capacity equalization payments on a more immediate basis.

On April 12, 2011, the Commission issued its Order for Notice and Hearing in APCo's biennial review proceeding which, among other things, established a procedural schedule and set local public hearings for May 25 and 26, 2011. A hearing to receive public comments and evidence on APCo's biennial review application is scheduled for September 13, 2011. Pursuant to § 56-585.1 A of the Code, the Commission will issue a final order on APCo's biennial review

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<sup>30</sup> This proposed ROE includes a general ROE of 11.15% and a 50 basis point performance incentive for meeting RPS Goal I as provided in § 56-585.2 C of the Code.

on or before November 30, 2011, and the final rates approved by the Commission will become effective within 60 days of the date of the final order.

*Environmental Rate Adjustment Clause*

On March 31, 2011, APCo filed a petition<sup>31</sup> requesting approval of a rate adjustment clause to recover environmental costs (“E-RAC”) pursuant to § 56-585.1 A 5 e of the Code. APCo requested recovery, over a two-year period, of approximately \$77 million of environmental costs that it incurred during 2009 and 2010. If approved by the Commission, the E-RAC would increase the average monthly bill of a residential customer using 1,000 kWh of electricity by \$3.11. On April 12, 2011, the Commission issued an Order for Notice and Hearing which, among other things, set local hearings to receive public comments on APCo’s proposal on May 25 and 26, 2011. A hearing to receive public comments and evidence on the E-RAC is scheduled for August 31, 2011. Pursuant to § 56-585.1 A 7 of the Code, the Commission will issue a final order on APCo’s request for an E-RAC on or before November 30, 2011, and the final rates approved by the Commission will become effective within 60 days of the date of the final order.

*Renewable Portfolio Rate Adjustment Clause*

On March 31, 2011, pursuant to §§ 56-585.1 A 5 d and 56-585.2 E of the Code, APCo filed a petition<sup>32</sup> requesting approval of a rate adjustment clause to recover the incremental costs associated with its participation in a renewable energy portfolio standards program (“RPS-RAC”). APCo’s petition proposed a revenue increase of \$6,284,194 to recover costs incurred from 2008 through 2010 for the wind PPAs discussed previously in this report. If approved, the RPS-RAC would increase the average monthly bill of a residential customer using

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<sup>31</sup> *Application of Appalachian Power Company, For approval of a rate adjustment clause, E-RAC, to recover costs incurred in complying state and federal environmental laws and regulations, pursuant to Va. Code § 56- 85.1 A 5 e, Case No. PUE-2011-00035.*

<sup>32</sup> *Application of Appalachian Power Company, For approval of a rate adjustment clause, RPS-RAC, to recover the incremental costs of participation in the Virginia renewable energy portfolio standard program, pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E, Case No. PUE-2011-00034.*

1,000 kWh of electricity by \$0.65. On April 12, 2011, the Commission issued an Order for Notice and Hearing which, among other things, set local hearings to receive public comments on APCo's proposal for May 25 and 26, 2011. A hearing to receive public comments and evidence on the RPS-RAC is scheduled for October 4, 2011. Pursuant to § 56-585.1 A 7 of the Code, the Commission will issue a final order on APCo's request for an RPS-RAC on or before November 30, 2011, and the final rates approved by the Commission will become effective within 60 days of the date of the final order.

*Rate Adjustment Clause to Recover Dresden Generation Facility Costs*

On March 31, 2011, pursuant to §§ 56-585.1 A 6 of the Code, APCo filed a petition<sup>33</sup> requesting approval of a rate adjustment clause to recover the costs associated with the Dresden Generating Plant, a partially constructed 580 MW natural gas-fired, combined-cycle generating station located in Dresden, Ohio. APCo requested an annual revenue requirement of approximately \$27 million effective March 1, 2012, based on an ROE of 12.15%, which includes the 100 basis point enhancement required pursuant to § 56-585.1 A 6 of the Code. If approved by the SCC, this rate adjustment clause would raise the average monthly bill of a residential customer using 1,000 kWh of electricity by \$2.17. On April 12, 2011, the Commission issued an Order for Notice and Hearing which, among other things, set local hearings to receive public comment on APCo's proposal on May 25 and 26, 2011. A hearing to receive public comment and evidence on this rate adjustment clause is scheduled for August 23, 2011. Pursuant to § 56-585.1 A 7 of the Code, the Commission will issue a final order on APCo's petition on or

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<sup>33</sup> *Application of Appalachian Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia to recover the costs of the Dresden Generating Plant*, Case No. PUE-2011-00036. The Commission, on July 20, 2011, approved an Affiliates Act application allowing APCo to purchase Dresden from its affiliate, AEP Generating Company. See *Application of Appalachian Power Company, AEP Generating Company, and American Electric Power Company, Inc., For authority to enter into affiliate transactions under Title 56, Chapter 4, of the Code of Virginia*, Case No. PUE-2011-00023, Doc. Con. Cen. No. 450157, Order Granting Authority (July 20, 2011).

before December 31, 2011, and the final rates approved by the Commission will become effective within 60 days of the final order.

*Adjustment to Rates for Environmental and Reliability (“E&R”) Costs*

On May 2, 2011, APCo filed an application<sup>34</sup> requesting recovery of the cumulative under-recovered balance of E&R costs of \$4,596,148. This case is the fourth in a series of cases in which the Commission determined the amount of APCo’s E&R costs allowed for recovery through a surcharge pursuant to §§ 56-582 B(vi) and 56-585.1 A 5 of the Code. If approved, this rate adjustment clause is expected to increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$0.26. The Commission scheduled a hearing for September 27, 2011, to receive public comments and evidence on the application.

*Fuel Cases*

At the time of the Commission’s last report, APCo had pending an application<sup>35</sup> requesting to decrease its fuel factor from 2.876 cents/kWh to 2.197 cents/kWh. The Commission allowed the fuel factor of 2.197 cents/kWh to go into effect on an interim basis for service rendered on and after August 1, 2010, and established a hearing date of September 21, 2010, to receive evidence and public comments on the application. On October 6, 2010, the Commission issued its Order Establishing Fuel Factor, which approved the 2.197 cents/kWh fuel rate and continued the case generally.<sup>36</sup>

On July 15, 2011, APCo filed schedules of fuel projections for the period August 2011 through July 2012. In a letter accompanying its fuel projections, APCo stated that it was not requesting a change in its current fuel rate.

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<sup>34</sup> *Application of Appalachian Power Company, For recovery of environmental and reliability costs*, Case No. PUE-2009-00039, Doc. Con. Cen. No. 447592, Order for Notice and Hearing (May 24, 2011).

<sup>35</sup> *Application of Appalachian Power Company, To revise its fuel factor pursuant to Va. Code § 56-249.6*, Case No. PUE-2010-00058, 2010 S.C.C. Ann. Rept. 530, Order Establishing Fuel Factor Proceeding (June 18, 2010).

<sup>36</sup> *Application of Appalachian Power Company, To revise its fuel factor pursuant Va. Code § 56-249.6*, Case No. PUE-2010-00058, 2010 S.C.C. Ann. Rept. 532, Order Establishing Fuel Factor (Oct. 6, 2010).

## 2. Dominion Virginia Power

### *Biennial Review*

On March 31, 2011, DVP filed its first biennial review<sup>37</sup> pursuant to § 56-585.1 A of the Code, providing information on its generation, distribution, and transmission services for calendar years 2009 and 2010. In its application, DVP noted that the Commission-approved Stipulation and Addendum adopted in DVP's 2009 Base Rate Review<sup>38</sup> has narrowed the issues to be determined in the present biennial review proceeding. According to DVP, no change in base rates or in DVP's terms or conditions of standard tariff offerings is permitted prior to December 1, 2013. Thus, DVP stated that this proceeding should be limited to a determination of the proper future ROE and a review of its earnings from the combined twelve-month test periods of calendar years 2009 and 2010.

As provided for in the Stipulation and Addendum<sup>39</sup> in the 2009 Base Rate Review, an ROE "earnings band" of 11.4% to 12.4%, inclusive of a sixty (60) basis point performance incentive, is to be used for the purpose of reviewing DVP's earnings. DVP asserted in its application that it earned an 11.84% ROE on its generation and distribution services, which is within the approved earnings band for the two test periods combined. As such, DVP claimed

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<sup>37</sup> *Application of Virginia Electric and Power Company, For a 2011 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia, Case No. PUE-2011-00027.*

<sup>38</sup> *Application of Virginia Electric and Power Company, For a 2009 statutory review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia, Case No. PUE-2009-00019, 2010 S.C.C. Ann. Rept. 301, Order Approving Stipulation and Addendum (Mar. 11, 2010).*

<sup>39</sup> The Stipulation applies to DVP's Base Rate Review as well as the following: *Application of Virginia Electric and Power Company, For approval of the Annual Filing as required by Final Order of the State Corporation Commission in Case No. PUE-2007-00066 granting approval of the rate adjustment clause, Rider S, with respect to the Virginia City Hybrid Energy Center generation and transmission facilities located in Wise County, Virginia, Case No. PUE-2009-00011; Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia, Case No. PUE-2009-00016; Application of Virginia Electric and Power Company, For approval of a Rate Adjustment Clause for Recovery of the Costs of the Bear Garden Generating Station and Bear Garden-Bremo 230 kV Transmission Interconnection Line, Case No. PUE-2009-00017; Application of Virginia Electric and Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia, Case No. PUE-2009-00018; and Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia, Case No. PUE-2009-00081.*

that no credits are required to be issued pursuant to § 56-585.1 A 8 of the Code. DVP requested that the Commission approve a 12.50% ROE, inclusive of a 100 basis point performance incentive pursuant to § 56-585.1 A 2 c of the Code, for its generation and distribution services, beginning upon the date of the final order in this proceeding.

A hearing to receive public comments and evidence on DVP's biennial review application is scheduled for September 20, 2011.

*Rate Adjustment Clauses to Recover Generation Facility Costs*

*i. Virginia City Hybrid Energy Center ("VCHEC")*

At the time of the Commission's last report, DVP had pending before the Commission an application<sup>40</sup> to update Rider S ("2011 Rider S") relating to the VCHEC in Wise County, Virginia. The 2011 Rider S is a rate adjustment clause designed to recover projected carrying costs for the rate year; allowance for funds used during construction ("AFUDC") accrued prior to January 1, 2009; and an under-recovery of costs during the 2009 rate year. The proposed 2011 Rider S is designed to recover \$200 million during the rate year beginning April 1, 2011, based on a 12.3% ROE (including a general ROE of 11.3% and an incentive of 100 basis points for a conventional coal plant, in accordance with § 56-585.1 A 6 of the Code). The Commission approved the 2011 Rider S on March 22, 2011. The Commission's Order provided that issues relating to the establishment of a general ROE should be addressed in DVP's biennial review proceeding to be filed by March 31, 2011.

On June 27, 2011, DVP filed its annual update to Rider S ("2012 Rider S").<sup>41</sup> The application states that the VCHEC generating facility is generally progressing on schedule and

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<sup>40</sup> *Application of Virginia Electric and Power Company, For approval of the annual filing as required by Final Order of the State Corporation Commission in Case No. PUE-2007-00066 granting approval of a rate adjustment clause, Rider S, with respect to the Virginia City Hybrid Energy Center generation and transmission facilities located in Wise County, Virginia, Case No. PUE-2010-00054, Doc. Con. Cen. No. 445133, Order Approving Rate Adjustment Clause (Mar. 22, 2011).*

<sup>41</sup> *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center, for the rate year commencing April 1, 2012, Case No. PUE-2011-00067.*



on budget and that it is 84% complete. The projected budget remains at \$1.8 billion, excluding financing costs, and the generation facility is expected to become operational on July 16, 2012. DVP requests recovery of \$249,322,000 during the twelve months of April 2012 through March 2013, based on an ROE of 13.5%.<sup>42</sup> The proposed ROE is comprised of a general ROE of 11.5%, a performance incentive of 100 basis points pursuant to § 56-585.1 A 2 c of the Code, and an enhanced return of 100 basis points applicable to a conventional coal generating facility in accordance with § 56-585.1 A 6 of the Code. DVP estimates that as proposed, the 2012 Rider S would increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$1.07 during the rate year. A hearing to receive public comments and evidence on the 2012 Rider S application is scheduled for December 13, 2011.

*ii. Bear Garden Generating Facility*

Also pending before the Commission at the time of its last report was DVP's application to update Rider R<sup>43</sup> ("2011 Rider R") relating to the Bear Garden Generating Facility. The application requests that Rider R be increased to recover projected carrying costs and operations and maintenance costs for the rate year, as well as the remaining unrecovered AFUDC accrued during 2009. The proposed 2011 Rider R is designed to recover \$85.9 million for the rate year April 1, 2011 through March 31, 2012, based on a 12.3% ROE (including a general ROE of 11.3% and an incentive of 100 basis points for a combined-cycle combustion turbine in accordance with § 56-585.1 A 6 of the Code). The Commission approved the 2011 Rider R on March 22, 2011. The Commission's Order provided that issues relating to the establishment of a general ROE should be addressed in DVP's 2011 biennial review proceeding, Case No. PUE-2011-00027.

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<sup>42</sup> This ROE is proposed as a placeholder. The actual ROE will be determined by the Commission in DVP's biennial review proceeding, Case No. PUE-2011-00027, discussed above.

<sup>43</sup> *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider R, Bear Garden Generating Station for 2011-2012*, Case No. PUE-2010-00055, Doc. Con. Cen. No. 445132, Order Approving Rate Adjustment Clause (Mar. 22, 2011).

On June 27, 2011, DVP filed its annual update to Rider R (“2012 Rider R”).<sup>44</sup> The application stated that the Bear Garden generating facility is 99% complete and has been in commercial operation since May 23, 2011. DVP requested recovery of \$81,007,000 during the twelve months of April 2012 through March 2013 based on an ROE of 13.5%.<sup>45</sup> The ROE is comprised of a general ROE of 11.5%, a performance incentive of 100 basis points pursuant to § 56-585.1 A 2 c of the Code, and an enhanced return of 100 basis points applicable to a combined-cycle generating facility in accordance with § 56-585.1 A 6 of the Code. DVP estimates that the 2012 Rider R would increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$0.10 throughout the rate year. A hearing to receive public comments and evidence on the 2012 Rider R application is scheduled for December 15, 2011.

*iii. Warren County*

On May 2, 2011, DVP filed an application for certificates of public convenience and necessity (“CPCN”) to construct and operate generation facilities and to construct transmission interconnection facilities and for a new rate adjustment clause (“Rider W”) for its Warren County Power Station.<sup>46</sup> This project is a 1,329 MW natural gas-fired combined-cycle generation facility in Warren County, Virginia. DVP estimates the total projected cost of this project to be approximately \$1.091 billion, excluding financing costs. DVP currently seeks to recover, through rates proposed to be effective April 1, 2012, an annual revenue requirement of approximately \$39 million in projected financing costs and AFUDC. To calculate the proposed revenue requirement of \$39 million, DVP used an ROE of 13.5%, including the 11.5% general ROE and 100 basis point performance incentive proposed in its pending biennial review

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<sup>44</sup> *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider R, Bear Garden Generating Station for 2012-2013*, Case No. PUE-2011-00066.

<sup>45</sup> This ROE is proposed as a placeholder. The actual ROE will be determined by the Commission in DVP’s biennial review proceeding, Case No. PUE-2011-00027, discussed above.

<sup>46</sup> *Application of Virginia Electric and Power Company, For approval and certification of the proposed Warren County Power Station electric generation and related transmission facilities under §§ 56-580 D, 56-265.2, and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated as Rider W, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00042.

proceeding plus a 100 basis point enhancement authorized by § 56-585.1 A 6 of the Code for a combined cycle generating facility. DVP's application further proposed that the 100 basis point ROE enhancement be applied through the first twenty (20) years of the service life of the Warren County Power Station. If approved by the Commission, the proposed Rider W would increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$0.75 from April 1, 2012, through March 31, 2013. A hearing to receive public comments and evidence on the application is scheduled for December 6, 2011.

*iv. Biomass conversions*

On June 27, 2011, DVP filed three applications to amend and reissue a CPCNs for major unit modifications to its existing Altavista, Hopewell, and Southampton power stations.<sup>47</sup> The applications also propose a new rate adjustment clause (“Rider B”) to recover costs associated with such conversions. DVP proposed to convert each of these coal-fired generation facilities to biomass facilities at a total projected cost of \$165.8 million, excluding carrying costs. DVP asserted that these conversions qualify as major unit modifications under § 56-585.1 A 6 of the Code. The proposed first year revenue requirement for recovery of financing costs associated with the three facilities is \$7,297,000. The revenue requirement is based on an ROE of 14.5%, which includes a general ROE of 11.5%, a performance incentive of 100 basis points, as provided by § 56-585.1 A 2 c of the Code, and an enhanced return of 200 basis points as provided by § 56-585.1 A 6 of the Code, for renewable powered generation facilities. DVP requested that the 200 basis points enhanced return be applied during the conversion process and

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<sup>47</sup> *Application of Virginia Electric and Power Company, For approval and certification of the proposed major unit modification of the Altavista Power Station under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause under § 56-585.1 A 6 of the Code of Virginia, Case No. PUE-2011-00073; Application of Virginia Electric and Power Company, For approval and certification of the proposed major unit modification of the Hopewell Power Station under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause under § 56-585.1 A 6 of the Code of Virginia, Case No. PUE-2011-00074; and Application of Virginia Electric and Power Company, For approval and certification of the proposed major unit modification of the Southampton Power Station under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause under § 56-585.1 A 6 of the Code of Virginia, Case No. PUE-2011-00075.* These three petitions were combined into one proceeding under Case No. PUE-2011-00073.

for the first 15 years of these facilities' service lives upon conversion, the maximum period allowed by the Code. DVP proposed that Rider B be effective for a rate year beginning April 1, 2012, through March 31, 2013. If approved as proposed, Rider B would increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$0.14. On July 19, 2011, the Commission issued an Order regarding such conversions which, among other things, consolidated the three submissions and scheduled a hearing to receive public comments and evidence on these proposed conversions on January 10, 2012.

### *Fuel Cases*

At the time of the 2010 Report, DVP's April 30, 2010 application to decrease its fuel factor from 2.927 cents/kWh to 2.803 cents/kWh effective July 1, 2010, was pending. After the October 7, 2010 hearing, the Commission issued its Order Establishing Fuel Factor, which, among other things, approved the fuel factor of 2.803 cents/kWh effective July 1, 2010.<sup>48</sup>

On May 2, 2011, DVP filed an application to increase its fuel factor effective July 1, 2011, from 2.803 cents/kWh to 3.620 cents/kWh. DVP's application stated that DVP experienced a significant under-recovery of fuel expenses during the prior fuel period of July 2010 through June 2011, caused primarily by atypical weather conditions. DVP proposed a mitigation plan which would provide for recovery of the under-recovery amount over a two-year period beginning July 1, 2011. The Commission issued its Order Establishing Fuel Factor on June 27, 2011, which, among other things, adopted the mitigation proposal and established a fuel factor of 3.289 cents/kWh effective July 1, 2011.<sup>49</sup>

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<sup>48</sup> *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2010-00042, 2010 S.C.C. Ann. Rept. 504, Order Establishing Fuel Factor (Oct. 7, 2010).

<sup>49</sup> *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2011-00045, Doc. Con. Cen. No. 449279, Order Establishing Fuel Factor (June 27, 2011).

### *Transmission Rate Adjustment Clause*

Pursuant to § 56-585.1 A 4, DVP filed an application on May 2, 2011, to recover costs it is charged by its regional transmission provider, PJM, through a rate adjustment clause (“Rider T”). DVP’s application states that implementation of the proposed Rider T would produce an annual revenue increase of \$143.7 million, based on a proposed annual revenue requirement of \$480.7 million. DVP proposed that Rider T become effective September 1, 2011. After a hearing, the Commission issued its Final Order on July 19, 2011, which, among other things, approved a modified Rider T effective September 1, 2011, and denied recovery of carrying costs on cumulative over- or under-recoveries of Rider T costs.<sup>50</sup>

### *Riders C1 and C2*

On July 30, 2010, DVP filed an application to continue its riders (“2011 C1/C2 Riders”) for recovery of costs associated with its DSM programs. The application requested a total annual revenue requirement of approximately \$23.4 million, representing a decrease of \$4.6 million from the previously authorized level. After the March 22, 2011 hearing, the Commission denied DVP’s request to recover lost revenue reductions that DVP asserted were caused by its compact fluorescent light program because the data provided by DVP failed to support a “measured and verified decreased consumption of electricity caused by energy efficiency programs” as required by § 56-576 of the Code.<sup>51</sup> The Commission approved the use of a placeholder ROE of 11.3% and held that issues relating to the establishment of a general ROE should be addressed in DVP’s 2011 biennial review proceeding.

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<sup>50</sup> *Application of Virginia Electric and Power Company, For approval of rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia*, Case No. PUE-2011-00044, Doc. Con. Cen. No. 450093, Final Order (July 19, 2011).

<sup>51</sup> *Application of Virginia Electric and Power Company, For approval to continue two rate adjustment clauses, Riders C1 and C2, as required by the Order Approving Demand-Side Management Programs of the State Corporation Commission in Case No. PUE-2009-00081*, Case No. PUE-2010-00084, Doc. Con. Cen. No. 445134, Order Approving Rate Adjustment Clause (Mar. 22, 2011), *modified*, Doc. Con. Cen. No. 449536, Order Granting Motion (June 30, 2011). See also the definition of “Revenue reductions related to energy efficiency programs” in § 56-576 of the Code.

### **3. Allegheny Power**

As discussed in the 2010 Report, on June 4, 2010, Allegheny Energy, Inc., Allegheny Power, TrAILCo, and FirstEnergy Corp. filed a Joint Petition requesting authority to transfer control of Allegheny Power and TrAILCo to FirstEnergy Corp. The Commission issued its Final Order approving the transfer of control on September 9, 2010.<sup>52</sup>

### **4. Kentucky Utilities (Old Dominion Power Company)**

#### *Acquisition*

On June 14, 2010, the Commission received the Joint Petition of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC and Kentucky Utilities Company d/b/a Old Dominion Power Company (“KU/ODP”) requesting approval of the transfer of control of KU/ODP by E.ON US Investments to PPL Corporation. On October 19, 2010, the Commission approved the transfer subject to certain requirements designed to protect the public interest.<sup>53</sup>

#### *Fuel Case*

On February 11, 2011, KU/ODP filed an application requesting an increase in its levelized fuel factor from 2.482 cents/kWh to 3.042 cents/kWh effective April 1, 2011. KU/ODP asserted such increase was largely driven by the expiration of a correction factor credit and an under-recovery of fuel expenses for the prior twelve months, offset in part by a reduction in coal expense projections. KU/ODP proposed to recover its under-recovery of \$5.96 million

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<sup>52</sup> *Joint Petition of Allegheny Energy, Inc., FirstEnergy Corp., Trans-Allegheny Interstate Line Company, and the Potomac Edison Company d/b/a Allegheny Power, For approval of the acquisition of control of The Potomac Edison Company d/b/a Allegheny Power and Trans-Allegheny Interstate Line Company by FirstEnergy Corp., pursuant to the Utility Transfers Act, Case No. PUE-2010-00056, 2010 S.C.C. Ann. Rept. 527, Final Order (Sept. 9, 2010).*

<sup>53</sup> *Joint Petition of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC, and Kentucky Utilities Company, For approval of transfer of ownership and control, Case No. PUE-2010-00060, 2010 S.C.C. Ann. Rept. 534, Final Order (Oct. 19, 2010).*

over a three-year period. On March 29, 2011, the Commission approved a fuel factor of 3.026 cents/kWh effective April 1, 2011.<sup>54</sup>

#### *General Rate Case*

On April 1, 2011, KU/ODP filed an application with the Commission requesting authority to increase its annual revenues by \$9.3 million. If approved by the Commission, the proposal would increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$14.46, or 17.58%. The Commission has suspended the proposed rates until it issues a final order. The Commission will hold a hearing in Richmond on September 13, 2011, to receive further public comments and evidence on the application.<sup>55</sup>

#### **5. Central Virginia Electric Cooperative**

Central Virginia Electric Cooperative (“CVEC”) filed an application for a general increase in its rates on December 22, 2010. CVEC requested an annual revenue increase of approximately \$3 million, or 5.21%, based on a times interest earned ratio (“TIER”) of 2.15. The Commission allowed CVEC’s proposed rates to become effective on an interim basis, subject to refund with interest, for service rendered on and after May 1, 2011.<sup>56</sup> A hearing on CVEC’s application was held on July 28, 2011. On August 17, 2011, the Hearing Examiner issued a Report adopting a stipulation between CVEC and the Staff which and recommending that CVEC’s proposed revenue increase be adopted by the Commission.

#### **6. Northern Virginia Electric Cooperative**

On July 30, 2010, Northern Virginia Electric Cooperative (“NOVEC”) filed an application for general rate relief pursuant to §§ 56-231.33, 56-235 and 56-585.3 of the Code as

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<sup>54</sup> *Application of Kentucky Utilities d/b/a Old Dominion Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2011-00019, Doc. Con. Cen. No. 445402, Order Establishing Fuel Factor (Mar. 29, 2011).

<sup>55</sup> *Application of Kentucky Utilities d/b/a Old Dominion Power Company, For an adjustment of electric base rates*, Case No. PUE-2011-00013. The Commission also held a hearing on May 25, 2011, in Norton, Virginia, to receive public comments regarding this application.

<sup>56</sup> *Application of Central Virginia Electric Cooperative, For a general increase in rates*, Case No. PUE-2010-00095.

required by the Commission's Orders in Case No. PUE-2008-00083.<sup>57</sup> The application proposed a decrease in annual revenues of \$9.8 million resulting in a TIER of 5.74. On July 27, 2011, the Commission approved a \$17.5 million decrease in NOVEC's rates, as agreed to by the case participants through a stipulation, and found that NOVEC should return to customers through a special cash back process certain 2009 and 2010 power supply cost variances, as agreed to by resolution passed by NOVEC's Board of Directors.<sup>58</sup>

## **7. Electricity Prices**

Pursuant to the Seventh Enactment Clause of Chapter 933 of the 2007 Acts of Assembly, the Commission is to report, by November 1, 2012, on the rates, terms and conditions of incumbent electric utilities in the Commonwealth. The report is to include analyses of the amount, reliability, and type of generation facilities required to serve Virginia native load compared to that available to serve such load, and must compare Virginia incumbent electric utilities to those in their peer groups that meet the criteria of § 56-585.1 A 2 of the Code. Section 56-585.1 A 2 e of the Code requires that in setting the ROE for an electric IOU, "the Commission shall strive to maintain costs of retail electric energy that are cost competitive with costs of retail electric energy provided by the other peer group investor-owned electric utilities."

Pursuant to these directives, the Commission has developed several rate comparisons that utilize information from various Edison Electric Institute ("EEI") publications in an effort to assess the competitiveness of DVP's and APCo's rates as compared to those of the statutorily defined peer group. In examining rate competitiveness, this analysis focused on the level of rates and did not attempt to focus on other potential measures of competitiveness such as electrical costs as a percent of income or as a percent of production costs.

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<sup>57</sup> *Application of Northern Virginia Electric Cooperative, For a modification of its tariff*, Case No. PUE-2008-00083, 2009 S.C.C. Ann. Rept. 343, Order on Reconsideration (Feb. 17, 2009).

<sup>58</sup> *Application of Northern Virginia Electric Cooperative, For general rate relief*, Case No. PUE-2010-00044, Doc. Con. Cen. No. 450460, Final Order (July 27, 2011).



The EEI information was used in several ways to rank the rates of APCo, DVP, and their peer group from lowest to highest. First, the EEI data was used to compare average revenue per kWh for total, residential, commercial, and industrial rates for 2006 and 2010.<sup>59</sup> The 2010 information was utilized to assess the competitiveness of the then current rates. The 2010 information was then compared to the 2006 data to determine whether there has been any upward or downward trend in DVP's or APCo's rate competitiveness.

Typical bills for DVP, APCo, and the statutorily defined peer group were also examined for differing customer groups and varying ranges of consumption.<sup>60</sup> This analysis focuses on typical bills for residential, commercial, and industrial customers and examines the competitiveness of DVP's rates and APCo's rates that were in effect on January 1, 2011, and any change of such rates in effect in 2006. It should be noted that the typical bill comparisons are based on the annualized rates in effect on January 1, 2011, and as such do not reflect any subsequent or pending rate changes. These pending requests could lessen the competitiveness of DVP's or APCo's rates if the rates of the peer group do not change on a comparable basis.

The average revenue per kWh information is summarized in Appendix 1 to this report, which presents the average 2006 and 2010 revenue information for DVP, APCo, and the statutorily defined peer group for total, residential, commercial, and industrial rates.

Appendices 2, 3, and 4 for residential, commercial, and industrial customers, respectively, present typical bill information for DVP, APCo, and the statutorily defined peer group. The typical bills presented in these appendices are annualized so that seasonal rate differences (i.e., summer and winter rate differentials) are averaged across the year. Typical bills are presented separately by state for those companies that serve in multiple states.

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<sup>59</sup> The 2010 information was taken from EEI's "Typical Bills and Average Rates Report Winter 2011" and the Excel files accompanying that report. The 2006 information was taken from EEI's "Typical Bills and Average Rates Report Winter 2007" and the Excel files accompanying that report.

<sup>60</sup> Typical Bills are presented based on the Usage and Demand levels reported in the EEI reports.

### *DVP's Rate Comparisons*

As demonstrated in Appendix 1, DVP's 2010 rankings<sup>61</sup> range from 3<sup>rd</sup> to 4<sup>th</sup> out of the 14 companies in the statutorily defined peer group. Additionally, DVP's average rates are lower than the average for EEI's South Atlantic region<sup>62</sup> and the U.S. average for each rate group with the exception of the industrial rate group. These comparisons indicate that DVP's 2010 rates were considered competitive within the Company's peer group, the South Atlantic region, and the United States.

The Commission also compared DVP's 2010 average revenue per kWh rankings to its 2006 rankings and found little change. It should be noted that DVP had a number of rate credits in effect and made some rate refunds in 2010. These rate adjustments could have resulted in temporarily lower rankings than would be associated with current rates since those adjustments have now been eliminated or modified. In other words, the 2010 average revenue per kWh rankings may not be the best indicator of the competitiveness of DVP's current rates. The typical bill comparisons, which are based on January 2011 rates, may provide greater insight into the competitiveness of DVP's current rates since they reflect more current information.

As Appendix 2 shows, DVP's January 1, 2011 annualized residential rates have rankings that place it from 10<sup>th</sup> to 11<sup>th</sup> out of the 17 companies listed and are below the U.S. and South Atlantic regional averages. DVP's typical residential bill rankings have slipped four to six places since 2006, sliding from the upper to the lower half of the peer group.

Appendix 3 reflects that DVP's commercial rates still seem competitive despite some decline in rankings since 2006. DVP's January 1, 2011 annualized commercial rates range from 7<sup>th</sup> to 10<sup>th</sup> out of the 17 companies listed and are below the U.S. and South Atlantic regional averages.

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<sup>61</sup> The rankings are based on lowest to highest average revenue per kWh.

<sup>62</sup> EEI's South Atlantic region includes Delaware, the District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia.

Appendix 4 demonstrates that DVP's industrial rates still seem competitive with the rates of the peer group despite some decline in rank. DVP's January 1, 2011 annualized industrial rates range from 5<sup>th</sup> to 11<sup>th</sup> out of the 17 companies listed and are below the U.S. average and, for the most part, are below the South Atlantic regional average.

#### *APCo's Rate Comparisons*

Appendix 1 shows that APCo's 2010 rankings<sup>63</sup> range from 5<sup>th</sup> to 8<sup>th</sup> out of the 13 companies in this peer group. Additionally, APCo's average rates are lower than the average for EEI's South Atlantic region and the U.S. average for each rate group with the exception of the industrial rate group. These comparisons indicate that APCo's 2010 rates were reasonably competitive within APCo's peer group. It should be noted that while APCo's average industrial rates were reasonably ranked within its peer group, its average industrial revenue per kWh exceeds the comparable average for the South Atlantic Region. This ranking does not necessarily indicate that APCo's rates are not competitive within the region, however, because average industrial rates, like all other rates, can be heavily influenced by the nature of a company's customers. For example, average rates may be higher, all other things being equal, if a company's industrial customers are smaller in size and have lower load factors. Thus, the competitiveness of APCo's industrial rates can be examined more closely through the Staff's examination of bills, which considers customer sizes and, indirectly, load factors.

While the 2010 average rate information indicates that APCo is still reasonably competitive within its peer group, a comparison of the 2010 rankings to the 2006 rankings indicates that APCo's competitiveness has declined. This is borne out by the fact that APCo's percentage change in rates was significantly in excess of that of the peer group, the South Atlantic Region and the U.S. average. The Company's relative rankings fell by six, seven, four and seven places for total, residential, commercial, and industrial rates, respectively. If this trend

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<sup>63</sup> The rankings are based on lowest to highest average revenue per kWh.

continues, there is a concern that APCo may become less competitive if its rates continue to increase relative to the rates of its peer group and the region.

Appendix 2 reflects that although APCo's rankings have slipped since 2006, the residential rates still seem competitive. APCo's January 1, 2011 annualized residential rates range from 4<sup>th</sup> to 6<sup>th</sup> out of the 17 companies listed and are below the U.S. and South Atlantic regional averages.

Appendix 3 shows that APCo's commercial rates also still seem competitive despite some decline in rank for larger, higher load factor customers. APCo's January 1, 2011 annualized commercial rates range from 2<sup>nd</sup> to 8<sup>th</sup> out of the 17 companies listed and are below the U.S. and South Atlantic regional averages.

Appendix 4 reveals that APCo's January 1, 2011 annualized industrial rates range from 2<sup>nd</sup> to 4<sup>th</sup> out of the 17 companies listed and are below the U.S. and South Atlantic regional averages. APCo's industrial bill rankings have slipped only slightly since 2006, which seems to indicate that APCo's industrial rates are still competitive irrespective of results of the average industrial revenue per kWh comparisons.

### **III. REGIONAL TRANSMISSION ENTITY PARTICIPATION**

Section 56-579 G of the Code requires the Commission to report annually "its assessment of the practices and policies of the regional transmission entity ("RTE") to which the Commission has approved the transfer of management and control of an incumbent electric utility's transmission assets."<sup>64</sup> APCo, DVP, and Old Dominion Electric Cooperative ("ODEC") are currently participating in such an RTE known as PJM.<sup>65</sup> This report will discuss recent developments in RTE participation and the impacts of RTE operations on the energy market.

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<sup>64</sup> This is also referred to as regional transmission organization, or RTO.

<sup>65</sup> PJM accepted control of AEP's transmission facilities (including those of APCo) on October 1, 2004, and Dominion Virginia Power's transmission facilities on May 1, 2005.

Pursuant to § 56-579 A of the Code, Virginia's largest electric utilities have now been integrated into PJM for over six years and will continue to participate in PJM markets and processes in substantial ways. For example, Virginia's electric cooperatives and municipal utilities and their retail customers remain affected by PJM wholesale market electricity prices. Also, Dominion Virginia Power currently purchases a significant portion of its energy needs from PJM-administered wholesale markets. In addition, Virginia's utilities participate in PJM demand response programs and are affected by PJM's planning of major bulk transmission lines.

Prices associated with PJM's energy markets are based on a system of locational marginal prices, commonly referred to as LMP, where the price for a given time increment is based on the offer to sell electricity submitted by the last, or highest-priced, unit needed to operate during that time period, as selected through a competitive auction. All units selected during this time interval receive the same payment based on the last selected bid; i.e., the "market clearing" price. Virginia's electricity consumers are impacted to the extent that its utilities purchase electricity from the PJM market.

PJM also manages a Capacity Market that is designed to ensure the adequate availability of necessary resources; i.e., generating capacity or demand response that can be called upon whenever needed to ensure the reliability of the grid. The basis for the PJM capacity market design is the Reliability Pricing Model ("RPM"). The goal of RPM is to align capacity pricing with system reliability requirements and to provide transparent information to all market participants far enough in advance for actionable response to the information. In simpler terms, RPM is supposed to produce prices high enough to spur construction of new generation or transmission where it was needed to promote reliable service. DVP, APCo and ODEC participate in the RPM. The PJM Capacity Market also contains an alternative method of participation, known as the Fixed Resource Requirement ("FRR") Alternative. The FRR Alternative provides utilities with the option to submit an FRR Capacity Plan and meet a fixed

capacity resource requirement as an alternative to the requirement to participate in the RPM. APCo utilizes the FRR Alternative.

#### **IV. SIGNIFICANT RTE-RELATED DOCKETS AT THE FERC**

Section 56-579 C of the Code directs the Commission to participate “to the fullest extent permitted” in RTE-related dockets at the FERC. Following is a discussion of recent developments in significant RTE-related dockets at the FERC in which the SCC has participated.

##### **A. PJM’s Reliability Pricing Model (“RPM”)**

PJM has conducted several RPM auctions under procedures approved by the FERC. The May 2008 auction, for the 2011-2012 delivery year, was the first to procure capacity under a full three-year forward commitment. The FERC has adjudicated numerous disputes regarding the RPM auctions, and the Commission has frequently intervened in support of such complaints, reiterating its earlier statements to the FERC that PJM has not demonstrated that the RPM construct results in just and reasonable rates. Most recently, on December 2, 2010, PJM proposed revisions to the RPM tariff to provide a new definition for *Existing Generation Capacity Resource* and revisions to ensure that capacity from a new *Generation Capacity Resource* and a capacity modification to an *Existing Generation Capacity Resource* are treated similarly when mitigating potential abuse of market power. PJM also clarified the must-offer requirement so that it applies to a *Generation Capacity Resource* that is in service at the commencement of any RPM auction rather than just at the commencement of the Base Residual Auction for a particular delivery year.<sup>66</sup> FERC approved the tariff revisions in January 2011.

Previously, a number of interested parties challenged the structure of the RPM auctions alleging that the RPM allowed suppliers of electric capacity to exercise their market power to set artificially inflated prices in auctions held before May 2008. On February 8, 2011, the U.S.

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<sup>66</sup> PJM conducts a Base Residual Auction each year to establish prices for the three-year planning horizon and also conducts incremental auctions as needed to adjust the PJM supply portfolio for known conditions.

Court of Appeals for the DC Circuit denied the parties' petition for review, concluding that the FERC had adequately explained why the Locational Capacity Prices resulting from the RPM auctions were just and reasonable.

## **B. Issues Related to PJM's Market Monitoring Function**

The Commission and Staff have long been concerned with market monitoring issues at PJM. OPSI has shared these concerns as well. The Commission, working with OPSI, continues to observe interactions between PJM and its market monitor and communicates with the market monitor on a regular basis regarding such issues.

## **C. FERC's Rulemaking on Wholesale Competition in Regions with Organized Markets**

The FERC issued an Advanced Notice of Proposed Rulemaking on June 22, 2007, and a Notice of Proposed Rulemaking ("NOPR") on February 22, 2008, proposing substantive changes to the rules governing RTEs and their markets in four areas: demand response, long-term contracting, market monitoring, and RTE/ISO<sup>67</sup> responsiveness. On October 17, 2008, the FERC issued Order No. 719, its Final Rule on Wholesale Competition in Regions with Organized Markets.<sup>68</sup> In general, the Final Rule adopted the proposals in the NOPR.

On April 29, 2009, PJM filed with the FERC a Compliance Filing purporting to implement Order No. 719. On December 18, 2009, the FERC largely approved PJM's compliance filing, but it required PJM to make additional proposals, including tariff revisions more narrowly defining the respective roles of PJM and its market monitor, as well as a provision governing operating reserve shortages and scarcity pricing.<sup>69</sup>

On March 18, 2010, PJM submitted a second compliance filing as directed in the December 18, 2009 Order. The FERC accepted the majority of the proposed revisions but

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<sup>67</sup> "ISO" is an acronym for the term "independent system operator."

<sup>68</sup> *Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719, 73 Fed. Reg. 64,100 (October 28, 2008), FERC Stats. & Regs. ¶ 31,281 (2008) ("Order No. 719"), on reh'g, Order No. 719-A, FERC Stats. & Reg. ¶ 31,292 (2009) ("Order No. 719-A"), on reh'g, Order No. 719-B, 129 FERC ¶ 61,252 (2009) ("Order No. 719-B").

<sup>69</sup> PJM Interconnection, L.L.C., 129 FERC ¶ 61,250 (2009).

directed that further revisions be made in a third compliance filing, including circumstances in which the market monitor could take corrective action without referring violations to the FERC, as well as circumstances in which PJM could take corrective action independent of the market monitor.<sup>70</sup> PJM's compliance filing of November 10, 2010, was approved by the FERC on January 20, 2011.<sup>71</sup>

#### **D. Cost Allocation and Regional Transmission Planning**

In 2007, the FERC approved a proposal from PJM that would socialize costs of transmission projects operating at or above 500 kV across all PJM transmission zones, based on the transmission owners' respective load ratio shares.<sup>72</sup> Projects operating below 500 kV would remain under PJM's existing methodology, wherein all new facilities in PJM's region have been financed by contributions from the region's electric utilities calculated on the basis of the benefits that each utility receives from the facilities.

On August 6, 2009, the U.S. Court of Appeals for the Seventh Circuit ruled that the FERC had not justified its cost allocation methodology for projects operating above 500 kV, finding that the FERC is not authorized to approve a pricing scheme that requires a group of utilities to pay for facilities from which its members derive no benefits, or benefits that are trivial in relation to the costs sought to be shifted to its members.<sup>73</sup> The Court remanded the case to the FERC for further consideration.

On June 17, 2010, the FERC issued a NOPR proposing reforms to its transmission planning and cost allocation policy. In the NOPR, the FERC proposed that transmission providers be required to participate in regional transmission planning processes to develop regional transmission plans that would identify necessary transmission facilities and

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<sup>70</sup> PJM Interconnection, L.L.C., 132 FERC ¶ 61,123 (2010).

<sup>71</sup> PJM Interconnection, L.L.C., 134 FERC ¶ 61,040 (2011).

<sup>72</sup> PJM Interconnection, L.L.C., 119 FERC ¶ 61,063 (2007), reh'g denied, 122 FERC ¶ 61,082 (2008).

<sup>73</sup> *Illinois Commerce Comm'n v. F.E.R.C.*, 576 F.3d 470 (7th Cir. 2009).



non-transmission solutions. In addition, a transmission provider would be required to specify in its Open Access Transmission Tariff the procedures for evaluating transmission projects proposed to satisfy public policy requirements. The FERC stated that this requirement is not intended to preempt state planning requirements or IRPs.

The NOPR also included provisions intended to prevent undue discrimination against non-utility transmission providers (i.e., merchant transmission developers), eliminated the right of first refusal previously provided to utilities when developing transmission projects, and proposed to improve coordination between regional planning processes.

Finally, although not specifically in response to the cost allocation order of the U.S. Court of Appeals for the Seventh Circuit, the NOPR proposed changes to cost allocation for transmission projects. Under the NOPR, costs should be allocated in a manner roughly commensurate with the benefits provided by the project, and those receiving no benefits should not be involuntarily assigned costs for the project. The cost allocation method and procedures used to determine benefits and beneficiaries must be transparent. The FERC did not identify specific cost allocation methodologies that must be used and indicated that different regions could use different methodologies and that different methodologies could be used within a region for different types of projects (i.e., facilities needed for reliability, congestion relief, or to achieve public policy requirements). On July 21, 2011, FERC issued its Final Rule, requiring transmission providers to participate in regional transmission processes.<sup>74</sup> The Final Rule largely tracked the NOPR and required consideration of non-transmission alternatives, eliminated the

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<sup>74</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011).

federal right of first refusal, and required that regional cost allocation methodologies follow six general principles of cost allocation.<sup>75</sup>

#### **E. Eastern Interconnection Planning Collaborative**

The Eastern Interconnection Planning Collaborative (“EIPC”) is a coalition of 24 regional Planning Authorities listed on the North American Electric Reliability Corporation compliance registry, and other interested stakeholders, representing the entire Eastern Interconnection. EIPC was recently awarded a \$16 million grant by the U.S. Department of Energy (“DOE”) to integrate existing sub-regional plans and evaluate longer-term resource and policy scenarios. Subsequently, the Eastern Interconnect States Planning Council<sup>76</sup> was awarded a \$14 million grant by the DOE to develop inputs as needed to go into the interconnection-level analyses prepared by EIPC and to designate energy zones of particular interest for low- or no-carbon electricity.

The Commission has participated in discussions relating to the implementation of the studies to be funded by the DOE grant.<sup>77</sup> Such studies will be directed by the National Association of Regulatory Utility Commissioners, of which the Commission is a member. The Staff has been attending meetings and is part of the ongoing discussions and studies.

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<sup>75</sup> The six principles are: (1) Costs should be allocated in a way roughly commensurate with benefits; (2) no involuntary allocation of costs to non-beneficiaries; (3) cost-benefit thresholds should not be set so high as to exclude projects with significant positive net benefits; (4) allocation must be solely within a planning region unless outsiders voluntarily assume costs; (5) there must be a transparent method for determining benefits and identifying beneficiaries; and (6) a region may elect to use different cost allocation methodologies for different types of facilities.

<sup>76</sup> The District of Columbia, the City of New Orleans, and the 39 states located within the Eastern Interconnection comprise the 41 entities that have jurisdiction over the retail electric industry.

<sup>77</sup> The Commission’s participation does not imply that the Commission endorses any specific recommendations or agreements that may result from the EIPC, and the Commission has expressly reserved the right to oppose or decline to endorse any specific proposal or recommendation that the Commission believes conflicts, expressly or implicitly, with Virginia law.

## **V. CLOSING**

The Commission continues to oversee the activities under the Virginia Electric Utility Regulation Act. The SCC does not tender any legislative recommendations at this time but stands ready to provide additional information or assistance if requested.

## **Appendix 1**

<b>Total Rate:</b>	<b>2006 ¢/kWh</b>	<b>2010 ¢/kWh</b>	<b>Percentage Change</b>	<b>2006 Ranking</b>	<b>2010 Ranking</b>	<b>Rankings Change</b>
Alabama Power	7.09	9.07	27.94%	5	9	-4
Appalachian Power Company (VA)	5.04	8.64	71.43%	1	7	-6
Dominion Virginia Power	6.79	7.89	16.24%	4	3	1
DUKE Energy Carolinas (NC)	6.48	7.51	15.88%	3	2	1
DUKE Energy Carolinas (SC)	5.54	6.61	19.21%	2	1	1
Entergy Mississippi, Inc	9.89	7.98	-19.36%	11	4	7
FP&L Company	11.22	9.38	-16.37%	14	10	4
Georgia Power	7.29	8.61	18.18%	7	6	1
Gulf Power	7.98	11.41	42.96%	10	13	-3
Mississippi Power	7.21	8.21	13.81%	6	5	1
Progress Energy Carolinas, Inc. (Wtd Avg)	7.55	8.87	17.58%	8	8	0
Progress Energy Florida, Inc.	10.55	12.00	13.74%	13	14	-1
SCE&G	7.83	9.60	22.70%	9	11	-2
Tampa Electric Company	9.96	10.97	10.05%	12	12	0
Average For South Atlantic	8.26	9.14	10.65%			
USA Average	8.89	9.96	12.04%			

<b>Residential Rate:</b>	<b>2006 ¢/kWh</b>	<b>2010 ¢/kWh</b>	<b>Percentage Change</b>	<b>2006 Ranking</b>	<b>2010 Ranking</b>	<b>Rankings Change</b>
Alabama Power	8.93	11.18	25.21%	6	9	-3
Appalachian Power Company (VA)	5.95	10.37	74.25%	1	8	-7
Dominion Virginia Power	8.43	9.60	13.88%	4	4	0
DUKE Energy Carolinas (NC)	7.93	8.98	13.24%	3	3	0
DUKE Energy Carolinas (SC)	7.33	8.56	16.75%	2	2	0
Entergy Mississippi, Inc	10.55	8.37	-20.69%	11	1	10
FP&L Company	11.90	10.08	-15.29%	14	5	9
Georgia Power	8.82	10.28	16.60%	5	7	-2
Gulf Power	9.07	12.41	36.82%	8	13	-5
Mississippi Power	10.12	11.19	10.56%	10	10	0
Progress Energy Carolinas, Inc. (Wtd Avg)	9.02	10.25	13.55%	7	6	1
Progress Energy Florida, Inc.	11.79	13.57	15.08%	13	14	-1
SCE&G	9.92	11.51	16.03%	9	11	-2
Tampa Electric Company	10.97	11.86	8.08%	12	12	0
Average For South Atlantic	9.79	10.90	11.34%			
USA Average	10.62	12.01	13.09%			

<b>Commercial Rate:</b>	<b>2006 ¢/kWh</b>	<b>2010 ¢/kWh</b>	<b>Percentage Change</b>	<b>2006 Ranking</b>	<b>2010 Ranking</b>	<b>Rankings Change</b>
Alabama Power	8.17	10.43	27.68%	10	12	-2
Appalachian Power Company (VA)	5.09	8.32	63.46%	1	5	-4
Dominion Virginia Power	6.08	7.14	17.44%	2	3	-1
DUKE Energy Carolinas (NC)	6.31	6.89	9.24%	4	2	2
DUKE Energy Carolinas (SC)	6.26	6.78	8.29%	3	1	2
Energys Mississippi, Inc	10.20	8.11	-20.51%	13	4	9
FP&L Company	10.54	8.61	-18.30%	14	6	8
Georgia Power	7.50	8.78	16.95%	5	8	-3
Gulf Power	7.59	10.88	43.40%	7	14	-7
Mississippi Power	8.05	9.12	13.27%	9	9	0
Progress Energy Carolinas, Inc. (Wtd Avg)	7.54	8.73	15.73%	6	7	-1
Progress Energy Florida, Inc.	9.62	10.53	9.48%	12	13	-1
SCE&G	7.91	9.66	22.14%	8	10	-2
Tampa Electric Company	9.48	10.32	8.90%	11	11	0
Average For South Atlantic	8.33	8.78	5.40%			
USA Average	9.33	10.21	9.43%			

<b>Industrial Rate:</b>	<b>2006 ¢/kWh</b>	<b>2010 ¢/kWh</b>	<b>Percentage Change</b>	<b>2006 Ranking</b>	<b>2010 Ranking</b>	<b>Rankings Change</b>
Alabama Power	4.92	5.97	21.34%	5	4	1
Appalachian Power Company (VA)	3.85	6.54	69.84%	1	8	-7
Dominion Virginia Power	4.62	5.70	23.30%	3	3	0
DUKE Energy Carolinas (NC)	4.73	5.40	14.38%	4	2	2
DUKE Energy Carolinas (SC)	4.04	4.62	14.43%	2	1	1
Energys Mississippi, Inc	8.04	6.42	-20.06%	12	7	5
FP&L Company	8.87	6.85	-22.75%	14	11	3
Georgia Power	5.39	6.16	14.16%	8	6	2
Gulf Power	5.85	9.23	57.79%	10	12	-2
Mississippi Power	5.10	5.99	17.41%	6	5	1
Progress Energy Carolinas, Inc. (Wtd Avg)	5.75	6.76	17.72%	9	10	-1
Progress Energy Florida, Inc.	8.31	9.33	12.23%	13	14	-1
SCE&G	5.15	6.69	29.79%	7	9	-2
Tampa Electric Company	7.65	9.25	20.90%	11	13	-2
Average For South Atlantic	5.19	6.27	20.81%			
USA Average	6.00	6.71	11.83%			

## Appendix 2

<b>Monthly Usage of 500 kWh:</b>	<b>2006</b> \$	<b>2011</b> \$	<b>Percentage</b> <b>Change</b>	<b>2006</b> <b>Rank</b>	<b>2011</b> <b>Rank</b>	<b>Rankings</b> <b>Change</b>
Alabama Power	53.33	65.15	22.16%	11	14	-3
Appalachian Power Company (VA)	34.58	51.52	48.99%	2	4	-2
Appalachian Power Company (WV)	32.48	48.24	48.52%	1	1	0
Dominion North Carolina Power	49.38	52	5.31%	8	6	2
Dominion Virginia Power	48.00	55.85	16.35%	6	10	-4
DUKE Energy Carolinas (NC)	44.09	51.53	16.87%	4	5	-1
DUKE Energy Carolinas (SC)	39.55	50.5	27.69%	3	3	0
Entergy Mississippi, Inc	60.81	56.74	-6.69%	16	11	5
			-			
FP&L Company	56.97	50.39	11.55%	13	2	11
Georgia Power	45.28	53.95	19.15%	5	8	-3
Gulf Power	51.30	66.47	29.57%	10	16	-6
Mississippi Power	64.08	72.34	12.89%	17	17	0
Progress Energy Carolinas, Inc. (NC)	48.69	54.76	12.47%	7	9	-2
Progress Energy Carolinas, Inc. (SC)	51.17	53.49	4.53%	9	7	2
Progress Energy Florida, Inc.	58.90	64.16	8.93%	14	13	1
SCE&G	53.73	66.19	23.19%	12	15	-3
Tampa Electric Company	59.17	58.9	-0.46%	15	12	3
Average For South Atlantic	49.07	59.46	21.17%			
USA Average	56.20	64.88	15.44%			

<b>Monthly Usage of 750 kWh:</b>	<b>2006</b> \$	<b>2011</b> \$	<b>Percentage</b> <b>Change</b>	<b>2006</b> <b>Rank</b>	<b>2011</b> <b>Rank</b>	<b>Rankings</b> <b>Change</b>
Alabama Power	74.35	90.5	21.72%	11	13	-2
Appalachian Power Company (VA)	48.38	73.09	51.07%	2	6	-4
Appalachian Power Company (WV)	43.88	67.32	53.42%	1	1	0
Dominion North Carolina Power	69.30	73	5.34%	7	5	2
Dominion Virginia Power	68.48	80.24	17.17%	6	11	-5
DUKE Energy Carolinas (NC)	63.52	72.56	14.23%	4	4	0
DUKE Energy Carolinas (SC)	56.24	72.35	28.65%	3	2	1
Entergy Mississippi, Inc	81.37	75.53	-7.18%	13	7	6
FP&L Company	82.79	72.53	-12.39%	14	3	11
Georgia Power	67.28	76.19	13.24%	5	8	-3
Gulf Power	71.82	94.57	31.68%	9	15	-6
Mississippi Power	85.27	95.13	11.56%	17	17	0
Progress Energy Carolinas, Inc. (NC)	69.66	78.48	12.66%	8	10	-2
Progress Energy Carolinas, Inc. (SC)	73.50	76.99	4.75%	10	9	1
Progress Energy Florida, Inc.	84.23	91.75	8.93%	15	14	1
SCE&G	76.84	95.03	23.67%	12	16	-4
Tampa Electric Company	84.39	82.956	-1.70%	16	12	4
Average For South Atlantic	70.42	85.36	21.22%			
USA Average	81.56	93.86	15.08%			



<b>Monthly Usage of 1,000 kWh:</b>	<b>2006</b>	<b>2011</b>	<b>Percentage</b>	<b>2006</b>	<b>2011</b>	<b>Rankings</b>
	<b>\$</b>	<b>\$</b>	<b>Change</b>	<b>Rank</b>	<b>Rank</b>	<b>Change</b>
Alabama Power	93.40	113.86	21.91%	9	13	-4
Appalachian Power Company (VA)	61.39	94.66	54.19%	2	6	-4
Appalachian Power Company (WV)	55.28	86.39	56.28%	1	1	0
Dominion North Carolina Power	89.24	94	5.33%	6	3	3
Dominion Virginia Power	87.18	102.86	17.99%	5	11	-6
DUKE Energy Carolinas (NC)	82.95	93.6	12.84%	4	2	2
DUKE Energy Carolinas (SC)	72.93	94.2	29.16%	3	4	-1
Entergy Mississippi, Inc	101.92	94.35	-7.43%	13	5	8
FP&L Company	108.61	94.69	-12.82%	15	7	8
Georgia Power	93.91	97.4	3.72%	10	8	2
Gulf Power	92.34	122.67	32.85%	8	16	-8
Mississippi Power	106.27	117.78	10.83%	14	14	0
Progress Energy Carolinas, Inc. (NC)	90.62	102.19	12.77%	7	10	-3
Progress Energy Carolinas, Inc. (SC)	94.50	99.15	4.92%	11	9	2
Progress Energy Florida, Inc.	109.56	119.34	8.93%	16	15	1
SCE&G	99.95	124.03	24.09%	12	17	-5
Tampa Electric Company	109.61	107.02	-2.36%	17	12	5
Average For South Atlantic	91.75	111.11	21.10%			
USA Average	106.52	122.63	15.12%			

## Appendix 3

<b>Demand of 3 kW and Usage of 375 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	50.00	74.00	48.00	11	17	-6
Appalachian Power Company (VA)	28.00	40.00	42.86	2	2	0
Appalachian Power Company (WV)	26.00	36.00	38.46	1	1	0
Dominion North Carolina Power	45.00	47.00	4.44	5	4	1
Dominion Virginia Power	44.08	50.00	13.43	4	7	-3
DUKE Energy Carolinas (NC)	48.00	57.00	18.75	8	12	-4
DUKE Energy Carolinas (SC)	44.00	51.00	15.91	3	8	-5
Entergy Mississippi, Inc	56.00	54.00	-3.57	15	9	6
FP&L Company	50.00	44.00	-12.00	12	3	9
Georgia Power	56.00	64.00	14.29	16	15	1
Gulf Power	47.00	58.00	23.40	7	13	-6
Mississippi Power	64.00	72.00	12.50	17	16	1
Progress Energy Carolinas, Inc. (NC)	48.00	55.00	14.58	9	11	-2
Progress Energy Carolinas, Inc. (SC)	48.00	49.00	2.08	10	5	5
Progress Energy Florida, Inc.	51.00	54.00	5.88	14	10	4
SCE&G	50.00	61.00	22.00	13	14	-1
Tampa Electric Company	46.00	49.00	6.52	6	6	0
Average For South Atlantic	48.00	54.00	12.50			
USA Average	53.00	61.00	15.09			

<b>Demand of 3kW and Usage of 1,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	110.00	153.00	39.09	11	17	-6
Appalachian Power Company (VA)	60.00	89.00	48.33	2	2	0
Appalachian Power Company (WV)	58.00	82.00	41.38	1	1	0
Dominion North Carolina Power	92.00	97.00	5.43	5	4	1
Dominion Virginia Power	91.77	107.00	16.60	4	7	-3
DUKE Energy Carolinas (NC)	110.00	123.00	11.82	12	10	2
DUKE Energy Carolinas (SC)	105.00	120.00	14.29	8	9	-1
Entergy Mississippi, Inc	133.00	125.00	-6.02	17	12	5
FP&L Company	120.00	106.00	-11.67	14	6	8
Georgia Power	130.00	149.07	14.67	16	16	0
Gulf Power	103.00	132.00	28.16	7	13	-6
Mississippi Power	128.00	141.00	10.16	15	15	0
Progress Energy Carolinas, Inc. (NC)	87.00	100.00	14.94	3	5	-2
Progress Energy Carolinas, Inc. (SC)	93.00	96.00	3.23	6	3	3
Progress Energy Florida, Inc.	118.00	124.00	5.08	13	11	2
SCE&G	108.00	132.00	22.22	9	14	-5
Tampa Electric Company	109.00	113.00	3.67	10	8	2
Average For South Atlantic	109.00	121.00	11.01			
USA Average	118.00	131.00	11.02			

<b>Demand of 40 kW and Usage of 10,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	961.00	1224.00	27.37	12	16	-4
Appalachian Power Company (VA)	580.00	846.00	45.86	2	5	-3
Appalachian Power Company (WV)	569.00	819.00	43.94	1	4	-3
Dominion North Carolina Power	731.00	776.00	6.16	5	2	3
Dominion Virginia Power	802.00	958.00	19.45	7	8	-1
DUKE Energy Carolinas (NC)	723.00	776.00	7.33	4	3	1
DUKE Energy Carolinas (SC)	678.00	760.00	12.09	3	1	2
Entergy Mississippi, Inc	1078.00	994.00	-7.79	16	11	5
FP&L Company	1117.00	980.00	-12.26	17	10	7
Georgia Power	1038.00	1223.85	17.90	15	15	0
Gulf Power	811.00	1110.00	36.87	8	13	-5
Mississippi Power	955.00	977.00	2.30	11	9	2
Progress Energy Carolinas, Inc. (NC)	753.00	853.00	13.28	6	6	0
Progress Energy Carolinas, Inc. (SC)	824.00	861.00	4.49	9	7	2
Progress Energy Florida, Inc.	982.00	1258.00	28.11	13	17	-4
SCE&G	934.00	1134.00	21.41	10	14	-4
Tampa Electric Company	1013.00	1038.00	2.47	14	12	2
Average For South Atlantic	930.00	1036.00	11.40			
USA Average	1051.00	1163.00	10.66			

<b>Demand of 40 kW and Usage of 14,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	1192.00	1533.00	28.61	11	15	-4
Appalachian Power Company (VA)	731.00	1028.00	40.63	1	4	-3
Appalachian Power Company (WV)	731.00	1043.00	42.68	2	5	-3
Dominion North Carolina Power	963.00	1023.00	6.23	7	3	4
Dominion Virginia Power	951.00	1155.00	21.45	6	8	-2
DUKE Energy Carolinas (NC)	938.00	985.00	5.01	5	2	3
DUKE Energy Carolinas (SC)	875.00	970.00	10.86	3	1	2
Entergy Mississippi, Inc	1409.00	1287.00	-8.66	15	11	4
FP&L Company	1438.00	1217.00	-15.37	17	9	8
Georgia Power	1192.00	1434.44	20.34	12	12	0
Gulf Power	1032.00	1450.00	40.50	9	14	-5
Mississippi Power	1189.00	1231.00	3.53	10	10	0
Progress Energy Carolinas, Inc. (NC)	913.00	1050.00	15.01	4	6	-2
Progress Energy Carolinas, Inc. (SC)	1009.00	1059.00	4.96	8	7	1
Progress Energy Florida, Inc.	1314.00	1675.00	27.47	14	17	-3
SCE&G	1299.00	1576.00	21.32	13	16	-3
Tampa Electric Company	1415.00	1449.00	2.40	16	13	3
Average For South Atlantic	1205.00	1335.00	10.79			
USA Average	1342.00	1491.00	11.10			

<b>Demand of 500 kW and Usage of 150,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	13463.00	16714.00	24.15	13	16	-3
Appalachian Power Company (VA)	8017.00	11679.00	45.68	1	8	-7
Appalachian Power Company (WV)	8062.00	11556.00	43.34	2	5	-3
Dominion North Carolina Power	10726.00	11385.00	6.14	7	3	4
Dominion Virginia Power	9860.00	12135.00	23.07	5	10	-5
DUKE Energy Carolinas (NC)	9799.00	10166.00	3.75	4	1	3
DUKE Energy Carolinas (SC)	9029.00	10755.00	19.12	3	2	1
Entergy Mississippi, Inc	13147.00	11667.00	-11.26	12	7	5
FP&L Company	15707.00	13644.00	-13.13	17	11	6
Georgia Power	12416.16	14993.08	20.75	10	14	-4
Gulf Power	11620.00	16045.00	38.08	9	15	-6
Mississippi Power	12531.00	13935.00	11.20	11	12	-1
Progress Energy Carolinas, Inc. (NC)	10172.00	11424.00	12.31	6	4	2
Progress Energy Carolinas, Inc. (SC)	11225.00	11626.00	3.57	8	6	2
Progress Energy Florida, Inc.	14074.00	12002.00	-14.72	15	9	6
SCE&G	13699.00	16993.00	24.05	14	17	-3
Tampa Electric Company	14118.00	14951.00	5.90	16	13	3
Average For South Atlantic	12694.00	14000.00	10.29			
USA Average	14015.00	15402.00	9.90			

<b>Demand of 500 kW and Usage of 180,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	15198.00	19092.00	25.62	13	17	-4
Appalachian Power Company (VA)	8722.00	12959.00	48.58	1	5	-4
Appalachian Power Company (WV)	9150.00	13234.00	44.63	2	8	-6
Dominion North Carolina Power	12129.00	12868.00	6.09	7	3	4
Dominion Virginia Power	10533.00	13090.00	24.28	4	7	-3
DUKE Energy Carolinas (NC)	11402.00	11709.00	2.69	6	1	5
DUKE Energy Carolinas (SC)	10392.00	12556.00	20.82	3	2	1
Entergy Mississippi, Inc	15294.00	13497.00	-11.75	14	9	5
FP&L Company	18021.00	16269.00	-9.72	17	12	5
Georgia Power	13574.88	16572.41	22.08	10	13	-3
Gulf Power	13015.00	18235.00	40.11	9	15	-6
Mississippi Power	14124.00	15713.00	11.25	11	11	0
Progress Energy Carolinas, Inc. (NC)	11367.00	12868.00	13.20	5	4	1
Progress Energy Carolinas, Inc. (SC)	12612.00	13080.00	3.71	8	6	2
Progress Energy Florida, Inc.	16538.00	13902.00	-15.94	16	10	6
SCE&G	14708.00	18507.00	25.83	12	16	-4
Tampa Electric Company	16189.00	16862.00	4.16	15	14	1
Average For South Atlantic	14447.00	15882.00	9.93			
USA Average	15959.00	17478.00	9.52			

<b>Monthly Usage of 500 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percentage Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Rankings Change</b>
Alabama Power	53.33	65.15	22.16%	11	15	-4
Appalachian Power Company (VA)	34.58	51.52	48.99%	2	4	-2
Appalachian Power Company (WV)	32.48	48.24	48.52%	1	1	0
Dominion North Carolina Power	49.38	52	5.31%	9	6	3
Dominion Virginia Power	48.00	55.85	16.35%	7	11	-4
DUKE Energy Carolinas (NC)	44.09	51.53	16.87%	4	5	-1
DUKE Energy Carolinas (SC)	39.55	50.5	27.69%	3	3	0
Entergy Mississippi, Inc	60.81	56.74	-6.69%	16	12	4
FP&L Company	56.97	50.39	-11.55%	13	2	11
Gulf Power	45.28	53.95	19.15%	6	8	-2
Georgia Power	45.28	53.95	19.15%	5	9	-4
Mississippi Power	64.08	72.34	12.89%	17	17	0
Progress Energy Carolinas, Inc. (NC)	48.69	54.76	12.47%	8	10	-2
Progress Energy Carolinas, Inc. (SC)	51.17	53.49	4.53%	10	7	3
Progress Energy Florida, Inc.	58.90	64.16	8.93%	14	14	0
SCE&G	53.73	66.19	23.19%	12	16	-4
Tampa Electric Company	59.17	58.9	-0.46%	15	13	2
Average For South Atlantic	49.07	59.46	21.17%			
USA Average	56.20	64.88	15.44%			

<b>Monthly Usage of 750 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percentage Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Rankings Change</b>
Alabama Power	74.35	90.5	21.72%	11	13	-2
Appalachian Power Company (VA)	48.38	73.09	51.07%	2	6	-4
Appalachian Power Company (WV)	43.88	67.32	53.42%	1	1	0
Dominion North Carolina Power	69.30	73	5.34%	7	5	2
Dominion Virginia Power	68.48	80.24	17.17%	6	11	-5
DUKE Energy Carolinas (NC)	63.52	72.56	14.23%	4	4	0
DUKE Energy Carolinas (SC)	56.24	72.35	28.65%	3	2	1
Entergy Mississippi, Inc	81.37	75.53	-7.18%	13	7	6
FP&L Company	82.79	72.53	-12.39%	14	3	11
Georgia Power	67.28	76.19	13.24%	5	8	-3
Gulf Power	71.82	94.57	31.68%	9	15	-6
Mississippi Power	85.27	95.13	11.56%	17	17	0
Progress Energy Carolinas, Inc. (NC)	69.66	78.48	12.66%	8	10	-2
Progress Energy Carolinas, Inc. (SC)	73.50	76.99	4.75%	10	9	1
Progress Energy Florida, Inc.	84.23	91.75	8.93%	15	14	1
SCE&G	76.84	95.03	23.67%	12	16	-4
Tampa Electric Company	84.39	82.956	-1.70%	16	12	4
Average For South Atlantic	70.42	85.36	21.22%			
USA Average	81.56	93.86	15.08%			

<b>Monthly Usage of 1,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percentage Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Rankings Change</b>
Alabama Power	93.40	113.86	21.91%	9	13	-4
Appalachian Power Company (VA)	61.39	94.66	54.19%	2	6	-4
Appalachian Power Company (WV)	55.28	86.39	56.28%	1	1	0
Dominion North Carolina Power	89.24	94	5.33%	6	3	3
Dominion Virginia Power	87.18	102.86	17.99%	5	11	-6
DUKE Energy Carolinas (NC)	82.95	93.6	12.84%	4	2	2
DUKE Energy Carolinas (SC)	72.93	94.2	29.16%	3	4	-1
Entergy Mississippi, Inc	101.92	94.35	-7.43%	13	5	8
FP&L Company	108.61	94.69	-12.82%	15	7	8
Georgia Power	93.91	97.4	3.72%	10	8	2
Gulf Power	92.34	122.67	32.85%	8	16	-8
Mississippi Power	106.27	117.78	10.83%	14	14	0
Progress Energy Carolinas, Inc. (NC)	90.62	102.19	12.77%	7	10	-3
Progress Energy Carolinas, Inc. (SC)	94.50	99.15	4.92%	11	9	2
Progress Energy Florida, Inc.	109.56	119.34	8.93%	16	15	1
SCE&G	99.95	124.03	24.09%	12	17	-5
Tampa Electric Company	109.61	107.02	-2.36%	17	12	5
Average For South Atlantic	91.75	111.11	21.10%			
USA Average	106.52	122.63	15.12%			

## Appendix 4



<b>Demand of 75 kW and Usage of 15,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	1457.00	1821.00	24.98	11	15	-4
Appalachian Power Company (VA)	912.00	1314.00	44.08	2	4	-2
Appalachian Power Company (WV)	908.00	1317.00	45.04	1	5	-4
Dominion North Carolina Power	1079.00	1146.00	6.21	4	2	2
Dominion Virginia Power	1317.00	1599.00	21.41	8	10	-2
DUKE Energy Carolinas (NC)	1101.00	1166.00	5.90	5	3	2
DUKE Energy Carolinas (SC)	1030.00	1113.00	8.06	3	1	2
Entergy Mississippi, Inc	1637.00	1512.00	-7.64	15	8	7
FP&L Company	1765.00	1601.00	-9.29	17	11	6
Georgia Power	1738.48	1997.45	14.90	16	17	-1
Gulf Power	1281.00	1730.00	35.05	7	13	-6
Mississippi Power	1519.00	1530.00	0.72	12	9	3
Progress Energy Carolinas, Inc. (NC)	1243.00	1400.00	12.63	6	7	-1
Progress Energy Carolinas, Inc. (SC)	1331.00	1374.00	3.23	9	6	3
Progress Energy Florida, Inc.	1521.00	1957.00	28.67	13	16	-3
SCE&G	1390.00	1687.00	21.37	10	12	-2
Tampa Electric Company	1636.00	1815.00	10.94	14	14	0
Average For South Atlantic	1422.00	1651.00	16.10			
USA Average	1650.00	1829.00	10.85			

<b>Demand of 75 kW and Usage of 30,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	2378.00	3063.00	28.81	11	15	-4
Appalachian Power Company (VA)	1415.00	2076.00	46.71	1	4	-3
Appalachian Power Company (WV)	1469.00	2156.00	46.77	2	7	-5
Dominion North Carolina Power	1950.00	2075.00	6.41	7	3	4
Dominion Virginia Power	1878.00	2304.00	22.68	6	8	-2
DUKE Energy Carolinas (NC)	1865.00	1899.00	1.82	5	2	3
DUKE Energy Carolinas (SC)	1749.00	1745.00	-0.23	3	1	2
Entergy Mississippi, Inc	2834.00	2565.00	-9.49	16	11	5
FP&L Company	2968.00	2489.00	-16.14	17	10	7
Georgia Power	2320.00	2787.11	20.13	10	13	-3
Gulf Power	2110.00	3007.00	42.51	9	14	-5
Mississippi Power	2394.00	2485.00	3.80	12	9	3
Progress Energy Carolinas, Inc. (NC)	1842.00	2124.00	15.31	4	5	-1
Progress Energy Carolinas, Inc. (SC)	2047.00	2124.00	3.76	8	6	2
Progress Energy Florida, Inc.	2766.00	3522.00	27.33	15	17	-2
SCE&G	2437.00	3169.00	30.04	13	16	-3
Tampa Electric Company	2672.00	2770.00	3.67	14	12	2
Average For South Atlantic	2364.00	2674.00	13.11			
USA Average	2668.00	2953.00	10.68			

<b>Demand of 75 kW and Usage of 50,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	3507.00	4620.00	31.74	12	16	-4
Appalachian Power Company (VA)	1885.00	2930.00	55.44	1	3	-2
Appalachian Power Company (WV)	2028.00	2991.00	47.49	2	4	-2
Dominion North Carolina Power	2864.00	3313.00	15.68	7	8	-1
Dominion Virginia Power	2343.00	3005.00	28.25	4	5	-1
DUKE Energy Carolinas (NC)	2570.00	2619.00	1.91	5	2	3
DUKE Energy Carolinas (SC)	2274.00	2229.00	-1.98	3	1	2
Entergy Mississippi, Inc	4431.00	3970.00	-10.40	16	12	4
FP&L Company	4572.00	3673.00	-19.66	17	9	8
Georgia Power	3044.00	3784.42	24.32	9	11	-2
Gulf Power	3214.00	4710.00	46.55	11	17	-6
Mississippi Power	3560.00	3759.00	5.59	13	10	3
Progress Energy Carolinas, Inc. (NC)	2591.00	3039.00	17.29	6	6	0
Progress Energy Carolinas, Inc. (SC)	2924.00	3045.00	4.14	8	7	1
Progress Energy Florida, Inc.	4209.00	4275.00	1.57	15	15	0
SCE&G	3143.00	4220.00	34.27	10	14	-4
Tampa Electric Company	4053.00	4044.00	-0.22	14	13	1
Average For South Atlantic	3496.00	3864.00	10.53			
USA Average	3940.00	4366.00	10.81			

<b>Demand of 1,000 kW and Usage of 200,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	15200.00	16817.00	10.64	5	7	-2
Appalachian Power Company (VA)	11157.00	16137.00	44.64	2	4	-2
Appalachian Power Company (WV)	10840.00	16170.00	49.17	1	5	-4
Dominion North Carolina Power	15841.00	16776.00	5.90	6	6	0
Dominion Virginia Power	17350.00	20960.00	20.81	7	11	-4
DUKE Energy Carolinas (NC)	13620.00	14896.00	9.37	4	2	2
DUKE Energy Carolinas (SC)	12471.00	13658.00	9.52	3	1	2
Entergy Mississippi, Inc	17675.00	15663.00	-11.38	8	3	5
FP&L Company	23661.00	21822.00	-7.77	17	12	5
Gulf Power	23285.00	26674.87	14.56	15	16	-1
Georgia Power	23285.00	26674.87	14.56	16	17	-1
Mississippi Power	18783.00	20816.00	10.82	9	10	-1
Progress Energy Carolinas, Inc. (NC)	20250.00	21876.00	8.03	13	13	0
Progress Energy Carolinas, Inc. (SC)	20171.00	20749.00	2.87	12	9	3
Progress Energy Florida, Inc.	19795.00	17519.00	-11.50	11	8	3
SCE&G	19408.00	23167.00	19.37	10	14	-4
Tampa Electric Company	21457.00	23474.00	9.40	14	15	-1
Average For South Atlantic	17968.00	20242.00	12.66			
USA Average	20947.00	22886.00	9.26			

**Demand of 1,000 kW and Usage of 400,000 kWh:**

	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	23852.00	27055.00	13.43	6	5	1
Appalachian Power Company (VA)	17076.00	25266.00	47.96	1	3	-2
Appalachian Power Company (WV)	17105.00	26981.00	57.74	2	4	-2
Dominion North Carolina Power	25581.00	27246.00	6.51	7	6	1
Dominion Virginia Power	21834.00	27326.00	25.15	4	7	-3
DUKE Energy Carolinas (NC)	23159.00	24463.00	5.63	5	2	3
DUKE Energy Carolinas (SC)	21271.00	22830.00	7.33	3	1	2
Entergy Mississippi, Inc	31759.00	27582.00	-13.15	14	8	6
FP&L Company	39089.00	32657.00	-16.45	17	12	5
Georgia Power	31381.00	37525.66	19.58	13	16	-3
Gulf Power	27731.00	39530.00	42.55	9	17	-8
Mississippi Power	29510.00	32784.00	11.09	12	13	-1
Progress Energy Carolinas, Inc. (NC)	28750.00	31970.00	11.20	10	11	-1
Progress Energy Carolinas, Inc. (SC)	29117.00	30143.00	3.52	11	9	2
Progress Energy Florida, Inc.	36224.00	30188.00	-16.66	16	10	6
SCE&G	26106.00	34037.00	30.38	8	14	-6
Tampa Electric Company	35217.00	36212.00	2.83	15	15	0
Average For South Atlantic	28633.00	31832.00	11.17			
USA Average	33137.00	36168.00	9.15			

**Demand of 1,000 kW and Usage of 650,000 kWh:**

	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	33196.00	38386.00	15.63	5	7	-2
Appalachian Power Company (VA)	22149.00	32589.00	47.14	2	3	-1
Appalachian Power Company (WV)	21095.00	35379.00	67.71	1	5	-4
Dominion North Carolina Power	35741.00	36566.00	2.31	8	6	2
Dominion Virginia Power	27440.00	35284.00	28.59	3	4	-1
DUKE Energy Carolinas (NC)	33369.00	31483.00	-5.65	6	2	4
DUKE Energy Carolinas (SC)	29581.00	28873.00	-2.39	4	1	3
Entergy Mississippi, Inc	46038.00	38902.00	-15.50	14	8	6
FP&L Company	58373.00	45589.00	-21.90	17	11	6
Georgia Power	40776.00	50333.20	23.44	12	14	-2
Gulf Power	39354.00	58528.00	48.72	10	17	-7
Mississippi Power	41529.00	46171.00	11.18	13	13	0
Progress Energy Carolinas, Inc. (NC)	38120.00	43332.00	13.67	9	10	-1
Progress Energy Carolinas, Inc. (SC)	39721.00	41307.00	3.99	11	9	2
Progress Energy Florida, Inc.	53888.00	54717.00	1.54	16	16	0
SCE&G	34479.00	45657.00	32.42	7	12	-5
Tampa Electric Company	52417.00	52135.00	-0.54	15	15	0
Average For South Atlantic	40934.00	45282.00	10.62			
USA Average	47459.00	51861.00	9.28			

<b>Demand of 50,000 kW and Usage of 15,000,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	960686.00	1079146.00	12.33	5	7	-2
Appalachian Power Company (VA)	649370.00	960070.00	47.85	2	4	-2
Appalachian Power Company (WV)	643137.00	996587.00	54.96	1	5	-4
Dominion North Carolina Power	1072319.00	1172272.00	9.32	7	8	-1
Dominion Virginia Power	962792.00	1190925.00	23.69	6	10	-4
DUKE Energy Carolinas (NC)	824123.00	948962.00	15.15	4	3	1
DUKE Energy Carolinas (SC)	719461.00	867423.00	20.57	3	1	2
Entergy Mississippi, Inc	1144786.00	998852.00	-12.75	11	6	5
FP&L Company	1555031.00	945226.00	-39.21	17	2	15
Georgia Power	1154245.00	1392808.59	20.67	13	15	-2
Gulf Power	1146283.00	1588752.00	38.60	12	17	-5
Mississippi Power	1123217.00	1242922.00	10.66	9	11	-2
Progress Energy Carolinas, Inc. (NC)	1185500.00	1305082.00	10.09	14	13	1
Progress Energy Carolinas, Inc. (SC)	1126375.00	1251475.00	11.11	10	12	-2
Progress Energy Florida, Inc.	1393733.00	1185314.00	-14.95	15	9	6
SCE&G	1079050.00	1382475.00	28.12	8	14	-6
Tampa Electric Company	1404056.00	1489289.00	6.07	16	16	0
Average For South Atlantic	1125102.00	1237720.00	10.01			
USA Average	1276726.00	1381617.00	8.22			

<b>Demand of 50,000 kW and Usage of 25,000,000 kWh:</b>	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	1328493.00	1526414.00	14.90	6	8	-2
Appalachian Power Company (VA)	851270.00	1251170.00	46.98	2	3	-1
Appalachian Power Company (WV)	822487.00	1345537.00	63.59	1	4	-3
Dominion North Carolina Power	1478753.00	1545072.00	4.48	8	9	-1
Dominion Virginia Power	1187012.00	1506845.00	26.94	4	7	-3
DUKE Energy Carolinas (NC)	1275938.00	1246722.00	-2.29	5	2	3
DUKE Energy Carolinas (SC)	1105786.00	1109148.00	0.30	3	1	2
Entergy Mississippi, Inc	1713124.00	1426609.00	-16.72	14	6	8
FP&L Company	2321185.00	1426120.00	-38.56	17	5	12
Georgia Power	1538454.00	1922843.63	24.99	9	14	-5
Gulf Power	1611214.00	2348664.00	45.77	12	17	-5
Mississippi Power	1638836.00	1816844.00	10.86	13	12	1
Progress Energy Carolinas, Inc. (NC)	1610500.00	1809782.00	12.37	11	11	0
Progress Energy Carolinas, Inc. (SC)	1573675.00	1721175.00	9.37	10	10	0
Progress Energy Florida, Inc.	2104110.00	2152237.00	2.29	16	16	0
SCE&G	1413950.00	1847275.00	30.65	7	13	-6
Tampa Electric Company	2092056.00	2126212.00	1.63	15	15	0
Average For South Atlantic	1620448.00	1781573.00	9.94			
USA Average	1842062.00	1973568.00	7.14			

**Demand of 50,000 kW and  
Usage of 32,500,000 kWh:**

	<b>2006 \$</b>	<b>2011 \$</b>	<b>Percent Change</b>	<b>2006 Rank</b>	<b>2011 Rank</b>	<b>Ranking Change</b>
Alabama Power	1604349.00	1861865.00	16.05	6	9	-3
Appalachian Power Company (VA)	1002695.00	1469495.00	46.55	2	2	0
Appalachian Power Company (WV)	928687.00	1565887.00	68.61	1	3	-2
Dominion North Carolina Power	1783578.00	1824672.00	2.30	9	8	1
Dominion Virginia Power	1355177.00	1743785.00	28.68	4	5	-1
DUKE Energy Carolinas (NC)	1564881.00	1586632.00	1.39	5	4	1
DUKE Energy Carolinas (SC)	1303720.00	1290443.00	-1.02	3	1	2
Entergy Mississippi, Inc	2139377.00	1747427.00	-18.32	14	6	8
FP&L Company	2895801.00	1786791.00	-38.30	17	7	10
Georgia Power	1811356.00	2304455.17	27.22	10	14	-4
Gulf Power	1775793.00	2736478.00	54.10	8	17	-9
Mississippi Power	1984609.00	2201609.00	10.93	13	13	0
Progress Energy Carolinas, Inc. (NC)	1866475.00	2125532.00	13.88	11	11	0
Progress Energy Carolinas, Inc. (SC)	1880233.00	2044533.00	8.74	12	10	2
Progress Energy Florida, Inc.	2687323.00	2728120.00	1.52	16	16	0
SCE&G	1665125.00	2195875.00	31.87	7	12	-5
Tampa Electric Company	2608056.00	2603905.00	-0.16	15	15	0
Average For South Atlantic	1973214.00	2172571.00	10.10			
USA Average	2245855.00	2420235.00	7.76			