# 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, 2014**
**CORRECTED APPENDICES 2,3,4 & 5**
**February 9, 2015**

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**STATE CORPORATION COMMISSION**

August 29, 2014

TO: The Honorable Terence R. McAuliffe
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 ("Code"), as required by § 56-596 B of the Code. Please let us know if you need additional information or assistance.

Respectfully submitted,

Judith Williams Jagdmann, Chair

James C. Dimitri, Commissioner

Mark C. Christie, Commissioner

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## GLOSSARY OF TERMS

| | |
|---|---|
| AEP | American Electric Power |
| APCo | Appalachian Power Company |
| Biomass Conversions | Convert coal-fueled to biomass-fueled generating facilities |
| COL | Combined Operating License |
| CSP | Competitive Service Provider |
| Code | Code of Virginia |
| Commission | State Corporation Commission |
| DG | Distributed Generation |
| DOE | U.S. Department of Energy |
| DR Riders | Demand Response Riders |
| DSM | Demand Side Management |
| DVP | Virginia Electric and Power Company d/b/a Dominion Virginia Power |
| Dominion | Virginia Electric and Power Company d/b/a Dominion Virginia Power |
| Dominion Virginia Power | Virginia Electric and Power Company d/b/a Dominion Virginia Power |
| EEI | Edison Electric Institute |
| EIPC | Eastern Interconnection Planning Collaborative |
| EISPC | Eastern Interconnection States Planning Council |
| EV | Electric Vehicle |
| FERC | Federal Energy Regulatory Commission |
| FRR | Fixed Resource Requirement |
| FRR Alternative | Fixed Resource Requirement Alternative |
| GATS | Generation Attributes Tracking System |
| General Assembly | Virginia General Assembly |
| IOU | Investor-owned Public Utility |
| IRP | Integrated Resource Plan |
| KU | Kentucky Utilities Company d/b/a Old Dominion Power Company |
| kV | Kilovolt |
| kW | Kilowatt |
| kWh | Kilowatt-hour |
| LG&E | Louisville Gas and Electric Company |
| MW | Megawatt |
| NRC | U.S. Nuclear Regulatory Commission |
| ODEC | Old Dominion Electric Cooperative |
| ODU | Old Dominion University |
| PJM | PJM Interconnection, LLC |
| PJM-EIS | PJM Environmental Information Services |
| PSDR | Peak Shaving Demand Response |
| PSEDR | Peak Shaving and Emergency Demand Response |
| Phase III | DVP's New Non-residential Bundle Program |
| RAC | Rate Adjustment Clause |
| REC | Renewable Energy Certificates |
| ROE | Return on Equity |
| RPM | Reliability Pricing Model |
| RPS | Renewable Portfolio Standard |
| RPS-RAC | Renewable Energy Portfolio Standard Rate Adjustment Clause |
| RTE | Regional Transmission Entity |
| Rappahannock | Rappahannock Electric Cooperative |
| Regulation Act | Virginia Electric Utility Regulation Act |
| SEC | Southside Electric Cooperative |
| SVEC | Shenandoah Valley Electric Cooperative |
| Staff | Commission Staff |
| T-RAC | Transmission Rate Adjustment Clause |
| TIER | Times Interest Earned Ratio |
| VCHEC | Virginia City Hybrid Energy Center |
| VES | Virginia Energy Sense |

## EXECUTIVE SUMMARY

Section 56-596 B of the Code of Virginia ("Code") directs the State Corporation Commission ("Commission") to provide an annual update on the status of the implementation of the Virginia Electric Utility Regulation Act, §§ 56-576 through -596 of the Code ("Regulation Act") and to offer recommendations for any actions by the Virginia General Assembly ("General Assembly") or others. This report is responsive to that directive. Since the Commission's last report, presented on September 1, 2013, the following activities occurred:

- The ***Virginia Energy Sense*** ("VES") program, which is designed to fulfill the requirements of **§§ 56-592 and 56-592.1** of the Code, continued to enhance features to the program designed to stress the value of energy conservation and efficiency. Over the past year, new initiatives included enhancements to the website, expanded use of social media, targeted advertising on local news websites and sponsored radio traffic and weather reports. The program expanded its school outreach, added public service announcements, increased its participation in community events, and expanded its partnerships with non-profit organizations and businesses. The current VES campaign concludes at the end of 2014, and the Commission has elected to continue the campaign for another three-and-one-half-years. In June 2014, the Commission issued a solicitation to establish a new term contract with a qualified contractor to continue the program.

- The Commission considered and approved requests to construct a nominal 750 megawatt ("MW") combined-cycle merchant generating facility in Loudoun County and to convert existing coal-fired generating facilities at Bremo and Clinch River Power Stations into generation facilities fueled by natural gas. Additionally, the Commission approved Virginia Electric and Power Company's d/b/a Dominion Virginia Power ("DVP," "Dominion," or "Dominion Virginia Power") renewable generation pilot program for third party power purchase agreements. With respect to generation additions approved prior to this year:

    - DVP's coal-fueled to biomass-fueled conversions were completed and biomass operation commenced at the Altavista, Hopewell and Southampton facilities during the latter half of 2013;
    - Dominion's 1,300 MW natural gas combined-cycle facility in Warren County is under construction and expected to begin commercial operation in December 2014;
    - Dominion's 1,358 MW natural gas combined-cycle facility in Brunswick County is under construction and expected to begin commercial operation in the summer of 2016;
    - Natural gas operation of DVP's Bremo units 3 and 4 began in March and June 2014, respectively;
    - Natural gas conversion of Appalachian Power Company's ("APCo") Clinch River units 1 and 2 is underway and is expected to be completed in late 2015 and early 2016, respectively; and

- Northern Virginia Electric Cooperative's 49.9 MW biomass facility in Halifax County began commercial operation in November 2013.

- APCo and Dominion have met their 2013 renewable energy portfolio standard ("RPS") goals pursuant to § 56-585.2 of the Code.

- The Commission approved an enhancement to an existing, and the addition of a new, demand-side management ("DSM") program for Dominion Virginia Power.

- The Commission granted applications for base rate increases for Kentucky Utilities ("KU"), Rappahannock Electric Cooperative ("Rappahannock"), and Southside Electric Cooperative ("SEC"), and also is considering an application by Shenandoah Valley Electric Cooperative ("SVEC") for a base rate increase.

- The Commission granted, among other things, a 10.0% return on equity ("ROE") for DVP's biennial review period and is currently considering several issues regarding APCo's biennial review.

- APCo's and DVP's 2013-14 electricity rates appear to be competitive with their peer utilities that meet the criteria of § 56-585.1 A 2 of the Code, although pending rate requests could lessen the competitiveness of electricity rates in the future.

- The Commission continues to participate in and monitor several proceedings at the Federal Energy Regulatory Commission ("FERC") involving PJM Interconnection, LLC ("PJM").

# I. INTRODUCTION

Section 56-596 B of the Code directs the Commission to report annually on the status of the implementation of the Regulation Act and to offer recommendations for any actions by the General Assembly or others.[1] This report is provided pursuant to that requirement.

During the past year, the Commission has continued to perform its implementation responsibilities as directed by the Regulation Act. Specifically, the Commission reviewed or is currently reviewing applications and petitions from electric utilities for rate adjustment clauses ("RACs"), base and fuel rate changes, integrated resource plans ("IRP"), generation and transmission additions and modifications, and DSM programs. The Commission also has expanded the scope of the VES program, aimed at educating consumers about energy saving opportunities. Additionally, the Commission, both independently and as a member of the Organization of PJM States, Inc. ("OPSI"), continues to participate in various proceedings before FERC.

# II. IMPLEMENTATION OF THE REGULATION ACT

## A. Consumer Education

The Regulation Act, in § 56-592 of the Code, directs the Commission to establish, implement, and maintain a consumer education program to provide retail customers with information regarding energy conservation and efficiency, demand-side management, demand response and renewable energy.

During the fifth year of the VES consumer education program, the Commission continues to stress the value of energy efficiency by strengthening and refreshing the core program components of VES. Following a major redesign of the VES website (www.virginiaenergysense.org) in 2013, several enhancements were made in 2014 to improve

[1] The Commission makes no legislative recommendations in this report.

site navigation and provide more interactive tools. A targeted advertising strategy continued in 2014, focused on sponsored radio traffic and weather reports in key Virginia markets. The program continues to engage consumers at the community level by exhibiting at fairs, festivals, and events throughout the Commonwealth. There has been an ongoing outreach to Virginia news media to highlight program resources and activities.

Since 2010, VES has conducted statewide biennial surveys to evaluate consumer attitudes toward efficiency, interest in saving energy, and awareness of the consumer education program. The questions measured consumer willingness to make energy improvements, the types of changes consumers have made, and how much they are willing to spend on energy-related upgrades. Overall, 90% of the consumers said saving energy is important, with nearly 70% calling it very important. More than half of the consumers report they are taking basic steps to save energy, including converting to energy efficient light bulbs and powering off electronics. Nearly half of the consumers (48%) said they are willing to spend more than $100 annually on energy saving investments, an 8% increase from a survey conducted in 2012. According to the poll, 70% of Virginians are interested in learning more about ways to save energy.

The VES website continues to be the program's main information hub. Over the past year, there has been an ongoing effort to improve the user experience by making the site more visually appealing and easier to navigate. The recent upgrades include reorganizing information and providing alternative searching methods for visitors. A daily energy saving tip feature was added to the homepage, and the Energy Efficient Home Showcase was expanded and enhanced. The website also added several resources available from the national ENERGY STAR® program. The VES social media accounts – Facebook, Pinterest, Tumblr and Twitter – promote program resources and encourage followers to share energy saving information with their social networks.

Since September 2013, VES distributed four electronic newsletters to a growing network of subscribers, now reaching over 1,200 individuals and organizations.

After a successful advertising schedule in 2013, VES followed up in 2014 with sponsored radio traffic and weather reports on 72 stations across the state. A series of general and seasonal energy savings messages were developed for radio hosts to share during traffic and weather reports at peak commuting times to build greater awareness of the program. The advertising copy highlighted consumer tips, program resources and the VES website address to encourage listeners to visit the site for more information. In the first six months of the year, a total of 1,274 advertisements delivered 4.5 million impressions (the number of people who may have heard the advertisements). VES also received 264 extra advertisements at no additional cost.

VES attended a broad range of community events across Virginia in 2013, increasing program awareness and encouraging consumers to become more energy efficient. VES participated in 24 major grassroots outreach events attended by an estimated 373,000 people. VES distributed approximately 8,500 pieces of educational materials including tip sheets, "Energy Savers" booklets, and a Do-It-Yourself Guide for energy saving projects. In the first half of 2014, VES exhibits were displayed at nine events attended by an estimated 152,000 people, at which VES distributed nearly 4,000 pieces of educational materials. Community events also are an opportunity to meet with new organizations, businesses, and schools who share an interest in conserving energy and are willing to help spread VES materials and messages. Over 65 organizations have joined the VES partnership program. Some of the new partners in 2013-14 include the Town of Blacksburg, the City of Roanoke, the Cabell Brand Center, the Virginia Department of Education, the Save-A-Ton Program, and several Virginia-based ENERGY STAR participants. A complete list of VES partners is available on the program website (http://www.virginiaenergysense.org/our-partners/).

News media coverage of VES activities and resources in 2013 resulted in 23 stories in local, regional, and national outlets reaching a potential audience of 13.3 million people. In the first half of 2014, media interest in the program continued to be strong with seven stories in local and regional outlets that left an estimated 465,500 media impressions. One radio station in Charlottesville conducted two live interviews about the program. A radio station in Fredericksburg recorded a 30-minute community affairs program regarding VES that was aired on a total of four affiliate radio stations. A VES news release in May 2014 on consumer survey results was picked up by 303 media outlets, including several national news websites.

At the end of 2014, Virginia Energy Sense will complete a five-year campaign, and the contract with the current communications contractor will expire. The Commission determined that the program should be continued beyond the end of the year, maintaining the current scope and approach to the campaign for an additional three-and-one-half years. In June 2014, the Commission issued a solicitation to establish a new term contract with a qualified contractor to continue the program.

The Commission will continue to monitor the VES program's objectives and make adjustments to the VES program as necessary to assist Virginians in achieving the energy efficiency goals of the Virginia Energy Plan, prepared by the Virginia 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. Large customers, those exceeding 5 MW of electricity demand, maintain the ability to shop among licensed competitive service providers ("CSP"), 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 currently have the statutory right to purchase electric generation service from CSPs selling electric energy "provided 100% from renewable energy"[2] and only if the incumbent electric utility serving these consumers does not offer an approved tariff for electric energy provided 100% from renewable energy resources. Under §§ 56-587 and 56-588 of the Code, the Commission licenses retail electric energy suppliers and aggregators interested in participating in the retail access programs in Virginia. Currently, 54 electric and natural gas CSPs and aggregators are licensed as retail access providers. A current list of licensed suppliers can be found on the Commission's website at http://www.scc.virginia.gov/power/compsup.aspx.

## C. Renewable Tariffs

The Commission approved tariffs that allow customers of DVP and APCo to support renewable energy.[3] Under both tariffs, customers have the opportunity to purchase RECs representing the production of electricity from renewable sources such as wind, solar, falling water, biomass, energy from waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power to offset some, or all, of the electricity such customers consume from non-renewable sources.

DVP and APCo purchase RECs procured from renewable power sources equivalent to the amount of renewable energy purchased through customer contributions. Each participating customer's bill provides a separate line item reflecting the additional costs for program participation.

The Commission has determined that neither DVP's nor APCo's renewable energy option satisfies Virginia's statutory definition for "electric energy provided 100% from

[2] Va. Code § 56-577 A 5.

[3] *Id. 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); and *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).

renewable energy."[4] Consequently, customers in these utilities' service territories currently may purchase 100% renewable electricity supply service from CSPs licensed by the Commission. To the Commission's knowledge, only one CSP is offering to provide competitive supply service from 100% renewable resources to a small number of commercial accounts in APCo's service territory.

Pursuant to § 56-577 A 6 of the Code, nine electric cooperatives received Commission approval on December 17, 2010, to offer tariffs for electric energy provided 100% from renewable energy to their residential member-consumers through RECs. In further compliance with § 56-577 A 6 of the Code, these same electric cooperatives filed petitions with the Commission for approval to amend such tariffs by extending the provisions of the approved renewable energy tariff to their nonresidential customers after July 1, 2012, as provided for in the statute. The Commission's approval of these tariffs[5] thus precludes competitive offerings of electric energy provided 100% from renewable energy within the respective service territories of the electric cooperatives.

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[4] *Id.*

[5] As of August 1, 2012, these cases are: *Application of Mecklenburg Electric Cooperative, For amendment of Electric Service Backed 100% by Renewable Energy Certificates Tariff*, Case No. PUE-2012-00087, 2012 S.C.C. Ann. Rept. 493, Order Amending Tariff (July 31, 2012); *Application of BARC Electric Cooperative, For amendment of 100% Renewable Energy Attributes Electric Service Tariff*, Case No. PUE-2012-00079, 2012 S.C.C. Ann. Rept. 482, Order Amending Tariff (July 31, 2012); *Application of Shenandoah Valley Electric Cooperative, For amendment of 100% Renewable Energy Attributes Electric Service Tariff*, Case No. PUE-2012-00080, 2012 S.C.C. Ann. Rept. 483, Order Amending Tariff (July 31, 2012); *Application of Prince George Electric Cooperative, For amendment of Electric Service Backed 100% by Renewable Energy Certificates Tariff*, Case No. PUE-2012-00083, 2012 S.C.C. Ann. Rept. 486, Order Amending Tariff (July 31, 2012); *Application of Southside Electric Cooperative, For amendment of Electric Service Backed 100% by Renewable Energy Certificates Tariff*, Case No. PUE-2012-00082, 2012 S.C.C. Ann. Rept. 485, Order Amending Tariff (July 31, 2012); *Application of Northern Virginia Electric Cooperative, For amendment of Electric Service Backed 100% by Renewable Energy Certificates Tariff*, Case No. PUE-2012-00081, 2012 S.C.C. Ann. Rept. 484, Order Amending Tariff (July 31, 2012); *Application of Central Virginia Electric Cooperative, For amendment of Electric Service Backed 100% by Renewable Energy Certificates Tariff*, Case No. PUE-2012-00092, 2012 S.C.C. Ann. Rept. 497, Order Amending Tariff (Aug. 10, 2012); *Application of Northern Neck Electric Cooperative, For amendment of 100% Renewable Energy Attributes Electric Service Rider Tariff*, Case No. PUE-2012-00093, 2012 S.C.C. Ann. Rept. 498, Order Amending Tariff (Aug. 10, 2012); and *Application of A&N Electric Cooperative, For amendment of Electric Service Backed 100% by Renewable Energy Certificates Tariff*, Case No. PUE-2012-00090, 2012 S.C.C. Ann. Rept. 496, Order Amending Tariff (July 31, 2012).

## D. Net Energy Metering

The Commission's Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq.*, were adopted by the Commission pursuant to § 56-594 of the Code. Such rules establish the requirements for participation by an eligible customer-generator in net energy metering in Virginia. The rules include conditions for interconnection and metering, billing, and contract requirements between net metering customers, electric distribution utilities, and energy service providers.

The Commission implemented a proceeding in January 2014 to consider revisions to the rules to reflect statutory changes enacted by Chapter 268 of the 2013 Acts of Assembly which amended § 56-594 of the Code. Such revisions were necessary to: (1) provide a definition of eligible agricultural customer-generators; (2) require utilities to permit agricultural customer-generators to aggregate loads served by multiple meters, as specified by Chapter 268; and (3) establish the required parameters for participation by such customer-generators in the net energy metering programs offered by investor-owned electric utilities ("IOU") and electric cooperatives under the existing rules.

On June 23, 2014, the Commission issued its Order adopting the revised rules effective for customers of IOUs as of July 1, 2014, and for customers of electric cooperatives as of July 1, 2015.[6]

## E. Sources of Virginia's Electricity

Virginia's electric utilities supply their customers with power from their own facilities, which are located both inside and outside of Virginia, and from energy purchases from other entities. Generally, approximately 85%-90% of the total supply of energy to Virginia's IOU

[6] *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter of amending regulations governing net energy metering*, Case No. PUE-2014-00003, Doc. Con. Ctr. No. 140640111, Order Adopting Regulations (June 23, 2014).

customers is produced from facilities under the Commission's rate setting jurisdiction even though some of those facilities are located outside the boundaries of the Commonwealth. Power from jurisdictional plants that may be physically located in another state is not considered "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 costs are included in rates 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.

Virginia's IOUs also procure energy through purchases from other utilities. For example, DVP frequently purchases energy from the PJM market. Such purchases often are made because it is cheaper for DVP to purchase the energy than to produce it at company-owned facilities. Under this scenario, DVP's ratepayers benefit from these purchases by paying lower prices for energy. Prior to this year, APCo typically purchased additional energy and capacity at cost from its affiliates that were part of the then existing AEP East Pool of companies, such as Ohio Power Company and Indiana Michigan Power Company. Such purchases were regulated by a FERC-approved Interconnection Agreement that terminated on January 1, 2014.[7] AEP proposed, as part of its potential corporate restructuring in Ohio, to transfer ownership of certain generating units previously owned by Ohio Power Company, and located in Ohio and West

[7] In December of 2010, each member of the AEP East Pool gave notice to American Electric Power Service Corporation ("AEP"), and to each other, of its decision to terminate the Interconnection Agreement as of January 1, 2014, as approved by the FERC.

Virginia, to APCo. On July 31, 2013, the Commission approved APCo's acquisition of the remaining one-third interest in Unit Number 3 of the Amos generating plant and the merger with Wheeling Power Company but denied approval for APCo to acquire an interest in the Mitchell generating plant.[8] Subsequently, approval sought by APCo to acquire an interest in the Mitchell plant was deferred by the West Virginia Public Service Commission[9] and APCo elected not to proceed with the merger with Wheeling Power Company. Since the termination of its Interconnection Agreement, APCo also purchases energy from the PJM market when it is more economical than to produce it at its own facilities.

## F. Recent Generation and Transmission Activities

The Commission has entertained several applications for generation additions, acquisitions, or major unit modifications over the past year. Specifically, the Commission has approved Green Energy Partners/Stonewall LLC's application to construct and operate a nominal 750 MW natural gas-fired, combined-cycle merchant generator in Loudoun County.[10] Additionally, the Commission approved DVP's application to convert Bremo Units 3 and 4 from coal-fired operation to that of natural gas operation[11] and APCo's application to convert its Clinch River Units 1 and 2 to use natural gas rather than coal as its fuel source.[12]

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[8] *Application of Appalachian Power Company, For approval of transactions to acquire interests in the Amos and Mitchell generation plants and to merge with Wheeling Power Company*, Case No. PUE-2012-00141, 2013 S.C.C. Ann. Rept. 341, Order (July 31, 2013).

[9] *Appalachian Power Company, d/b/a American Electric Power, Petition for consent and approval of Appalachian Power Company consummating an arrangement for the transfer to it of 1647 MW of generating capacity presently owned by Ohio Power Company, an affiliate, pursuant to W.Va. Code § 24-2-12, and associated agreements; Appalachian Power Company and Wheeling Power Company both d/b/a American electric Power, Petition for merger*, Case Nos. 12-1655-E-PC and 11-1775-E-P, 2013 W. Va. PUC LEXIS 2654, Public Service Commission of West Virginia, Commission Order (Dec. 13, 2013).

[10] *Application of Green Energy Partners/Stonewall LLC, For a certificate of public convenience and necessity for a 750 MW electric generating facility in Loudoun County*, Case No. PUE-2013-00104, Doc. Con. Ctr. No. 140520190, Final Order (May 13, 2014).

[11] *Application of Virginia Electric and Power Company, For approval of conversion and operation of Bremo Power Station*, Case No. PUE-2012-00101, Doc. Con. Ctr. No. 130910184, Final Order (Sept. 10, 2013).

[12] *Application of Appalachian Power Company, For certificates of public convenience and necessity to convert Units 1 and 2 of the Clinch River Plant to use natural gas rather than coal as fuel*, Case No. PUE-2013-00057, 2013 S.C.C. Ann. Rept. 415, Final Order (Dec. 20, 2013).

Generation additions that the Commission approved are in various stages of construction. DVP's 1,358 MW combined-cycle facility in Brunswick County[13] is under construction and expected to be operational in the summer of 2016. DVP's 1,300 MW combined-cycle facility in Warren County[14] is under construction and expected to be operational in late 2014. The natural gas conversions of DVP's Bremo Units 3 and 4 were completed on March 25, 2014, and June 23, 2014, respectively. The Biomass Conversions of DVP's three coal-fired generators at Altavista, Southampton, and Hopewell, Virginia,[15] were completed and began operation the latter half of 2013. The natural gas conversions of APCo's Clinch River Units 1 and 2 are underway with completion and operation expected by late 2015 and early 2016, respectively. Construction of Northern Virginia Electric Cooperative's 49.9 MW biomass facility in Halifax County was completed and operation began in November 2013.[16] The 39 MW Highland New Wind turbine facility continues to experience construction challenges and remains under development.[17]

DVP and APCo also have formally announced the planned retirement of certain coal generation facilities during the 2015/2016 time frame due in part to current and anticipated environmental regulations. DVP plans to retire 918 MW of coal capacity at its Chesapeake

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[13] *Application of Virginia Electric and Power Company, For approval and certification of the proposed Brunswick County Power Station and related transmission facilities pursuant to §§ 56-580 D, 56-265.2, and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider BW, pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2012-00128, 2013 S.C.C. Ann. Rept. 302, Final Order (Aug. 2, 2013).

[14] *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 Code of Virginia*, Case No. PUE-2011-00042, 2012 S.C.C. Ann. Rept. 263, Final Order (Feb. 2, 2012).

[15] *Application of Virginia Electric and Power Company, For approval and certification of the proposed biomass conversions of the Altavista, Hopewell, and Southampton Power Stations under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated as Rider B, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00073, 2012 S.C.C. Ann. Rept. 279, Final Order (Mar. 16, 2012).

[16] *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, 2011 S.C.C. Ann. Rept. 370, Order on Application (Apr. 28, 2011).

[17] *Application of Highland New Wind Development, LLC, For Approval to Construct, Own and Operate an Electric Generation Facility in Highland County, Virginia pursuant to §§ 56-46.1 and 56-580 D of the Code of Virginia*, Case No. PUE-2005-00101, 2007 S.C.C. Ann. Rept. 295, Final Order (Dec. 20, 2007).

Energy Center and Yorktown Power Station. APCo intends to retire 1,245 MW of coal capacity at its Glen Lynn, Kanawha River, and Sporn Power Stations.

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 2016.

In April 2013, DVP announced a decision to return to its original plan to use GE Hitachi's Economic Simplified Boiling Water Reactor for the new nuclear reactor at the North Anna Power Station. The company's application is currently undergoing the NRC certification process for the potential third unit. Dominion Virginia Power has not yet finalized a decision to construct a new nuclear unit at North Anna but continues related development activities necessary to maintain that option. Before DVP builds the new unit, it must first receive a COL from the NRC as well as the approval of this Commission.

Virginia's electric utilities also continue to expand their transmission facilities. Ten transmission projects were approved and issued certificates of public convenience and necessity by the Commission in 2013, sixteen transmission projects are under construction, and four transmission certificate applications are currently pending before the Commission. Although on appeal to the Supreme Court of Virginia, the Surry-Skiffes Creek-Wheaton project continues to be developed with a target completion date in the spring of 2016.

A chart summarizing recent transmission line construction activity follows.

# Summary of Transmission Line Case and Construction Activity in Virginia as of August 1, 2014

| Company/Facility | Size | Location | Docket | C.O.D.* | Status |
|---|---|---|---|---|---|
| Transmission Lines | | | | | |
| DVP Mt. Storm-Doubs | 500 kV – 31 mi | Frederick, Clarke, Loudoun | | 12/2014 | certificate issued |
| DVP Cannon Branch-Cloverhill | 230 kV – 2 mi | Prince William, Manassas | | Fall 2014 | certificate issued |
| DVP Bremo-Dooms | 230 kV – 43 mi | Albemarle, Fluvanna | | 10/2014 | certificate issued |
| DVP Brambleton-Waxpool-Beco | 230 kV – 13 mi | Loudoun | | Fall 2014 | certificate issued |
| DVP Surry-Skiffes Creek-Whealton | 500 kV – 7 mi<br>230 kV – 20 mi | Surry, James City, York, Newport News, Hampton | | 4/2016 | certificate issued, on appeal |
| DVP Cloverhill-Liberty-Bristers-Gainesville Loop | 230 kV – 7.6 mi<br>230 kV – 2 mi | Prince William, Manassas | | 11/2015 | certificate issued |
| DVP Brunswick Generator Connection | 500 kV – 14 mi<br>500 kV – 5 mi | Brunswick, Greensville | | 11/2015<br>5/2015 | certificate issued |
| DVP Harrisonburg-Endless Caverns | 230 kV – 19.8 mi | Rockingham | | 6/2015 | certificate issued |
| DVP Dooms-Lexington | 500/230 kV – 39.1 mi | Rockbridge, Augusta | | 12/2015 | certificate issued |
| DVP Brambleton-Beaumeade | 230 kV – 1.2 mi | Loudoun | | Fall 2014 | certificate issued |
| DVP Pleasant View Substation | 500 kV – 0.2 mi | Loudoun | | 12/2014 | certificate issued |
| DVP Loudoun-Pleasant View | 500/230 kV – 13 mi | Loudoun | | 6/2016 | certificate issued |
| DVP Remington CT- Warrenton Wheeler-Vint Hill | 230 kV – 12 mi<br>230 kV – 6 mi | Fauquier<br>Prince William | PUE-2014-00025 | 6/2018<br>6/2017 | pending |
| DVP Cunningham-Elmont | 500 kV – 51 mi | Fluvanna,Goochland,Hanover, Henrico,Louisa | PUE-2014-00047 | 6/2018 | pending |
| APCo Falling Branch-Merrimac | 138 kV – 7.5 mi | Montgomery County | | 6/2015 | certificate issued |
| APCo Wythe Area Improvements | 138 kV - 17.6 mi | Wythe County | | 1/2016 | certificate issued |
| APCo Cloverdale Substation Expansion | 138-765 kV - 3.3 mi | Botetourt County | | 1/2017 | certificate issued |
| APCoSouth Lynchburg Improvements | 138 kV – 9.3 mi | Campbell County | | 6/2017 | certificate issued |
| APCo Richlands-Whitewood | 138 kV – 8.4 mi | Buchanan, Tazewell | PUE-2014-00040 | 6/2017 | pending |
| Potomac Edison Millville-Old Chapel | 138 kV – 5 mi | Clarke | PUE-2014-00070 | 6/2015 | pending |

* Estimated commercial operation date

## G. Integrated Resource Planning

Section 56-597 *et seq.* of the Code mandates the regular filing of IRPs by IOUs that provide retail electric service in Virginia. Specifically, each IOU is required to file an IRP with the Commission by September 1 on a biennial basis. The Commission determines whether or not an IRP is reasonable and in the public interest. Additionally, by September 1 of each year in which an IRP is not required, each IOU must file a narrative summary describing any significant event necessitating a major revision to the most recently filed IRP.

In reviewing the IRPs, the Commission has emphasized that the IRP, as a planning document, does not control future resource-specific decisions by the Commission and does not "preclude the Commission from approving or rejecting a particular supply-side or demand-side resource in the future, nor does the Commission's determination . . . create any presumption in favor, or not in favor, of a particular resource."[18]

DVP filed its most recent IRP on August 30, 2013, and this case is pending before the Commission.[19] APCo submitted its latest IRP on March 11, 2014, and a hearing is scheduled to commence on October 28, 2014.[20] KU filed its latest IRP on April 29, 2014,[21] and this matter is pending before the Commission.

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[18] *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-2009-00096, 2010 S.C.C. Ann. Rept. 385, Final Order (Aug. 6, 2010).

[19] *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-2013-00088, Doc. Con. Ctr. No. 131010097, Order (June 5, 2014).

[20] *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2013-00097, Doc. Con. Ctr. No. 140620035, Order for Notice and Hearing (Mar. 24, 2014).

[21] *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Kentucky Utilities Company d/b/a Old Dominion Power Company's Integrated Resource Plan*, Case No. PUE-2013-00098, Doc. Con. Ctr. No. 140630165, Order for Notice and Comment (June 16, 2014).

## H. Voluntary Renewable Portfolio Standard Programs

### 1. Appalachian Power Company

In 2008, the Commission approved APCo's application under § 56-585.2 of the Code for participation in a voluntary RPS program and for approval of two purchased power agreements for wind resources, the Camp Grove and Fowler Ridge projects, with capacities of 75 MW and 100 MW, respectively.[22] APCo has not sought approval for additional renewable resources during the past year.

Pursuant to § 56-585.2 H of the Code, each IOU is required to report to the Commission by November 1 of each year information relative to: (i) efforts, if any, to meet the RPS goals, (ii) overall generation of renewable energy, and (iii) advances in renewable generation technology that affect activities described in clauses (i) and (ii). On November 1, 2013, APCo reported to the Commission that the company has met RPS Goal II[23] for 2012 through a combination of purchased power wind sources and company-owned hydro generation and fully expected to meet the voluntary goals for 2013 and each year thereafter.

### 2. Dominion Virginia Power

On May 18, 2010, the Commission approved 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 a program.[24]

On November 1, 2013, pursuant to § 56-585.2 H of the Code, DVP reported to the Commission that the company had met the 2012 RPS Goal II through a combination of

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[22] *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).

[23] 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.

[24] *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).

company-owned hydro and biomass facilities, renewable output from non-utility generators under long-term contract with DVP, and the optimization of REC purchases and sales. DVP also stated that it would meet its RPS Goal II for 2013, which will include 137,336 RECs deemed issued by the Commission for qualified investments in accordance with § 56-585.2 J of the Code.[25] Both APCo's and DVP's RPS reports are available at http://www.scc.virginia.gov/pue/renew.aspx.

## I. Other Renewable Energy Activities

### 1. DVP Activity

As previously mentioned, several DVP facilities in Virginia have completed modification to operate as biomass-fueled projects. In addition, Dominion's Virginia City Hybrid Energy Center ("VCHEC"), a coal-fired generating plant located in Wise County, Virginia, has co-firing capability to utilize up to 20% biomass fuel, primarily wood waste.

On October 31, 2011, DVP filed an application for approval to construct and operate up to a combined total of 30 MW of company-owned solar distributed generation ("DG") facilities, consisting of multiple installations at select commercial, industrial, and community locations dispersed throughout its Virginia service territory. On November 28, 2012, the Commission issued an Order that approved the solar DG partnership program subject to a total cost cap of $80 million.[26]

On May 1, 2013, DVP announced it had selected Old Dominion University ("ODU") to be the first participant in its solar partnership program. This project was completed and began operation in July 2014 after the installation of over 600 solar panels on the roof of ODU's

[25] *Commonwealth of Virginia, ex rel., State Corporation Commission In re: Issuance of Renewable Energy Certificates to Virginia Electric and Power Company for 2013 as directed by § 56-585.2 J of the Code of Virginia*, Case No. PUE-2014-00056, Doc. Con. Ctr. No. 140640091, Issuance of Renewable Energy Certificates (June 20, 2014).

[26] *Application of Virginia Electric and Power Company, For approval of a Community Solar Power Program and for certification of proposed distributed solar generation facilities pursuant to Chapter 771 of the 2011 Virginia Acts of Assembly, and §§ 56-46.1 and 56-580 D of the Code of Virginia*, Case No. PUE-2011-00117, 2012 S.C.C. Ann. Rept. 328, Order (Nov. 28, 2012).

Student Recreation Center projected to generate 125 kilowatts ("kW") of electricity. Additionally, in May of 2014 DVP completed a solar installation of more than 2,000 solar panels to generate more than 500 kW of electricity at the Canon Virginia facility in Gloucester, Virginia. In mid-July, DVP announced another partnership with the Prologis Concorde Distribution Center in Sterling, Virginia, to install over 3,000 solar panels to generate about 800 kW of electricity.

Additionally, on May 17, 2012, DVP filed an application for approval of a special tariff to facilitate consumer-owned solar DG installations for up to 3 MW of customer-owned capacity. On March 22, 2013, the Commission issued an Order that approved the special tariff.[27] DVP is scheduled to submit to the Commission an annual status report of its solar partnership and solar purchase programs by September 1, 2014.

**2. General Assembly Activity**

On March 14, 2013, the General Assembly approved Chapter 382 of the Virginia Acts of Assembly, requiring the Commission to conduct a renewable energy pilot program for third party power purchase agreements and to establish certain guidelines regarding its implementation. On November 14, 2013, the Commission issued an Order Establishing Guidelines[28] for this pilot program. To date, the Commission has received a few inquiries but only one customer has submitted a notice of intent to enter into a third-party power purchase agreement under the pilot program.

During the 2014 regular session of the General Assembly, Senator John Edwards introduced Senate Bill 580 ("SB580"), which would require the Commission to establish a system of registering and tracking RECs. On March 13, 2014, the Clerk of the Senate sent a

[27] *Petition of Virginia Electric and Power Company, For approval of a special tariff to facilitate customer-owned distributed solar generation pursuant to Chapter 771 of the 2011 Virginia Acts of Assembly*, Case No. PUE-2012-00064, 2013 S.C.C. Ann. Rept. 269, Order (Mar. 22, 2013).

[28] *Commonwealth of Virginia, ex rel., State Corporation Commission, Concerning the establishment of a renewable energy pilot program for third party power purchase agreements*, Case No. PUE-2013-00045, 2013 S.C.C. Ann. Rept. 404, Order Establishing Guidelines (Nov. 14, 2013).

letter referring Senator Edwards' proposed SB580 to the Commission for study. In response, Commission Staff ("Staff") worked with PJM Environmental Informational Services ("PJM-EIS") to develop an administrative process to enable small generators in the Commonwealth to participate in the REC market within PJM via PJM's Generation Attribute Tracking System ("GATS"). The Staff and PJM-EIS developed the criteria and parameters to define and provide guidance for eligible generators and qualifying RECs. The Staff distributed such parameters to over two dozen interested parties and received comments from three parties in early August 2014. The Staff is reviewing the comments and suggestions to include in its report on proposed SB580 to the Commission in September 2014.

## J. Conservation, Energy Efficiency and Demand Response

### 1. Activity by Dominion Virginia Power

*Demand-Side Management Pilot*

DVP continues to file annual reports with the Commission on one ongoing pilot program, the Distributed Generation/Load Curtailment for Large Non-residential Customers Pilot, approved by the Commission in Case No. PUE-2007-00089.[29] 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*

On March 24, 2010, the Commission approved five DSM programs for customers of Dominion Virginia Power.[30] The five programs are as follows:

- The Residential Lighting Program, which provides instant rebates on energy efficient lighting for residential customers;

[29] *Application of Virginia Electric and Power Company, For expedited approval of conservation, energy efficiency, education, demand response and load management pilots*, Case No. PUE-2007-00089, 2008 S.C.C. Ann. Rept. 425, Final Order (Jan. 17, 2008).

[30] *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).

- 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 a financial 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 a financial incentive; and
- 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 DSM programs were approved for a period of three years, and DVP was directed to provide the Commission with annual detailed reports during this period. The reports are being used to monitor costs and to determine whether certain programs warrant continuation. DVP issued its latest progress report on April 1, 2014. The initial Residential Lighting Program ended in December, 2011, and the Commercial Lighting and Heating/Air Conditioning Upgrade Programs were discontinued in May 2012.

On April 30, 2012, the Commission approved seven additional DSM programs for customers of DVP.[31] The seven programs are as follows.

- The Residential Bundle Program is a combination of the following four residential energy efficiency programs:
    - The Residential Home Energy Check-Up Program, which provides low-cost energy audits to owners and occupants of single-family homes;
    - The Residential Duct Testing and Sealing Program, which provides financial incentives to residential customers to employ a contractor to test and seal air ducts in their homes;
    - The Residential Heat Pump Tune-up Program, which provides financial incentives for residential customers to employ a contractor to tune-up their existing heat pumps once every five years; and
    - The Residential Heat Pump Upgrade Program, which provides financial incentives for residential customers to install high-efficiency heat pumps that exceed federally-mandated standards.

[31] *Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2011-00093, 2012 S.C.C. Ann. Rept. 298, Order (Apr. 30, 2012).

- The Commercial Energy Audit Program provides on-site energy audits of customers' facilities. Customers are eligible for rebates up to the full cost of the audit if they implement any of the efficiency measures identified in the audit.
- The Commercial Duct Testing and Sealing Program provides financial incentives to qualifying customers to employ a contractor to seal ducts in existing buildings using program-approved methods.
- The Commercial Distributed Generation Program entitles qualifying customers to receive a financial incentive to curtail load by utilizing customer-owned backup generation up to 120 hours per year when called upon to do so by DVP.

The programs were approved for a five-year period with cost caps. DVP was directed to provide the Commission with detailed annual reports including updated cost-benefit tests along with evaluation, measurement, and verification plans.

On August 31, 2012, DVP filed an application for approval to extend two DSM programs. On April 19, 2013, the Commission issued an Order wherein, among other things, it approved a two-year extension of the Low Income Program and a three-year extension of the Air Conditioner Cycling Program.[32]

On August 30, 2013, DVP filed an application for approval to enhance its non-residential energy audit program and to implement a new non-residential bundle program ("Phase III"). On April 29, 2014, the Commission issued an Order wherein, among other things, it approved the proposed Phase III DSM programs.[33]

*Electric Vehicle Pilot Program*

Although not filed under the Regulation Act, on July 11, 2011, the Commission approved DVP's application to establish an electric vehicle ("EV") pilot program.[34] DVP anticipated that as many as 86,000 EVs could be in use in its service territory by 2020. DVP's pilot program

[32] *Petition of Virginia Electric and Power Company, For approval to extend two demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2012-00100, 2013 S.C.C. Ann. Rept. 285, Order (Apr. 19, 2013).
[33] *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2013-00072, Doc. Con. Ctr. No. 140440144, Final Order (Apr. 29, 2014).
[34] *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, 2011 S.C.C. Ann. Rept. 436, Order Granting Approval (July 11, 2011).

offers two 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 program is open to up to 1,500 residential customers, with up to 750 participants in each of the two experimental rate classes through December 1, 2015.

### 2. Activity by Appalachian Power Company

On September 12, 2011, the Commission issued a Final Order approving two Demand Response Riders ("DR Riders") for APCo.[35] These DR Riders consist of: (i) a Peak Shaving Demand Response ("PSDR") Rider;[36] and (ii) a Peak Shaving and Emergency Demand Response ("PSEDR") Rider. APCo stated that the PSEDR Rider is aligned with the existing PJM Demand Response Program, which allows for curtailments of load by nonresidential customers during system emergencies. The Commission's Order also permitted APCo to defer costs associated with the DR Riders and found that such costs would be offset by any non-compliance payments received by APCo from customers participating in the DR Riders.

On April 8, 2014, APCo submitted its biennial review[37] which also requested approval to implement a residential low income energy efficiency program and a residential direct load control demand response program. A hearing is set to commence on September 16, 2014. APCo has indicated to the Staff that it will likely file for approval of additional DSM programs later this year or early next year.

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[35] *Application of Appalachian Power Company, 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 its retail customers*, Case No. PUE-2011-00001, 2011 S.C.C. Ann. Rept. 417, Final Order (Sept. 12, 2011).

[36] The PSDR Rider was subsequently terminated by Commission Order. *Application of Appalachian Power Company, For approval to terminate its Peak Shaving Demand Response Rider*, Case No. PUE-2013-00083, 2013 S.C.C. Ann. Rept. 441, Order (Sept. 24, 2013).

[37] *Application of Appalachian Power Company, For a 2014 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-2014-00026, Doc. Con. Ctr. No. 140410194, Order for Notice and Hearing (Apr. 8, 2014).

### 3. Activity by Electric Cooperatives

On September 6, 2013, the Commission approved SEC's request for approval of a DSM program involving member-consumers' central air conditioning systems.[38] Under this program, the member-consumer allows his or her cooperative to install a load-cycling switch device on the member-consumer's central air conditioning system to allow the cooperative to control the air conditioning compressor during peak load periods. If the device remains operational for a full year of operation of the installed switch, the member-consumer receives a one-time written check of $25. This DSM program is similar to DSM programs implemented by Rappahannock, Prince George, and Northern Neck Electric Cooperatives.[39]

## K. Regulatory/Rate Proceedings

Following is a brief summary of regulatory proceedings, primarily involving rate increase requests now pending before the Commission or completed within the last year. Further information on these proceedings is available on the Commission's website: http://www.scc.virginia.gov/case/index.aspx.

[38] *Application of Southside Electric Cooperative, For approval of a demand-side management program including promotional allowances*, Case No. PUE-2013-00066, 2013 S.C.C. Ann. Rept. 419, Order Granting Approval (Sept. 6, 2013).

[39] *Application of Rappahannock Electric Cooperative, For approval of a demand-side management program including promotional allowances*, Case No. PUE-2010-00046, 2011 S.C.C. Ann. Rept. 333, Order Granting Petition (Jan. 4, 2011); *Application of Prince George Electric Cooperative, For approval of a demand-side management program including promotional allowances*, Case No. PUE-2012-00002, 2012 S.C.C. Ann. Rept. 373, Order Granting Approval (Mar. 5, 2012); and *Application of Northern Neck Electric Cooperative, For approval of a demand-side management program including promotional allowances*, Case No. PUE-2012-00003, 2012 S.C.C. Ann. Rept. 374, Order Granting Approval (Mar. 5, 2012).

### 1. Appalachian Power Company

*Environmental Rate Adjustment Clause (2013)*

On March 29, 2013, pursuant to § 56-585.1 A 5 e of the Code, APCo filed a petition requesting approval of a RAC to recover environmental costs.[40] APCo requested recovery, over a one-year period beginning February 1, 2014, of approximately $38.5 million of environmental costs that it incurred during 2011 and 2012. The Commission approved a settlement presented by all parties to the case and the Staff which provided for a $37.6 million revenue requirement.

*Rate Adjustment Clause to Recover Dresden Generation Facility Costs (2013)*

On March 29, 2013, APCo filed an application for approval to continue, with modification, its RAC designed to recover the costs associated with the Dresden Generating Facility.[41] In this proceeding, APCo forecasted an annual revenue requirement of approximately $28 million, which it calculated using an ROE of 11.4%, consisting of a base ROE of 10.4% as approved in APCo's 2011 biennial review proceeding, and a 100 basis point enhancement pursuant to § 56-585.1 A 6 of the Code. APCo further requested recovery of an under-recovery of $9.9 million for a total annual revenue requirement of $37.9 million. The Commission approved a settlement presented by APCo and the Staff which provided for a $29.7 million base revenue requirement based on an ROE of 10.4% with a 100 basis point enhancement and recovery of an under-recovery of $9.8 million, for a total annual revenue requirement of approximately $39.5 million.

*Transmission Rate Adjustment Clause (2013)*

APCo recovers transmission costs through a combination of base rates and an incremental transmission rate adjustment clause ("T-RAC"). On December 18, 2013, APCo

[40] *Petition of Appalachian Power Company, For approval of a rate adjustment clause, E-RAC, to recover costs incurred in complying with state and federal environmental laws and regulations, pursuant to Va. Code § 56-585.1 A 5 e*, Case No. PUE-2013-00010, 2013 S.C.C. Ann. Rept. 359, Final Order (Nov. 25, 2013).

[41] *Petition of Appalachian Power Company, For revision of a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia with respect to the Dresden Generating Plant*, Case No. PUE-2013-00009, 2013 S.C.C. Ann. Rept. 357, Final Order (Dec. 17, 2013).

filed an application for approval of a T-RAC pursuant to § 56-585.1 A 4 of the Code.[42] APCo proposed a $135.8 million annual revenue requirement for the rate year beginning May 1, 2014. The Commission approved a settlement presented by APCo and the Staff which provided for a $134.5 million revenue requirement.

*Biennial Review (2014)*

On March 31, 2014, APCo filed its biennial review pursuant to § 56-585.1 A of the Code, providing information on its generation, distribution, and transmission services for calendar years 2012 and 2013.[43] APCo's biennial review filing reflected a 10.8% earned ROE for the combined 2012 and 2013 test years which is within 50 basis points of the 10.9% ROE fair combined return approved by the Commission in the company's 2011 Biennial Review. APCo did not request a change to its rates. APCo also requests approval of an ROE of 10.52% for a fair combined return. APCo identified various accounting issues and rate design proposals for Commission consideration.

The Commission issued its Order for Notice and Hearing on April 8, 2014, which, among other things, established a procedural schedule including a September 16, 2014 hearing to receive public comment and evidence on the application. The case is currently pending before the Commission.

*Fuel Case (2014)*

On July 15, 2014, APCo filed an application requesting to continue to apply its fuel factor of 2.953¢/kWh for service rendered on and after September 1, 2014.[44] This case is currently pending before the Commission.

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[42] *Application of Appalachian Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia*, Case No. PUE-2013-00111, Doc. Con. Ctr. No. 140320035, Final Order (Mar. 18, 2014).

[43] *Application of Appalachian Power Company, For a 2014 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 Viginia*, Case No. PUE-2014-00026, Doc. Con. Ctr. No. 140410194, Order for Notice and Hearing (Apr. 8, 2014).

[44] *Application of Appalachian Power Company, For a Revision of its Fuel Factor*, Case No. PUE-2012-00051, Doc. Con. Ctr. No. 140720130, Application (July 15, 2014).

*Renewable Energy Portfolio Rate Adjustment Clause (2014)*

On March 31, 2014, pursuant to §§ 56-585.1 A 5 d and 56-585.2 E of the Code, APCo filed a petition requesting approval to revise its RAC which recovers the incremental costs associated with its participation in an RPS program.[45] APCo's petition proposes an annual revenue surcredit of $8.7 million. On April 11, 2014, the Commission issued its Order for Notice and Hearing, wherein, among other things, it established a procedural schedule, required notice to the public of the application, and set a public hearing for August 26, 2014. This proceeding is pending before the Commission.

**2. Dominion Virginia Power**

*Demand-Side Management and Energy Efficiency Programs Rate Adjustment Clause (2013)*

On August 30, 2013, DVP filed an application for approval to: (1) Enhance its Non-residential Energy Audit Program; (2) implement a new Non-residential Bundle Programs (Phase III); and (3) continue Riders C1A and C2A for a rate year beginning May 1, 2014 based on a $36.3 million annual revenue requirement.[46] On April 29, 2014, the Commission issued an Order wherein, among other things, it approved a $30.9 million annual revenue requirement, approved the proposed Phase III programs and implemented a five-year cost cap on the Phase III programs.

*Biennial Review (2013)*

On March 28, 2013, DVP filed its second biennial review application pursuant to § 56-585.1 A of the Code, providing information on its generation, distribution, and transmission

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[45] *Petition of Appalachian Power Company, For approval to revise a rate adjustment clause: RPS-RAC, for the recovery of the incremental costs of participation in the Virginia renewable energy porfolio stnadard program pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E,* Case No. PUE-2014-00007, Doc. Con. Ctr. No. 140420049, Order for Notice and Hearing (Apr. 11, 2014).

[46] *Petition of Virginia Electric and Power Company, For approval to imlement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia,* Case No. PUE-2013-00072, Doc. Con. Ctr. No. 140440144, Final Order (Apr. 29, 2014).

services for calendar years 2011 and 2012.[47] In its application, DVP requested an ROE of 11.5% for the 2013-2014 biennial period. The Commission issued its Final Order on November 26, 2013, wherein, among other things, it (1) found DVP earned a 10.25% ROE during the 2011-2012 biennial review period; (2) authorized deferred recovery of $22.7 million of costs associated with asset impairments related to early retirement determinations made by December 31, 2012, severe weather events and natural disasters; (3) authorized a 10.0% fair combined rate for the 2013-2014 biennial review period; and (4) found a common equity percentage of 50% basis is reasonable and prudent for the purpose of setting rates.

*Rate Adjustment Clauses to Recover Generation Facility Costs (2013)*

(i) *Virginia City Hybrid Energy Center*

As previously reported, on June 14, 2013, DVP filed an application to revise Rider S, designed to recover the costs associated with the VCHEC generating facility in Wise County, Virginia. DVP's application reported that the overall cost

> forecast has increased by approximately $45.7 million due to the supplemental Project costs incurred as a result of the Project's improved performance and corresponding customer benefits. With the addition of these supplemental costs, the total cost of the Project has gone from $1.78 billion to $1.826 billion, or approximately $25.7 million above the original $1.80 billion budget.[48]

DVP requested that the Commission approve rates to recover an annual revenue requirement of $287 million, based on an ROE of 12.5%, (including a base ROE of 11.5% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code), for the rate year April 1, 2014. The Commission

[47] *Application of Virginia Electric And Power Company, For a 2013 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-2013-00020, Doc. Con. Ctr. No. 130340101, Application (Mar. 28, 2013).

[48] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center*, Case No. PUE-2013-00061, Doc. Con. Ctr. No. 130628154, Application at 6 (June 14, 2013).

issued its Final Order on March 14, 2014 which provided for, among other things, an annual revenue increase of $238.7 million based on an enhanced ROE of 11%.[49]

(ii) *Warren County Power Station*

On May 31, 2013, DVP filed an application to revise Rider W, designed to recover the costs associated with the Warren County Generating Station in Warren County, Virginia. According to the application, the Warren County Generating Station is generally proceeding on schedule and on budget, with a projected commercial operations date of December 1, 2014. DVP requested that the Commission approve rates to recover an average annual revenue requirement of $122.6 million, based on an ROE of 12.5%, (including a base ROE of 11.5% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code), for the rate year April 1, 2014.[50] The Commission issued its Final Order on February 28, 2014, which provided for, among other things, an annual revenue increase of $82.9 million based on an enhanced ROE of 11.4%.[51]

(iii) *Biomass Conversions*

As previously reported, on June 14, 2013, DVP filed an application to revise its Rider B, designed to recover the costs associated with the Biomass Conversions of its Altavista, Hopewell, and Southampton power stations. DVP requested that the Commission approve rates to recover a revenue requirement of $22.0 million, based on an ROE of 13.5% (including a base ROE of 11.5% and a 200 basis point adder pursuant to § 56-585.1 A 6 of the Code), for the rate year beginning April 1, 2013. The Commission issued its Final Order on March 14, 2014, which

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[49] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center*, Case No. PUE-2013-00061, Doc. Con. Ctr. No. 140320001, Final Order (Mar. 14, 2014).

[50] This is comprised of an annualized revenue requirement of $105.4 million for the pre-commercial operations portion of the rate period, and an annualized revenue requirement of $157.0 million upon commerial operations. This bifurcated revenue requirement is consistent with the requirements of § 56-585.1 A 6.

[51] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider W, Warren County Power Station, for the rate year commencing April 1, 2014*, Case No. PUE-2013-00065, Doc. Con. Ctr. No. 140230053, Final Order (Feb. 28, 2014).

provided for, among other things, an annual revenue increase of $15.21 million based on an enhanced ROE of 12.4%.[52]

*Transmission Rate Adjustment Clause (2014)*

On May 2, 2014, DVP filed an application for approval of a RAC, designated Rider T1, requesting recovery of transmission costs through a combination of base rates and a new increment/decrement RAC designated Rider T1. DVP asserts that Rider T1 is designed to recover the increment/decrement between revenues produced from its base rate transmission revenues and the new annual revenue requirement of transmission costs based on § 56-585.1 A 4 of the Code. On July 29, 2014, the Commission issued its final order wherein, among other things, it approved DVP's proposed total transmission revenue requirement of approximately $538 million of which approximately $398 million will be recovered through base rates and the remaining $139.7 million will be recovered through Rider T1 effective for usage during the rate year of September 1, 2014, through August 31, 2015.[53]

*Fuel Case (2014)*

On May 2, 2014, DVP filed an application to increase its fuel factor from 2.572¢/kWh to 3.018¢/kWh, or alternatively 3.218¢/kWh, for service rendered on and after July 1, 2014. DVP's proposed 3.018¢/kWh represents a mitigation proposal in which DVP would waive its right to recover the full deferral balance over the current period in favor of recovery of the deferral balance over two fuel periods. On May 14, 2014, the Commission issued its Order Establishing Fuel Factor, wherein, among other things, it established a procedural schedule (including a public hearing on August 19, 2014), and authorized an interim fuel factor of 3.018¢/kWh

[52] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell and Southampton power stations, for the rate year commencing April 1, 2014*, Case No. PUE-2013-00060, Doc. Con. Ctr. No. 140310403, Final Order (Mar. 14, 2014).

[53] *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-2014-00021, Doc. Con. Ctr. No. 140730221, Final Order (July 29, 2014).

effective for usage on and after July 1, 2014.[54] The case is currently pending before the Commission.

*Rate Adjustment Clauses to Recover Generation Facility Costs (2014)*

*(i) Virginia City Hybrid Energy Center*

On June 16, 2014, DVP filed an application to revise Rider S, designed to recover the costs associated with the VCHEC generating facility in Wise County, Virginia. DVP requests that the Commission approve rates to recover an annual revenue requirement of $244.5 million for the rate year beginning April 1, 2015. The revenue requirement is based on an ROE of 11.0%, (including a base ROE of 10.0% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code). The proposed revenue requirement, if approved, would increase the monthly bill of a residential customer using 1,000 kWh per month by $0.24. On July 2, 2014, the Commission issued an Order for Notice and Hearing that, among other things, established a procedural schedule and set a hearing date of January 7, 2015, to receive public comments and evidence on DVP's application.[55]

*(ii) Warren County Power Station*

On May 30, 2014, DVP filed an application to revise Rider W, designed to recover the costs associated with the Warren County Generating Station in Warren County, Virginia. According to the application, the Warren County Generating Station is generally proceeding on schedule and on budget, and DVP projects a commercial operations date of December 1, 2014. DVP requests that the Commission approve rates to recover an average annual revenue requirement of $134.7 million for the rate year April 1, 2015. The revenue requirement is based on an ROE of 11.0%, (including a base ROE of 10.0% and a 100 basis point adder pursuant to

[54] *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-2014-00033, Doc. Con. Ctr. No. 140520249, Order Establishing 2014-2015 Fuel Factor Proceeding (May 14, 2014).

[55] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center*, Case No. PUE-2014-00051, Doc. Con. Ctr. No. 140710071, Order for Notice and Hearing (July 2, 2014).

§ 56-585.1 A 6 of the Code). The proposed revenue requirement, if approved, would increase the monthly bill of a residential customer using 1,000 kWh per month by approximately $0.06. On June 19, 2014, the Commission issued an Order for Notice and Hearing that, among other things, established a procedural schedule and set a hearing date of December 3, 2014, to receive public comments and evidence on DVP's application.[56]

*(iii) Biomass Conversions*

On June 16, 2014, DVP filed an application to revise its Rider B, designed to recover the costs associated with the Biomass Conversions of its Altavista, Hopewell, and Southampton power stations. DVP requests that the Commission approve rates to recover a revenue requirement of $12.98 million for the rate year beginning April 1, 2015. The revenue requirement is based on an ROE of 12.0% (including a base ROE of 10.0% and a 200 basis point adder pursuant to § 56-585.1 A 6 of the Code). The proposed revenue requirement, if approved, would increase the monthly bill of a residential customer using 1,000 kWh per month by approximately $0.06. On July 2, 2014, the Commission issued an Order for Notice and Hearing which, among other things, established a procedural schedule and set a hearing date of January 22, 2015, to receive public comments and evidence on DVP's application.[57]

*(iv) Bear Garden Generating Station*

On June 16, 2014, DVP filed an application to revise Rider R, designed to recover the costs associated with the Bear Garden Generating Station in Buckingham County, Virginia. DVP requests that the Commission approve rates to recover an annual revenue requirement of $83.6 million for the rate year April 1, 2015. The revenue requirement is based on an ROE of 11.0%, (including a base ROE of 10.0% and a 100 basis point adder pursuant to § 56-585.1 A 6

[56] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider W, Warren County Power Station, for the rate year commencing April 1, 2015*, Case No. PUE-2014-00042, Doc. Con. Ctr. No. 140640057, Order for Notice and Hearing (June 19, 2014).

[57] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell and Southampton Power Stations, for the Rate Year Commencing April 1, 2015*, Case No. PUE-2014-00050, Doc. Con. Ctr. No. 140710072, Order for Notice and Hearing (July 2, 2014).

of the Code). The proposed revenue requirement, if approved, would increase the monthly bill of a residential customer using 1,000 kWh per month by $0.08. On July 11, 2014, the Commission issued an Order for Notice and Hearing that, among other things, established a procedural schedule and set a hearing date of December 17, 2014, to receive public comments and evidence on DVP's application.[58]

### 3. Kentucky Utilities d/b/a Old Dominion Power Company

*General Rate Case (2013)*

On April 1, 2013, KU filed an application with the Commission requesting authority to increase its annual base rate revenues by $6.5 million. On November 25, 2013, the Commission issued its final order wherein it approved a stipulation presented by KU and the Staff which provided for a $4.7 million annual increase in base rates effective for service rendered on and after December 1, 2013, and accepted an ROE of 10.0% to be used for future earning analyses until changed by the Commission.[59]

*Fuel Case (2014)*

On February 14, 2014, KU filed an application requesting to increase its levelized fuel factor from 2.906¢/kWh to 3.052¢/kWh, effective for service rendered on and after April 1, 2014. On February 28, 2014, the Commission issued an Order for Notice and Hearing wherein it allowed KU to place its proposed fuel factor in effect, as requested, on an interim basis and scheduled a hearing for April 24, 2014, to receive public comments and evidence on the application. On May 19, 2014, the Commission entered the Order Establishing Fuel Factor of 3.052¢/kWh for service rendered on and after April 1, 2014.[60]

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[58] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider R, Bear Garden Generating Station*, Case No. PUE-2014-00052, Doc. Con. Ctr. No. 140720066, Order for Notice and Hearing (July 11, 2014).

[59] *Application of Kentucky Utilities Company, d/b/a Old Dominion Power Compan, For a general rate increase*, Case No. PUE-2013-00013, Doc. Con. Ctr. No. 131130114, Final Order (Nov. 25, 2013).

[60] *Application of Kentucky Utilities Company 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-2014-00010, Doc. Con. Ctr. No. 140530051, Order Establishing Fuel Factor (May 19, 2014).

### 4. Rappahannock Electric Cooperative

On July 29, 2013, Rappahannock filed an application for a general increase in rates designed to produce additional annual revenues of $10.9 million based on a Times Interest Earned Ratio ("TIER") of 1.24. On April 2, 2014, the Commission issued a Final Order that approved a proposed stipulation presented by Rappahannock and the Staff which provided for the cooperative's proposed interim rates to become permanent.[61]

### 5. Southside Electric Cooperative

On November 4, 2013, SEC filed an application for a general increase in rates designed to produce additional annual revenues of $7.5 million based on a TIER of 2.0. On June 27, 2014, the Commission issued a Final Order that approved a proposed stipulation presented by SEC and the Staff which provided for the cooperative's proposed interim rates to become permanent. [62]

### 6. Shenandoah Valley Electric Cooperative

On February 3, 2014, SVEC filed an application for a general increase in rates designed to produce additional annual revenues of approximately $13.7 million based on a TIER of 1.94. On February 21, 2014, the Commission issued an Order for Notice and Hearing wherein, among other things, it allowed SVEC to implement its proposed rates on an interim basis for bills rendered on and after July 3, 2014, and scheduled a public hearing for July 15, 2014. The case is currently pending before the Commission.[63]

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[61] *Application of Rappahannock Electric Cooperative, For approval of a plan to migrate transitioning customers to the Cooperative's legacy rates and to revise rate schedules fo electric service*, Case No. PUE-2013-00052, Doc. Con. Ctr. No. 140410077, Order Accepting Stipulation (Apr. 2, 2014).

[62] *Application of Southside Electric Cooperative, For a general increase in electric rates and for approval of Schedule PCA-1 and a voluntary Prepaid Electric Service tariff (Schedule A-P)*, Case No. PUE-2013-00079, Doc. Con. Ctr. No. 140640244, Final Order (June 27, 2014).

[63] *Application of Shenandoah Valley Electric Cooperative, For approval of a general increase in base rates and a plan to migrate transitioning customers to its modified legacy rates, and for approval of revisions to rate schedules for electric service*, Case No. PUE-2013-00132. Doc. Con. Ctr. No. 140220142, Order for Notice and Hearing (Feb. 21, 2014).

## III. ELECTRICITY PRICES

The Commission continues to monitor electric rates in the Commonwealth, with a particular focus on changes in rates since the Regulation Act went into effect on July 1, 2007. Appendix 1 compares the change in Virginia residential rates since implementing the Regulation Act.

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." To that end, pursuant to the Seventh Enactment Clause of Chapter 933 of the 2007 Acts of Assembly, the Commission is to report by November 1, 2014, 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. The report also 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.

Pursuant to these directives, the Commission, through its Staff, 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 groups.[64] 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.

[64] In the Final Order in Dominion Virginia Power's 2013 Biennial Review the Commission found that KU and Louisville Gas and Electric Company ("LG&E") satisfied the requirements for inclusion in the peer group. Both KU and LG&E are a part of EEI's East South Central Region. Therefore, the averages for that region, as well as the data for both utilities is now included in the Appendicies. *Application of Virginia Electric and Power Company, For a 2013 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-2013-00020, Final Order (Nov. 26, 2013).

The EEI information was used in several ways to rank the rates of APCo, DVP, and their peer groups from lowest to highest.[65] First, the EEI data was used to compare average rate per kWh for residential, commercial, and industrial rates for 2006 and 2013.[66] The 2013 information was utilized to assess the competitiveness of the then current rates. The 2013 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 their statutorily defined peer groups also were examined for differing customer groups and varying ranges of consumption.[67] 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, 2014, 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, 2014, and as such do not reflect any subsequent or pending rate changes. Any pending changes could increase or decrease the relative competitiveness of DVP's or APCo's rates and potentially their ranking if the rates of the peer group do not change on a comparable basis.

The change in average rates per customer class is summarized in Appendix 2 to this report, which presents the average 2006 and 2013 revenue information for DVP, APCo, and their statutorily defined peer groups for residential, commercial, and industrial rates.

Appendices 3, 4, and 5 present typical bill information for residential, commercial, and industrial customers, respectively, of DVP, APCo, and their statutorily defined peer groups. The typical bills presented in these appendices are annualized so that seasonal rate differences (*i.e.*,

[65] It should be noted that the number of companies ranked differ for the average revenue per kWh comparisons and typical bill comparisons.
[66] The 2013 information was taken from EEI's "Typical Bills and Average Rates Report Winter 2014." The 2006 information was taken from EEI's "Typical Bills and Average Rates Report Winter 2007" and the Excel files accompanying that report, as well as EEI's "Typical Bills and Average Rates Report Summer 2006."
[67] Typical Bills are presented based on the usage and demand levels reported in the EEI reports.

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.

APCo's and DVP's 2013-14 electricity rates appear to be competitive with their peer utilities, although pending rate requests could lessen the competitiveness of electricity rates in the future.

## IV. 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."[68] APCo, DVP, and Old Dominion Electric Cooperative ("ODEC") are currently participating in such an RTE known as PJM.[69] This report will discuss recent developments in RTE participation and the impacts of RTE operations on the energy market.

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

Prices associated with PJM's energy markets are based on a system of locational marginal prices, commonly referred to as LMP, where the price of electricity for a given time increment is based on the offer to sell electricity submitted by the last, or highest-priced, generating unit needed to operate during that time period, as selected through a competitive

[68] This also is referred to as regional transmission organization, or RTO.
[69] 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.

auction. All generating 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 by the PJM energy market to the extent that their utilities purchase electricity from and sell electricity to 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 electrical 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 needed to promote reliable service. DVP 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 ("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 and has opted out of the capacity auction through the 2017/2018 plan year.

## V. SIGNIFICANT RTE-RELATED DOCKETS AT FERC

Section 56-579 C of the Code directs the Commission to participate "to the fullest extent permitted" in RTE-related dockets at FERC. The following is a discussion of recent developments in significant RTE-related dockets at FERC in which the Commission participated.

### A. PJM's Reliability Pricing Model

PJM has conducted several RPM auctions under procedures approved by FERC. The May 2008 auction, for the 2011-2012 delivery year, was the first to procure capacity under a full

three-year forward commitment.[70] The most recent auction, for the 2017-2018 delivery year, was completed on May 16, 2014. FERC has adjudicated numerous disputes regarding the RPM auctions, and the Commission has frequently intervened in such proceedings. FERC recently implemented changes to the RPM auction rules to increase the operational requirements for demand-side management resources and to limit the amount of capacity imports that can clear the auctions.[71]

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

The Commission has long been concerned with market monitoring issues at PJM. The Commission continues to monitor interactions between PJM and its market monitor and communicates with PJM and the market monitor on a regular basis regarding such issues.

## C. Cost Allocation and Regional Transmission Planning

In 2007, 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.[72] Projects operating below 500 kV would continue to be financed 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 FERC had not justified its cost allocation methodology for projects operating above 500 kV, finding that 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

[70] 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.
[71] PJM Interconnection, L.L.C., 147 FERC ¶ 61,103 (2014), reh'g pending; PJM Interconnection, L.L.C., 147 FERC ¶ 61,060 (2014), reh'g pending. As noted in last year's report, PJM reported that the 2013 auction attracted a record amount of new generation, capacity imports, and energy efficiency but with some reduction in demand response.
[72] PJM Interconnection, L.L.C., 119 FERC ¶ 61,063 (2007), reh'g denied, 122 FERC ¶ 61,082 (2008).

the costs sought to be shifted to its members.[73] The Court remanded the case to FERC for further consideration. On March 30, 2012, FERC issued its Order on Remand, in which it reiterated that PJM's pre-existing tariff and practice of utilizing exclusively a static flow-based model for allocating the costs of high voltage transmission lines is unjust and unreasonable and that allocating costs of transmission enhancements that operate at or above 500 kV to utility zones using a postage stamp cost allocation methodology is a just, reasonable, and not unduly discriminatory method of allocating the costs of these new facilities.[74] On June 25, 2014, the Seventh Circuit again reversed this cost allocation methodology and remanded the case back to FERC for further consideration.[75]

On July 11, 2011, FERC issued a final rule, known as Order No. 1000, reforming its transmission planning and cost allocation policy.[76] Order No. 1000 requires transmission providers to participate in regional transmission planning processes to develop regional transmission plans that would identify necessary transmission facilities and 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.

Order No. 1000 also includes provisions intended to prevent undue discrimination against non-incumbent transmission providers (*e.g.*, merchant transmission developers or utilities developing projects outside of their service territories), and proposed to improve coordination between regional planning processes.

[73] Illinois Commerce Comm'n v. F.E.R.C., 576 F.3d 470 (7th Cir. 2009).
[74] PJM Interconnection L.L.C., 138 FERC ¶ 61,230 (2012) reh'g pending.
[75] Illinois Commerce Comm'n v. F.E.R.C., Docket No. 13-1674 (7th Cir. 2014).
[76] Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000, 136 FERC ¶ 61,051 (2011).

Finally, Order No. 1000 requires that regional cost allocation methodologies follow six general principles of cost allocation.[77] FERC Order No. 1000 was appealed by numerous parties, including a number of IOUs participating through appeals filed by EEI and the Coalition for Fair Transmission Policy. A federal appellate court issued an order on August 15, 2014, unanimously rejecting challenges to FERC's jurisdiction and upholding FERC Order No. 1000.[78]

On March 22, 2013, FERC approved changes to the cost allocation for new transmission facilities in the PJM region.[79] Whereas projects 500 kV and above were previously 100% socialized across the PJM region, as a general matter, projects 345 kV and above are now 50% socialized with the remaining 50% financed by contributions from the region's electric utilities calculated on the basis of the benefits that each utility receives from the facilities. New projects below 345 kV are financed entirely by the utilities that benefit from the facilities.[80]

Although Order No. 1000 eliminated the federal right of first refusal previously provided to utilities when developing transmission projects, on May 15, 2014, FERC ruled that PJM may designate an incumbent transmission owner to build certain types of transmission projects when required by law, regulation or administrative agency order of the state where such projects would be located.[81]

## D. 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

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[77] 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.

[78] *South Carolina Public Service Authority v. FERC, et al.*, Docket No. 12-1232, D.C. Cir. (Aug. 15, 2014).

[79] Indicated PJM Transmission Owners, 142 FERC ¶ 61,214 (2013).

[80] The cost allocation for 345 kV projects and other types of projects depends on their specific details.

[81] PJM Interconnection, L.L.C., 147 FERC ¶ 61,128 (2014), reh'g pending.

was 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 Interconnection States Planning Council[82] ("EISPC") was awarded a $14 million grant by the DOE to develop inputs as needed to conduct the interconnection-level analyses prepared by EIPC and to designate energy zones of particular interest for low- or no-carbon electricity.

The Staff participated in discussions relating to the implementation of the studies funded by the DOE grant.[83] Additionally, the Staff has attended meetings and is part of the ongoing discussions and studies. EIPC submitted its final report to the DOE on December 22, 2012, concluding the work originally identified in the federal grant.[84] The report identifies three planning scenarios suitable for interregional coordination. Subsequently, the DOE noted the rapid changes in the natural gas market since the beginning of the study, such as the discovery and development of new natural gas resources and the increasing reliance on natural gas for power generation. DOE questioned whether the existing natural gas infrastructure was sufficient to support the anticipated need for natural gas power production in the future. DOE extended EIPC's funding to perform additional technical analyses to evaluate the interaction between the natural gas and electric systems.

EISPC's funding was likewise extended in 2013, and current plans call for continuing operations through at least 2015, focusing on research into demand response, energy efficiency, energy storage, customer-owned generation, smart grid studies, probabilistic risk assessment, load forecasting, data mining and incentives and disincentives to nuclear power development.

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[82] The District of Columbia, the City of New Orleans, and the 39 states located within the Eastern Interconnection comprise the 41 entities that have state or local regulatory jurisdiction over the retail electric industry.

[83] 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.

[84] *See* http://www.eipconline.com/uploads/20130103_Phase2Report_Part1_Final.pdf.

EISPC also has developed a web-based mapping tool that will support EISPC member jurisdictions as they identify areas within the interconnection that are suitable for developing clean energy resources and determining potential clean energy zones.[85]

EISPC and EIPC are currently discussing additional research, which would be funded from sources other than DOE. EISPC's Studies and White Paper Working Group will be responsible for any such proposals. The first identified area of research is an additional planning sensitivity for high-drought conditions.

## VI. CLOSING

The Commission continues to execute its responsibilities under the Regulation Act. The Commission does not offer any legislative recommendations at this time but stands ready to provide additional information or assistance if requested.

[85] *See* http://eispctools.anl.gov/.

**Appendix 1**

CHANGE IN VIRGINIA RESIDENTIAL RATES
SINCE IMPLEMENTING THE REGULATION ACT

Residential Consumer Electric Rates in Virginia
Expressed in $ per 1,000 kWh

| *Utilities* | *Jul-07* | *Jul-14* | *Change* | *% Change* |
|---|---|---|---|---|
| IOU | | | | |
| **Appalachian Power Company** | $66.61 | $117.99 | $51.38 | 77.14 |
| **Dominion Virginia Power** | 90.60 | 112.45 | 21.85 | 24.12 |
| **Old Dominion/Kentucky Utilities** | 67.57 | 100.25 | 32.68 | 48.36 |
| Electric Cooperatives | | | | |
| **A&N** | 122.59 | 120.63 | -1.96 | -1.60 |
| **BARC** | 123.18 | 119.87 | -3.31 | -2.69 |
| **Central Virginia** | 83.04 | 132.64 | 49.60 | 59.73 |
| **Community** | 122.37 | 116.84 | -5.53 | -4.52 |
| **Craig Botetourt** | 114.90 | 139.02 | 24.12 | 20.99 |
| **Mecklenburg** | 121.71 | 131.50 | 9.79 | 8.04 |
| **Northern Neck** | 126.35 | 134.81 | 8.46 | 6.70 |
| **Northern Virginia** | 129.20 | 123.57 | -5.63 | -4.36 |
| **Prince George** | 118.62 | 124.47 | 5.85 | 4.93 |
| **Rappahannock** | 127.72 | 121.54 | -6.18 | -4.84 |
| **Shenandoah Valley** | 115.12 | 117.85 | 2.73 | 2.37 |
| **Southside** | 133.32 | 136.84 | 3.52 | 2.64 |

NOTES

1. For the Electric Cooperatives, the residential consumer electric rates include the wholesale power cost adjustment rates as filed with the Staff in the months of June/July 2014.
2. Sales and Use, Consumption and Local Utility taxes are not included in the rate calculations for the utilities except Rappahannock. Rappahannock's rates include sales and use tax.
3. Dominion Virginia Power's rates are annualized and include an interim fuel factor rate pursuant to Case No. PUE-2014-00033.
4. Shenandoah Valley's rates are interim rates effective for bills rendered on and after July 5, 2014, subject to refund, pursuant to Case No. PUE-2013-00132.

## Appendix 2

CHANGE IN AVERAGE RATES PER CUSTOMER CLASS

NOTE: Corrections to Appendix 2 on February 9, 2015 regarding:

1. KU d/b/a Old Dominion Power for column **2014 $** and affecting **Change %, 2014 Rank**, **Rank Change**.

**PEER GROUP**
**Rate Comparison**
**Average Revenue per kWh**

| Total Rate: | 2006 ¢/kWh | 2013 ¢/kWh | Change % | 2006 Ranking | 2013 Ranking | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 7.09 | 9.02 | 27.20 | 7 | 9 | -2 |
| Appalachian Power Company (Va) | 5.04 | 9.05 | 79.56 | 1 | 10 | -9 |
| Dominion Virginia Power | 6.79 | 8.58 | 26.37 | 6 | 6 | 0 |
| DUKE Energy Carolinas (NC) | 6.48 | 8.36 | 28.86 | 5 | 4 | 1 |
| DUKE Energy Carolinas (SC) | 5.54 | 7.24 | 30.69 | 3 | 1 | 2 |
| Entergy Mississippi, Inc. | 9.89 | 8.82 | -10.90 | 14 | 7 | 7 |
| FP&L Company | 11.22 | 9.50 | -15.32 | 17 | 13 | 4 |
| Georgia Power | 7.29 | 9.39 | 28.76 | 10 | 12 | -2 |
| Gulf Power | 7.98 | 10.40 | 30.35 | 13 | 15 | -2 |
| Mississippi Power | 7.21 | 9.11 | 26.41 | 8 | 11 | -3 |
| Duke Energy Progress, Inc. (NC) | 7.60 | 9.01 | 18.56 | 11 | 8 | 3 |
| Duke Energy Progress, Inc. (SC) | 7.27 | 8.11 | 11.53 | 9 | 2 | 7 |
| Duke Progress Energy Florida, Inc. | 10.55 | 10.84 | 2.74 | 16 | 16 | 0 |
| SCE&G | 7.83 | 11.06 | 41.25 | 12 | 17 | -5 |
| Tampa Electric Company | 9.96 | 10.14 | 1.77 | 15 | 14 | 1 |
| KU d/b/a Old Dominion Power | 5.32 | 8.35 | 56.89 | 2 | 3 | -1 |
| Louisville Gas & Electric | 5.79 | 8.56 | 48.01 | 4 | 5 | -1 |
| | | | | | | |
| Average For East South Central | 6.85 | 8.62 | 25.84 | | | |
| Average For South Atlantic | 8.26 | 9.40 | 13.80 | | | |
| USA Average | 8.89 | 10.37 | 16.65 | | | |

| Residential Rate: | 2006 ¢/kWh | 2013 ¢/kWh | Change % | 2006 Ranking | 2013 Ranking | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 8.93 | 11.60 | 29.86 | 8 | 12 | -4 |
| Appalachian Power Company (Va) | 5.95 | 10.98 | 84.49 | 2 | 10 | -8 |
| Dominion Virginia Power | 8.43 | 10.72 | 27.18 | 6 | 9 | -3 |
| DUKE Energy Carolinas (NC) | 7.93 | 10.14 | 27.81 | 5 | 6 | -1 |
| DUKE Energy Carolinas (SC) | 7.33 | 9.68 | 32.09 | 4 | 3 | 1 |
| Entergy Mississippi, Inc. | 10.55 | 9.36 | -11.34 | 14 | 2 | 12 |
| FP&L Company | 11.90 | 10.50 | -11.76 | 17 | 7 | 10 |
| Georgia Power | 8.82 | 12.00 | 36.15 | 7 | 14 | -7 |
| Gulf Power | 9.07 | 11.81 | 30.21 | 11 | 13 | -2 |
| Mississippi Power | 10.12 | 12.91 | 27.54 | 13 | 16 | -3 |
| Duke Energy Progress, Inc. (NC) | 9.03 | 10.61 | 17.56 | 10 | 8 | 2 |
| Duke Energy Progress, Inc. (SC) | 9.01 | 9.97 | 10.71 | 9 | 5 | 4 |
| Duke Progress Energy Florida, Inc. | 11.79 | 12.49 | 5.92 | 16 | 15 | 1 |
| SCE&G | 9.92 | 14.13 | 42.43 | 12 | 17 | -5 |
| Tampa Electric Company | 10.97 | 11.06 | 0.82 | 15 | 11 | 4 |
| KU d/b/a Old Dominion Power | 5.87 | 8.61 | 46.75 | 1 | 1 | 0 |
| Louisville Gas & Electric | 6.63 | 9.75 | 46.98 | 3 | 4 | -1 |
| | | | | | | |
| Average For East South Central | 8.24 | 10.48 | 27.18 | | | |
| Average For South Atlantic | 9.79 | 11.21 | 14.50 | | | |
| USA Average | 10.62 | 12.43 | 17.04 | | | |

**PEER GROUP**
**Rate Comparison**
**Average Revenue per kWh**

| Commercial Rate: | 2006 ¢/kWh | 2013 ¢/kWh | Change % | 2006 Ranking | 2013 Ranking | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 8.17 | 10.63 | 30.20 | 13 | 16 | -3 |
| Appalachian Power Company (Va) | 5.09 | 8.79 | 72.62 | 1 | 7 | -6 |
| Dominion Virginia Power | 6.08 | 7.77 | 27.77 | 3 | 1 | 2 |
| DUKE Energy Carolinas (NC) | 6.31 | 7.90 | 25.21 | 6 | 3 | 3 |
| DUKE Energy Carolinas (SC) | 6.26 | 7.88 | 25.87 | 5 | 2 | 3 |
| Entergy Mississippi, Inc. | 10.20 | 8.98 | -12.04 | 16 | 10 | 6 |
| FP&L Company | 10.54 | 8.56 | -18.80 | 17 | 4 | 13 |
| Georgia Power | 7.50 | 9.62 | 28.19 | 8 | 13 | -5 |
| Gulf Power | 7.59 | 9.75 | 28.51 | 9 | 14 | -5 |
| Mississippi Power | 8.05 | 10.28 | 27.65 | 11 | 15 | -4 |
| Duke Energy Progress, Inc. (NC) | 7.46 | 8.86 | 18.70 | 7 | 8 | -1 |
| Duke Energy Progress, Inc. (SC) | 8.05 | 8.76 | 8.72 | 12 | 5 | 7 |
| Duke Progress Energy Florida, Inc. | 9.62 | 9.44 | -1.88 | 15 | 11 | 4 |
| SCE&G | 7.91 | 10.98 | 38.89 | 10 | 17 | -7 |
| Tampa Electric Company | 9.48 | 9.54 | 0.72 | 14 | 12 | 2 |
| KU d/b/a Old Dominion Power | 5.75 | 8.76 | 52.33 | 2 | 6 | -4 |
| Louisville Gas & Electric | 6.18 | 8.95 | 44.78 | 4 | 9 | -5 |
| | | | | | | |
| Average For East South Central | 7.73 | 9.76 | 26.26 | | | |
| Average For South Atlantic | 8.33 | 8.95 | 7.44 | | | |
| USA Average | 9.33 | 10.52 | 12.75 | | | |

| Industrial Rate: | 2006 ¢/kWh | 2013 ¢/kWh | Change % | 2006 Ranking | 2013 Ranking | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 4.92 | 5.98 | 21.55 | 7 | 3 | 4 |
| Appalachian Power Company (Va) | 3.85 | 6.79 | 76.42 | 1 | 11 | -10 |
| Dominion Virginia Power | 4.62 | 6.10 | 31.91 | 5 | 6 | -1 |
| DUKE Energy Carolinas (NC) | 4.73 | 6.06 | 28.35 | 6 | 5 | 1 |
| DUKE Energy Carolinas (SC) | 4.04 | 5.01 | 23.96 | 2 | 1 | 1 |
| Entergy Mississippi, Inc. | 8.04 | 6.88 | -14.45 | 15 | 12 | 3 |
| FP&L Company | 8.87 | 6.61 | -25.51 | 17 | 8 | 9 |
| Georgia Power | 5.39 | 6.03 | 11.72 | 10 | 4 | 6 |
| Gulf Power | 5.85 | 7.57 | 29.39 | 13 | 15 | -2 |
| Mississippi Power | 5.10 | 6.67 | 30.63 | 8 | 10 | -2 |
| Duke Energy Progress, Inc. (NC) | 5.78 | 6.63 | 14.67 | 12 | 9 | 3 |
| Duke Energy Progress, Inc. (SC) | 5.64 | 5.95 | 5.41 | 11 | 2 | 9 |
| Duke Progress Energy Florida, Inc. | 8.31 | 8.19 | -1.49 | 16 | 16 | 0 |
| SCE&G | 5.15 | 7.27 | 41.03 | 9 | 13 | -4 |
| Tampa Electric Company | 7.65 | 8.50 | 11.02 | 14 | 17 | -3 |
| KU d/b/a Old Dominion Power | 4.46 | 7.39 | 65.76 | 4 | 14 | -10 |
| Louisville Gas & Electric | 4.35 | 6.45 | 48.50 | 3 | 7 | -4 |
| | | | | | | |
| Average For East South Central | 4.97 | 6.08 | 22.33 | | | |
| Average For South Atlantic | 5.19 | 6.61 | 27.36 | | | |
| USA Average | 6.00 | 6.91 | 15.17 | | | |

# Appendix 3

## TYPICAL RESIDENTIAL BILLS

NOTE: Corrections to Appendix 3 on February 9, 2015 regarding:

1. KU d/b/a Old Dominion Power for column **2014 $** and affecting **Change %, 2014 Rank**, **Rank Change**, and
2. Average for South Atlantic for column **2014 $** and **Change %**.

**PEER GROUP**
**Typical Bill Comparison**
**Residential Customers**

| Monthly Usage of 500 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 53.33 | 67.85 | 27.23 | 13 | 16 | -3 |
| Appalachian Power Company (Va) | 34.58 | 59.20 | 71.20 | 3 | 7 | -4 |
| Appalachian Power Company (WV) | 32.48 | 52.44 | 61.45 | 1 | 1 | 0 |
| Dominion North Carolina Power | 49.38 | 60.24 | 21.99 | 10 | 9 | 1 |
| Dominion Virginia Power | 48.00 | 58.59 | 22.06 | 8 | 6 | 2 |
| DUKE Energy Carolinas (NC) | 44.09 | 61.52 | 39.53 | 6 | 11 | -5 |
| DUKE Energy Carolinas (SC) | 39.55 | 59.37 | 50.11 | 5 | 8 | -3 |
| Entergy Mississippi, Inc. | 60.81 | 62.14 | 2.19 | 18 | 13 | 5 |
| FP&L Company | 56.97 | 52.63 | -7.62 | 15 | 2 | 13 |
| Georgia Power | 45.28 | 61.54 | 35.91 | 7 | 12 | -5 |
| Gulf Power | 51.30 | 75.24 | 46.67 | 12 | 17 | -5 |
| Mississippi Power | 64.08 | 82.69 | 29.04 | 19 | 19 | 0 |
| Duke Energy Progress, Inc. (NC) | 48.69 | 60.49 | 24.23 | 9 | 10 | -1 |
| Duke Energy Progress, Inc. (SC) | 51.17 | 56.36 | 10.14 | 11 | 5 | 6 |
| Duke Progress Energy Florida, Inc. | 58.90 | 67.14 | 13.99 | 16 | 15 | 1 |
| SCE&G | 53.73 | 76.06 | 41.56 | 14 | 18 | -4 |
| Tampa Electric Company | 59.17 | 62.51 | 5.64 | 17 | 14 | 3 |
| KU d/b/a Old Dominion Power | 32.49 | 55.40 | 70.51 | 2 | 3 | -1 |
| Louisville Gas & Electric | 35.18 | 55.54 | 57.87 | 4 | 4 | 0 |
| | | | | | | |
| Average For East South Central | 43.99 | 58.89 | 33.87 | | | |
| Average For South Atlantic | 49.07 | 62.39 | 27.14 | | | |
| USA Average | 56.20 | 69.62 | 23.88 | | | |

| Monthly Usage of 750 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 74.35 | 94.33 | 26.87 | 13 | 15 | -2 |
| Appalachian Power Company (Va) | 48.38 | 84.61 | 74.89 | 3 | 9 | -6 |
| Appalachian Power Company (WV) | 43.88 | 73.14 | 66.68 | 1 | 1 | 0 |
| Dominion North Carolina Power | 69.30 | 84.49 | 21.92 | 9 | 8 | 1 |
| Dominion Virginia Power | 68.48 | 84.36 | 23.19 | 8 | 7 | 1 |
| DUKE Energy Carolinas (NC) | 63.52 | 86.21 | 35.72 | 6 | 13 | -7 |
| DUKE Energy Carolinas (SC) | 56.24 | 84.92 | 51.00 | 5 | 11 | -6 |
| Entergy Mississippi, Inc. | 81.37 | 83.01 | 2.02 | 15 | 6 | 9 |
| FP&L Company | 82.79 | 75.21 | -9.16 | 16 | 2 | 14 |
| Georgia Power | 67.28 | 87.51 | 30.07 | 7 | 14 | -7 |
| Gulf Power | 71.82 | 103.62 | 44.28 | 11 | 17 | -6 |
| Mississippi Power | 85.27 | 110.12 | 29.14 | 19 | 19 | 0 |
| Duke Energy Progress, Inc. (NC) | 69.66 | 84.88 | 21.85 | 10 | 10 | 0 |
| Duke Energy Progress, Inc. (SC) | 73.50 | 81.28 | 10.59 | 12 | 5 | 7 |
| Duke Progress Energy Florida, Inc. | 84.23 | 96.22 | 14.23 | 17 | 16 | 1 |
| SCE&G | 76.84 | 109.08 | 41.96 | 14 | 18 | -4 |
| Tampa Electric Company | 84.39 | 86.06 | 1.98 | 18 | 12 | 6 |
| KU d/b/a Old Dominion Power | 46.20 | 77.09 | 66.86 | 2 | 3 | -1 |
| Louisville Gas & Electric | 50.30 | 77.61 | 54.29 | 4 | 4 | 0 |
| | | | | | | |
| Average For East South Central | 61.01 | 81.67 | 33.86 | | | |
| Average For South Atlantic | 70.42 | 88.93 | 26.29 | | | |
| USA Average | 81.56 | 100.81 | 23.60 | | | |

**PEER GROUP**
**Typical Bill Comparison**
**Residential Customers**

| Monthly Usage of 1000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 93.40 | 117.74 | 26.06 | 11 | 15 | -4 |
| Appalachian Power Company (Va) | 61.39 | 110.01 | 79.20 | 3 | 11 | -8 |
| Appalachian Power Company (WV) | 55.28 | 93.83 | 69.74 | 1 | 1 | 0 |
| Dominion North Carolina Power | 89.24 | 108.74 | 21.85 | 8 | 8 | 0 |
| Dominion Virginia Power | 87.18 | 108.34 | 24.27 | 7 | 7 | 0 |
| DUKE Energy Carolinas (NC) | 82.95 | 110.89 | 33.68 | 6 | 13 | -7 |
| DUKE Energy Carolinas (SC) | 72.93 | 110.46 | 51.46 | 5 | 12 | -7 |
| Entergy Mississippi, Inc. | 101.92 | 103.87 | 1.91 | 15 | 5 | 10 |
| FP&L Company | 108.61 | 97.79 | -9.96 | 17 | 2 | 15 |
| Georgia Power | 93.91 | 114.75 | 22.19 | 12 | 14 | -2 |
| Gulf Power | 92.34 | 132.00 | 42.95 | 10 | 17 | -7 |
| Mississippi Power | 106.27 | 137.31 | 29.21 | 16 | 18 | -2 |
| Duke Energy Progress, Inc. (NC) | 90.62 | 109.27 | 20.58 | 9 | 9 | 0 |
| Duke Energy Progress, Inc. (SC) | 94.50 | 104.88 | 10.98 | 13 | 6 | 7 |
| Duke Progress Energy Florida, Inc. | 109.56 | 125.29 | 14.36 | 18 | 16 | 2 |
| SCE&G | 99.95 | 142.28 | 42.35 | 14 | 19 | -5 |
| Tampa Electric Company | 109.61 | 109.61 | 0.00 | 19 | 10 | 9 |
| KU d/b/a Old Dominion Power | 59.91 | 98.79 | 64.90 | 2 | 3 | -1 |
| Louisville Gas & Electric | 65.43 | 99.69 | 52.36 | 4 | 4 | 0 |
| | | | | | | |
| Average For East South Central | 77.74 | 104.04 | 33.83 | | | |
| Average For South Atlantic | 91.75 | 115.40 | 25.78 | | | |
| USA Average | 106.52 | 131.61 | 23.55 | | | |

# Appendix 4

## TYPICAL COMMERCIAL BILLS

NOTE: Corrections to Appendix 4 on February 9, 2015 regarding:

1. KU d/b/a Old Dominion Power for column **2014 $** and affecting **Change %, 2014 Rank**, **Rank Change**, and
2. Average for South Atlantic for column **2014 $** and **Change %.**

**PEER GROUP**
**Typical Bill Comparison**
**Commercial Customers**

| Usage of 375 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 50.00 | 76.00 | 52.00 | 13 | 17 | -4 |
| Appalachian Power Company (Va) | 28.00 | 45.00 | 60.71 | 2 | 3 | -1 |
| Appalachian Power Company (WV) | 26.00 | 38.00 | 46.15 | 1 | 1 | 0 |
| Dominion North Carolina Power | 45.00 | 61.00 | 35.56 | 7 | 11 | -4 |
| Dominion Virginia Power | 44.08 | 51.00 | 15.70 | 6 | 5 | 1 |
| DUKE Energy Carolinas (NC) | 48.00 | 68.64 | 43.00 | 10 | 15 | -5 |
| DUKE Energy Carolinas (SC) | 44.00 | 55.79 | 26.80 | 5 | 6 | -1 |
| Entergy Mississippi, Inc. | 56.00 | 59.00 | 5.36 | 17 | 10 | 7 |
| FP&L Company | 50.00 | 43.33 | -13.34 | 14 | 2 | 12 |
| Georgia Power | 56.00 | 76.97 | 37.45 | 18 | 18 | 0 |
| Gulf Power | 47.00 | 65.00 | 38.30 | 9 | 13 | -4 |
| Mississippi Power | 64.00 | 83.00 | 29.69 | 19 | 19 | 0 |
| Duke Energy Progress, Inc. (NC) | 48.00 | 65.00 | 35.42 | 11 | 14 | -3 |
| Duke Energy Progress, Inc. (SC) | 48.00 | 50.00 | 4.17 | 12 | 4 | 8 |
| Duke Progress Energy Florida, Inc. | 51.00 | 57.00 | 11.76 | 16 | 8 | 8 |
| SCE&G | 50.00 | 69.12 | 38.24 | 15 | 16 | -1 |
| Tampa Electric Company | 46.00 | 55.99 | 21.72 | 8 | 7 | 1 |
| KU d/b/a Old Dominion Power | 34.00 | 61.00 | 79.41 | 3 | 12 | -9 |
| Louisville Gas & Electric | 37.00 | 58.00 | 56.76 | 4 | 9 | -5 |
| | | | | | | |
| Average For East South Central | 44.00 | 60.00 | 36.36 | | | |
| Average For South Atlantic | 48.00 | 57.00 | 18.75 | | | |
| USA Average | 53.00 | 63.00 | 18.87 | | | |

| Demand of 40 kW and Usage of 10,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 961.00 | 1,276.00 | 32.78 | 14 | 18 | -4 |
| Appalachian Power Company (Va) | 580.00 | 996.00 | 71.72 | 2 | 9 | -7 |
| Appalachian Power Company (WV) | 569.00 | 921.00 | 61.86 | 1 | 6 | -5 |
| Dominion North Carolina Power | 731.00 | 904.00 | 23.67 | 6 | 4 | 2 |
| Dominion Virginia Power | 802.00 | 986.00 | 22.94 | 9 | 7 | 2 |
| DUKE Energy Carolinas (NC) | 723.00 | 905.56 | 25.25 | 5 | 5 | 0 |
| DUKE Energy Carolinas (SC) | 678.00 | 861.11 | 27.01 | 4 | 1 | 3 |
| Entergy Mississippi, Inc. | 1,078.00 | 1,096.00 | 1.67 | 18 | 13 | 5 |
| FP&L Company | 1,117.00 | 1,004.75 | -10.05 | 19 | 11 | 8 |
| Georgia Power | 1,038.00 | 1,400.42 | 34.92 | 17 | 19 | -2 |
| Gulf Power | 811.00 | 1,111.00 | 36.99 | 10 | 14 | -4 |
| Mississippi Power | 955.00 | 1,180.00 | 23.56 | 13 | 16 | -3 |
| Duke Energy Progress, Inc. (NC) | 753.00 | 897.00 | 19.12 | 7 | 3 | 4 |
| Duke Energy Progress, Inc. (SC) | 824.00 | 895.00 | 8.62 | 11 | 2 | 9 |
| Duke Progress Energy Florida, Inc. | 982.00 | 1,149.00 | 17.01 | 15 | 15 | 0 |
| SCE&G | 934.00 | 1,275.40 | 36.55 | 12 | 17 | -5 |
| Tampa Electric Company | 1,013.00 | 1,087.49 | 7.35 | 16 | 12 | 4 |
| KU d/b/a Old Dominion Power | 664.00 | 991.00 | 49.25 | 3 | 8 | -5 |
| Louisville Gas & Electric | 793.00 | 1,003.00 | 26.48 | 8 | 10 | -2 |
| | | | | | | |
| Average For East South Central | 834.00 | 1,067.00 | 27.94 | | | |
| Average For South Atlantic | 930.00 | 1,076.00 | 15.70 | | | |
| USA Average | 1,051.00 | 1,237.00 | 17.70 | | | |

**PEER GROUP**
**Typical Bill Comparison**
**Commercial Customers**

| Demand of 40 kW and Usage of 14,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 1,192.00 | 1,609.00 | 34.98 | 13 | 18 | -5 |
| Appalachian Power Company (Va) | 731.00 | 1,231.00 | 68.40 | 1 | 9 | -8 |
| Appalachian Power Company (WV) | 731.00 | 1,186.00 | 62.24 | 2 | 5 | -3 |
| Dominion North Carolina Power | 963.00 | 1,190.00 | 23.57 | 9 | 7 | 2 |
| Dominion Virginia Power | 951.00 | 1,187.00 | 24.82 | 8 | 6 | 2 |
| DUKE Energy Carolinas (NC) | 938.00 | 1,152.18 | 22.83 | 7 | 4 | 3 |
| DUKE Energy Carolinas (SC) | 875.00 | 1,114.40 | 27.36 | 4 | 3 | 1 |
| Entergy Mississippi, Inc. | 1,409.00 | 1,423.00 | 0.99 | 17 | 13 | 4 |
| FP&L Company | 1,438.00 | 1,218.91 | -15.24 | 19 | 8 | 11 |
| Georgia Power | 1,192.00 | 1,588.96 | 33.30 | 14 | 17 | -3 |
| Gulf Power | 1,032.00 | 1,432.00 | 38.76 | 11 | 15 | -4 |
| Mississippi Power | 1,189.00 | 1,464.00 | 23.13 | 12 | 16 | -4 |
| Duke Energy Progress, Inc. (NC) | 913.00 | 1,105.00 | 21.03 | 6 | 1 | 5 |
| Duke Energy Progress, Inc. (SC) | 1,009.00 | 1,107.00 | 9.71 | 10 | 2 | 8 |
| Duke Progress Energy Florida, Inc. | 1,314.00 | 1,431.00 | 8.90 | 16 | 14 | 2 |
| SCE&G | 1,299.00 | 1,773.22 | 36.51 | 15 | 19 | -4 |
| Tampa Electric Company | 1,415.00 | 1,332.62 | -5.82 | 18 | 10 | 8 |
| KU d/b/a Old Dominion Power | 794.00 | 1,378.00 | 73.55 | 3 | 11 | -8 |
| Louisville Gas & Electric | 896.00 | 1,396.00 | 55.80 | 5 | 12 | -7 |
| | | | | | | |
| Average For East South Central | 1,034.00 | 1,388.00 | 34.24 | | | |
| Average For South Atlantic | 1,205.00 | 1,380.00 | 14.52 | | | |
| USA Average | 1,342.00 | 1,587.00 | 18.26 | | | |

| Demand of 500 kW and Usage of 150,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 13,463.00 | 17,443.00 | 29.56 | 15 | 18 | -3 |
| Appalachian Power Company (Va) | 8017.00 | 14,055.00 | 75.31 | 1 | 10 | -9 |
| Appalachian Power Company (WV) | 8062.00 | 12,967.00 | 60.84 | 2 | 7 | -5 |
| Dominion North Carolina Power | 10,726.00 | 13,196.00 | 23.03 | 9 | 8 | 1 |
| Dominion Virginia Power | 9860.00 | 12,667.00 | 28.47 | 7 | 5 | 2 |
| DUKE Energy Carolinas (NC) | 9799.00 | 12,040.82 | 22.88 | 5 | 3 | 2 |
| DUKE Energy Carolinas (SC) | 9029.00 | 12,399.00 | 37.32 | 4 | 4 | 0 |
| Entergy Mississippi, Inc. | 13,147.00 | 12,810.00 | -2.56 | 14 | 6 | 8 |
| FP&L Company | 15,707.00 | 13,672.73 | -12.95 | 19 | 9 | 10 |
| Georgia Power | 12,416.16 | 16,512.85 | 32.99 | 12 | 17 | -5 |
| Gulf Power | 11,620.00 | 16,259.00 | 39.92 | 11 | 16 | -5 |
| Mississippi Power | 12,531.00 | 15,983.00 | 27.55 | 13 | 15 | -2 |
| Duke Energy Progress, Inc. (NC) | 10,172.00 | 11,704.00 | 15.06 | 8 | 1 | 7 |
| Duke Energy Progress, Inc. (SC) | 11,225.00 | 11,885.00 | 5.88 | 10 | 2 | 8 |
| Duke Progress Energy Florida, Inc. | 14,074.00 | 15,766.00 | 12.02 | 17 | 14 | 3 |
| SCE&G | 13,699.00 | 19,061.25 | 39.14 | 16 | 19 | -3 |
| Tampa Electric Company | 14,118.00 | 14,771.79 | 4.63 | 18 | 13 | 5 |
| KU d/b/a Old Dominion Power | 8,448.00 | 14,383.00 | 70.25 | 3 | 11 | -8 |
| Louisville Gas & Electric | 9,834.00 | 14,619.00 | 48.66 | 6 | 12 | -6 |
| | | | | | | |
| Average For East South Central | 10,444.00 | 14,088.00 | 34.89 | | | |
| Average For South Atlantic | 12,694.00 | 14,798.00 | 16.57 | | | |
| USA Average | 14,015.00 | 16,480.00 | 17.59 | | | |

**PEER GROUP**
**Typical Bill Comparison**
**Commercial Customers**

| Demand of 500 kW and Usage of 180,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 15,198.00 | 19,938.00 | 31.19 | 15 | 18 | -3 |
| Appalachian Power Company (Va) | 8722.00 | 15,519.00 | 77.93 | 1 | 10 | -9 |
| Appalachian Power Company (WV) | 9150.00 | 14,810.00 | 61.86 | 2 | 7 | -5 |
| Dominion North Carolina Power | 12,129.00 | 14,777.00 | 21.83 | 9 | 6 | 3 |
| Dominion Virginia Power | 10,533.00 | 13,556.00 | 28.70 | 5 | 3 | 2 |
| DUKE Energy Carolinas (NC) | 11,402.00 | 13,878.74 | 21.72 | 8 | 4 | 4 |
| DUKE Energy Carolinas (SC) | 10,392.00 | 14,465.70 | 39.20 | 4 | 5 | -1 |
| Entergy Mississippi, Inc. | 15,294.00 | 14,834.00 | -3.01 | 16 | 8 | 8 |
| FP&L Company | 18,021.00 | 15,133.04 | -16.03 | 19 | 9 | 10 |
| Georgia Power | 13,574.88 | 17,926.83 | 32.06 | 12 | 16 | -4 |
| Gulf Power | 13,015.00 | 18,325.00 | 40.80 | 11 | 17 | -6 |
| Mississippi Power | 14,124.00 | 17,898.00 | 26.72 | 13 | 15 | -2 |
| Duke Energy Progress, Inc. (NC) | 11,367.00 | 13,191.00 | 16.05 | 7 | 1 | 6 |
| Duke Energy Progress, Inc. (SC) | 12,612.00 | 13,392.00 | 6.18 | 10 | 2 | 8 |
| Duke Progress Energy Florida, Inc. | 16,538.00 | 17,863.00 | 8.01 | 18 | 14 | 4 |
| SCE&G | 14,708.00 | 20,659.05 | 40.46 | 14 | 19 | -5 |
| Tampa Electric Company | 16,189.00 | 16,610.26 | 2.60 | 17 | 13 | 4 |
| KU d/b/a Old Dominion Power | 9,420.00 | 15,712.00 | 66.79 | 3 | 11 | -8 |
| Louisville Gas & Electric | 10,611.00 | 15,864.00 | 49.51 | 6 | 12 | -6 |
| | | | | | | |
| Average For East South Central | 11,832.00 | 15,869.00 | 34.12 | | | |
| Average For South Atlantic | 14,447.00 | 16,639.00 | 15.17 | | | |
| USA Average | 15,959.00 | 18,682.00 | 17.06 | | | |

# Appendix 5

## TYPICAL INDUSTRIAL BILLS

NOTE: Corrections to Appendix 5 on February 9, 2015 regarding:

1. KU d/b/a Old Dominion Power for column **2014 $** and affecting **Change %, 2014 Rank**, **Rank Change**, and
2. Average for South Atlantic for column **2014 $** and **Change %.**

**PEER GROUP**
**Typical Bill Comparison**
**Industrial Customers**

| Demand of 75 kW and Usage of 15,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 1,457.00 | 1,914.00 | 31.37 | 13 | 17 | -4 |
| Appalachian Power Company (Va) | 912.00 | 1,543.00 | 69.19 | 2 | 7 | -5 |
| Appalachian Power Company (WV) | 908.00 | 1,461.00 | 60.90 | 1 | 6 | -5 |
| Dominion North Carolina Power | 1,079.00 | 1,363.00 | 26.32 | 5 | 2 | 3 |
| Dominion Virginia Power | 1,317.00 | 1,654.00 | 25.59 | 10 | 8 | 2 |
| DUKE Energy Carolinas (NC) | 1,101.00 | 1,403.73 | 27.50 | 6 | 4 | 2 |
| DUKE Energy Carolinas (SC) | 1,030.00 | 1,345.71 | 30.65 | 4 | 1 | 3 |
| Entergy Mississippi, Inc. | 1,637.00 | 1,666.00 | 1.77 | 17 | 9 | 8 |
| FP&L Company | 1,765.00 | 1,666.42 | -5.59 | 19 | 10 | 9 |
| Georgia Power | 1,737.00 | 2,284.53 | 31.52 | 18 | 19 | -1 |
| Gulf Power | 1,281.00 | 1,742.00 | 35.99 | 9 | 12 | -3 |
| Mississippi Power | 1,519.00 | 2,079.00 | 36.87 | 14 | 18 | -4 |
| Duke Energy Progress, Inc. (NC) | 1,243.00 | 1,434.00 | 15.37 | 8 | 5 | 3 |
| Duke Energy Progress, Inc. (SC) | 1,331.00 | 1,400.00 | 5.18 | 11 | 3 | 8 |
| Duke Progress Energy Florida, Inc. | 1,521.00 | 1,879.00 | 23.54 | 15 | 15 | 0 |
| SCE&G | 1,390.00 | 1,897.68 | 36.52 | 12 | 16 | -4 |
| Tampa Electric Company | 1,636.00 | 1,782.31 | 8.94 | 16 | 14 | 2 |
| KU d/b/a Old Dominion Power | 1,029.00 | 1,741.91 | 69.28 | 3 | 11 | -8 |
| Louisville Gas & Electric | 1,205.00 | 1,765.56 | 46.52 | 7 | 13 | -6 |
| | | | | | | |
| Average For East South Central | 1,299.00 | 1,748.00 | 34.57 | | | |
| Average For South Atlantic | 1,422.00 | 1,716.00 | 20.68 | | | |
| USA Average | 1,650.00 | 1,945.00 | 17.88 | | | |

| Demand of 75 kW and Usage of 30,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 2,378.00 | 3,231.00 | 35.87 | 13 | 18 | -5 |
| Appalachian Power Company (Va) | 1,415.00 | 2,479.00 | 75.19 | 1 | 11 | -10 |
| Appalachian Power Company (WV) | 1,469.00 | 2,347.00 | 59.77 | 2 | 5 | -3 |
| Dominion North Carolina Power | 1,950.00 | 2,437.00 | 24.97 | 9 | 9 | 0 |
| Dominion Virginia Power | 1,878.00 | 2,368.00 | 26.09 | 8 | 7 | 1 |
| DUKE Energy Carolinas (NC) | 1,865.00 | 2,267.26 | 21.57 | 7 | 4 | 3 |
| DUKE Energy Carolinas (SC) | 1,749.00 | 2,165.29 | 23.80 | 5 | 1 | 4 |
| Entergy Mississippi, Inc. | 2,834.00 | 2,842.00 | 0.28 | 18 | 13 | 5 |
| FP&L Company | 2,968.00 | 2,469.49 | -16.80 | 19 | 10 | 9 |
| Georgia Power | 2,320.00 | 2,988.08 | 28.80 | 12 | 16 | -4 |
| Gulf Power | 2,110.00 | 2,947.00 | 39.67 | 11 | 15 | -4 |
| Mississippi Power | 2,394.00 | 3,141.00 | 31.20 | 14 | 17 | -3 |
| Duke Energy Progress, Inc. (NC) | 1,842.00 | 2,182.00 | 18.46 | 6 | 3 | 3 |
| Duke Energy Progress, Inc. (SC) | 2,047.00 | 2,176.00 | 6.30 | 10 | 2 | 8 |
| Duke Progress Energy Florida, Inc. | 2,766.00 | 2,938.00 | 6.22 | 17 | 14 | 3 |
| SCE&G | 2,437.00 | 3,494.10 | 43.38 | 15 | 19 | -4 |
| Tampa Electric Company | 2,672.00 | 2,701.54 | 1.11 | 16 | 12 | 4 |
| KU d/b/a Old Dominion Power | 1,515.00 | 2,410.01 | 59.08 | 3 | 8 | -5 |
| Louisville Gas & Electric | 1,538.00 | 2,366.79 | 53.89 | 4 | 6 | -2 |
| | | | | | | |
| Average For East South Central | 2,039.00 | 2,721.00 | 33.45 | | | |
| Average For South Atlantic | 2,364.00 | 2,728.00 | 15.40 | | | |
| USA Average | 2,668.00 | 3,141.00 | 17.73 | | | |

**PEER GROUP**
**Typical Bill Comparison**
**Industrial Customers**

| Demand of 75 kW and Usage of 50,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 3,507.00 | 4,887.00 | 39.35 | 14 | 19 | -5 |
| Appalachian Power Company (Va) | 1,885.00 | 3,455.00 | 83.29 | 1 | 9 | -8 |
| Appalachian Power Company (WV) | 2,028.00 | 3,105.00 | 53.11 | 3 | 4 | -1 |
| Dominion North Carolina Power | 2,864.00 | 3,523.00 | 23.01 | 9 | 10 | -1 |
| Dominion Virginia Power | 2,343.00 | 2,980.00 | 27.19 | 6 | 2 | 4 |
| DUKE Energy Carolinas (NC) | 2,570.00 | 3,030.32 | 17.91 | 7 | 3 | 4 |
| DUKE Energy Carolinas (SC) | 2,274.00 | 2,825.12 | 24.24 | 5 | 1 | 4 |
| Entergy Mississippi, Inc. | 4,431.00 | 4,411.00 | -0.45 | 18 | 16 | 2 |
| FP&L Company | 4,572.00 | 3,540.27 | -22.57 | 19 | 11 | 8 |
| Georgia Power | 3,044.00 | 3,853.19 | 26.58 | 11 | 12 | -1 |
| Gulf Power | 3,214.00 | 4,554.00 | 41.69 | 13 | 17 | -4 |
| Mississippi Power | 3,560.00 | 4,308.00 | 21.01 | 15 | 15 | 0 |
| Duke Energy Progress, Inc. (NC) | 2,591.00 | 3,125.00 | 20.61 | 8 | 5 | 3 |
| Duke Energy Progress, Inc. (SC) | 2,924.00 | 3,133.00 | 7.15 | 10 | 6 | 4 |
| Duke Progress Energy Florida, Inc. | 4,209.00 | 4,220.00 | 0.26 | 17 | 14 | 3 |
| SCE&G | 3,143.00 | 4,637.50 | 47.55 | 12 | 18 | -6 |
| Tampa Electric Company | 4,053.00 | 3,927.18 | -3.10 | 16 | 13 | 3 |
| KU d/b/a Old Dominion Power | 2,164.00 | 3,300.81 | 52.53 | 4 | 8 | -4 |
| Louisville Gas & Electric | 1,981.00 | 3,168.44 | 59.94 | 2 | 7 | -5 |
| | | | | | | |
| Average For East South Central | 2,998.00 | 3,956.00 | 31.95 | | | |
| Average For South Atlantic | 3,496.00 | 3,914.00 | 11.96 | | | |
| USA Average | 3,940.00 | 4,638.00 | 17.72 | | | |

| Demand of 1,000 kW and Usage of 200,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 15,200.00 | 17,834.00 | 17.33 | 7 | 3 | 4 |
| Appalachian Power Company (Va) | 11,157.00 | 18,861.00 | 69.05 | 2 | 6 | -4 |
| Appalachian Power Company (WV) | 10,840.00 | 17,921.00 | 65.32 | 1 | 4 | -3 |
| Dominion North Carolina Power | 15,841.00 | 19,493.00 | 23.05 | 8 | 7 | 1 |
| Dominion Virginia Power | 17,350.00 | 22,244.00 | 28.21 | 9 | 12 | -3 |
| DUKE Energy Carolinas (NC) | 13,620.00 | 18,015.15 | 32.27 | 5 | 5 | 0 |
| DUKE Energy Carolinas (SC) | 12,471.00 | 16,747.08 | 34.29 | 3 | 1 | 2 |
| Entergy Mississippi, Inc. | 17,675.00 | 17,092.00 | -3.30 | 10 | 2 | 8 |
| FP&L Company | 23,661.00 | 22,419.40 | -5.25 | 19 | 13 | 6 |
| Georgia Power | 23,285.00 | 30,950.36 | 32.92 | 18 | 19 | -1 |
| Gulf Power | 18,432.00 | 25,375.00 | 37.67 | 11 | 17 | -6 |
| Mississippi Power | 18,783.00 | 24,377.00 | 29.78 | 12 | 15 | -3 |
| Duke Energy Progress, Inc. (NC) | 20,250.00 | 22,099.00 | 9.13 | 16 | 11 | 5 |
| Duke Energy Progress, Inc. (SC) | 20,171.00 | 21,091.00 | 4.56 | 15 | 9 | 6 |
| Duke Progress Energy Florida, Inc. | 19,795.00 | 24,391.00 | 23.22 | 14 | 16 | -2 |
| SCE&G | 19,408.00 | 26,054.97 | 34.25 | 13 | 18 | -5 |
| Tampa Electric Company | 21,457.00 | 23,384.61 | 8.98 | 17 | 14 | 3 |
| KU d/b/a Old Dominion Power | 13,167.00 | 21,943.00 | 66.65 | 4 | 10 | -6 |
| Louisville Gas & Electric | 14,788.00 | 19,993.00 | 35.20 | 6 | 8 | -2 |
| | | | | | | |
| Average For East South Central | 15,430.00 | 19,990.00 | 29.55 | | | |
| Average For South Atlantic | 17,968.00 | 21,883.00 | 21.79 | | | |
| USA Average | 20,947.00 | 24,982.00 | 19.26 | | | |

**PEER GROUP**
**Typical Bill Comparison**
**Industrial Customers**

| Demand of 1,000 kW and Usage of 400,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 23,852.00 | 28,898.00 | 21.16 | 8 | 5 | 3 |
| Appalachian Power Company (Va) | 17,076.00 | 30,497.00 | 78.60 | 1 | 8 | -7 |
| Appalachian Power Company (WV) | 17,105.00 | 28,679.00 | 67.66 | 2 | 4 | -2 |
| Dominion North Carolina Power | 25,581.00 | 31,311.00 | 22.40 | 9 | 11 | -2 |
| Dominion Virginia Power | 21,834.00 | 28,168.00 | 29.01 | 6 | 2 | 4 |
| DUKE Energy Carolinas (NC) | 23,159.00 | 29,670.08 | 28.11 | 7 | 6 | 1 |
| DUKE Energy Carolinas (SC) | 21,271.00 | 28,354.71 | 33.30 | 5 | 3 | 2 |
| Entergy Mississippi, Inc. | 31,759.00 | 30,177.00 | -4.98 | 16 | 7 | 9 |
| FP&L Company | 39,089.00 | 32,154.78 | -17.74 | 19 | 12 | 7 |
| Georgia Power | 31,381.00 | 40,836.76 | 30.13 | 15 | 19 | -4 |
| Gulf Power | 27,731.00 | 39,149.00 | 41.17 | 11 | 18 | -7 |
| Mississippi Power | 29,510.00 | 37,264.00 | 26.28 | 14 | 15 | -1 |
| Duke Energy Progress, Inc. (NC) | 28,750.00 | 32,407.00 | 12.72 | 12 | 13 | -1 |
| Duke Energy Progress, Inc. (SC) | 29,117.00 | 30,837.00 | 5.91 | 13 | 9 | 4 |
| Duke Progress Energy Florida, Inc. | 36,224.00 | 38,371.00 | 5.93 | 18 | 17 | 1 |
| SCE&G | 26,106.00 | 37,859.00 | 45.02 | 10 | 16 | -6 |
| Tampa Electric Company | 35,217.00 | 35,641.02 | 1.20 | 17 | 14 | 3 |
| KU d/b/a Old Dominion Power | 19,651.00 | 30,851.00 | 56.99 | 4 | 10 | -6 |
| Louisville Gas & Electric | 19,217.00 | 27,190.00 | 41.49 | 3 | 1 | 2 |
| | | | | | | |
| Average For East South Central | 23,303.00 | 29,698.00 | 27.44 | | | |
| Average For South Atlantic | 28,633.00 | 33,523.00 | 17.08 | | | |
| USA Average | 33,137.00 | 39,054.00 | 17.86 | | | |

| Demand of 1,000 kW and Usage of 650,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 33,196.00 | 41,216.00 | 24.16 | 7 | 7 | 0 |
| Appalachian Power Company (Va) | 22,149.00 | 40,739.00 | 83.93 | 2 | 6 | -4 |
| Appalachian Power Company (WV) | 21,095.00 | 37,583.00 | 78.16 | 1 | 4 | -3 |
| Dominion North Carolina Power | 35,741.00 | 41,994.00 | 17.50 | 10 | 9 | 1 |
| Dominion Virginia Power | 27,440.00 | 35,574.00 | 29.64 | 5 | 1 | 4 |
| DUKE Energy Carolinas (NC) | 33,369.00 | 39,234.57 | 17.58 | 8 | 5 | 3 |
| DUKE Energy Carolinas (SC) | 29,581.00 | 36,635.28 | 23.85 | 6 | 3 | 3 |
| Entergy Mississippi, Inc. | 46,038.00 | 42,545.00 | -7.59 | 16 | 11 | 5 |
| FP&L Company | 58,373.00 | 43,399.28 | -25.65 | 19 | 12 | 7 |
| Georgia Power | 40,776.00 | 52,065.68 | 27.69 | 14 | 17 | -3 |
| Gulf Power | 39,354.00 | 56,368.00 | 43.23 | 12 | 19 | -7 |
| Mississippi Power | 41,529.00 | 50,517.00 | 21.64 | 15 | 14 | 1 |
| Duke Energy Progress, Inc. (NC) | 38,120.00 | 43,764.00 | 14.81 | 11 | 13 | -2 |
| Duke Energy Progress, Inc. (SC) | 39,721.00 | 42,441.00 | 6.85 | 13 | 10 | 3 |
| Duke Progress Energy Florida, Inc. | 53,888.00 | 52,107.00 | -3.31 | 18 | 18 | 0 |
| SCE&G | 34,479.00 | 50,836.50 | 47.44 | 9 | 15 | -6 |
| Tampa Electric Company | 52,417.00 | 50,961.54 | -2.78 | 17 | 16 | 1 |
| KU d/b/a Old Dominion Power | 23,996.00 | 41,986.00 | 74.97 | 3 | 8 | -5 |
| Louisville Gas & Electric | 24,753.00 | 36,185.00 | 46.18 | 4 | 2 | 2 |
| | | | | | | |
| Average For East South Central | 31,900.00 | 40,788.00 | 27.86 | | | |
| Average For South Atlantic | 40,934.00 | 46,414.00 | 13.39 | | | |
| USA Average | 47,459.00 | 55,780.00 | 17.53 | | | |

**PEER GROUP**
**Typical Bill Comparison**
**Industrial Customers**

| Demand of 50,000 kW and Usage of 15,000,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 960,686.00 | 1,149,069.00 | 19.61 | 7 | 5 | 2 |
| Appalachian Power Company (Va) | 649,370.00 | 1,211,870.00 | 86.62 | 2 | 9 | -7 |
| Appalachian Power Company (WV) | 643,137.00 | 1,103,151.00 | 71.53 | 1 | 3 | -2 |
| Dominion North Carolina Power | 1,072,319.00 | 1,345,931.00 | 25.52 | 9 | 13 | -4 |
| Dominion Virginia Power | 962,792.00 | 1,243,175.00 | 29.12 | 8 | 10 | -2 |
| DUKE Energy Carolinas (NC) | 824,123.00 | 1,165,869.98 | 41.47 | 6 | 6 | 0 |
| DUKE Energy Carolinas (SC) | 719,461.00 | 1,006,026.10 | 39.83 | 3 | 2 | 1 |
| Entergy Mississippi, Inc. | 1,144,786.00 | 1,112,069.00 | -2.86 | 13 | 4 | 9 |
| FP&L Company | 1,555,031.00 | 883,497.81 | -43.18 | 19 | 1 | 18 |
| Georgia Power | 1,154,245.00 | 1,499,764.04 | 29.93 | 15 | 16 | -1 |
| Gulf Power | 1,146,283.00 | 1,600,542.00 | 39.63 | 14 | 19 | -5 |
| Mississippi Power | 1,123,217.00 | 1,445,450.00 | 28.69 | 11 | 14 | -3 |
| Duke Energy Progress, Inc. (NC) | 1,185,500.00 | 1,338,291.00 | 12.89 | 16 | 12 | 4 |
| Duke Energy Progress, Inc. (SC) | 1,126,375.00 | 1,277,375.00 | 13.41 | 12 | 11 | 1 |
| Duke Progress Energy Florida, Inc. | 1,393,733.00 | 1,561,674.00 | 12.05 | 17 | 18 | -1 |
| SCE&G | 1,079,050.00 | 1,536,625.00 | 42.41 | 10 | 17 | -7 |
| Tampa Electric Company | 1,404,056.00 | 1,474,133.30 | 4.99 | 18 | 15 | 3 |
| KU/ d/b/a Old Dominion Power | 764,603.00 | 1,202,797.00 | 57.31 | 4 | 8 | -4 |
| Louisville Gas & Electric | 788,933.00 | 1,192,229.00 | 51.12 | 5 | 7 | -2 |
| | | | | | | |
| Average For East South Central | 891,018.00 | 1,150,767.00 | 29.15 | | | |
| Average For South Atlantic | 1,125,102.00 | 1,307,584.00 | 16.22 | | | |
| USA Average | 1,276,726.00 | 1,498,476.00 | 17.37 | | | |

| Demand of 50,000 kW and Usage of 25,000,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 1,328,493.00 | 1,635,001.00 | 23.07 | 8 | 9 | -1 |
| Appalachian Power Company (Va) | 851,270.00 | 1,563,170.00 | 83.63 | 2 | 8 | -6 |
| Appalachian Power Company (WV) | 822,487.00 | 1,448,641.00 | 76.13 | 1 | 3 | -2 |
| Dominion North Carolina Power | 1,478,753.00 | 1,773,251.00 | 19.92 | 10 | 12 | -2 |
| Dominion Virginia Power | 1,187,012.00 | 1,536,395.00 | 29.43 | 6 | 4 | 2 |
| DUKE Energy Carolinas (NC) | 1,275,938.00 | 1,537,952.44 | 20.54 | 7 | 5 | 2 |
| DUKE Energy Carolinas (SC) | 1,105,786.00 | 1,388,032.04 | 25.52 | 5 | 2 | 3 |
| Entergy Mississippi, Inc. | 1,713,124.00 | 1,547,178.00 | -9.69 | 16 | 6 | 10 |
| FP&L Company | 2,321,185.00 | 1,270,928.05 | -45.25 | 19 | 1 | 18 |
| Georgia Power | 1,538,454.00 | 1,966,199.96 | 27.80 | 11 | 14 | -3 |
| Gulf Power | 1,611,214.00 | 2,289,273.00 | 42.08 | 14 | 19 | -5 |
| Mississippi Power | 1,638,836.00 | 2,055,553.00 | 25.43 | 15 | 15 | 0 |
| Duke Energy Progress, Inc. (NC) | 1,610,500.00 | 1,853,691.00 | 15.10 | 13 | 13 | 0 |
| Duke Energy Progress, Inc. (SC) | 1,573,675.00 | 1,764,675.00 | 12.14 | 12 | 11 | 1 |
| Duke Progress Energy Florida, Inc. | 2,104,110.00 | 2,115,886.00 | 0.56 | 18 | 18 | 0 |
| SCE&G | 1,413,950.00 | 2,055,725.00 | 45.39 | 9 | 16 | -7 |
| Tampa Electric Company | 2,092,056.00 | 2,086,953.79 | -0.24 | 17 | 17 | 0 |
| KU d/b/a Old Dominion Power | 1,087,454.00 | 1,645,897.00 | 51.35 | 4 | 10 | -6 |
| Louisville Gas & Electric | 1,010,396.00 | 1,559,656.00 | 54.36 | 3 | 7 | -4 |
| | | | | | | |
| Average For East South Central | 1,236,657.00 | 1,580,287.00 | 27.79 | | | |
| Average For South Atlantic | 1,620,448.00 | 1,824,160.00 | 12.57 | | | |
| USA Average | 1,842,062.00 | 2,140,736.00 | 16.21 | | | |

**PEER GROUP**
**Typical Bill Comparison**
**Industrial Customers**

| Demand of 50,000 kW and Usage of 32,500,000 kWh: | 2006 $ | 2014 $ | Change % | 2006 Rank | 2014 Rank | Rank Change |
|---|---|---|---|---|---|---|
| Alabama Power | 1,604,349.00 | 1,999,450.00 | 24.63 | 8 | 10 | -2 |
| Appalachian Power Company (Va) | 1,002,695.00 | 1,826,645.00 | 82.17 | 2 | 6 | -4 |
| Appalachian Power Company (WV) | 928,687.00 | 1,693,883.00 | 82.40 | 1 | 4 | -3 |
| Dominion North Carolina Power | 1,783,578.00 | 2,093,741.00 | 17.39 | 11 | 11 | 0 |
| Dominion Virginia Power | 1,355,177.00 | 1,756,310.00 | 29.60 | 6 | 5 | 1 |
| DUKE Energy Carolinas (NC) | 1,564,881.00 | 1,833,256.84 | 17.15 | 7 | 7 | 0 |
| DUKE Energy Carolinas (SC) | 1,303,720.00 | 1,646,905.73 | 26.32 | 4 | 2 | 2 |
| Entergy Mississippi, Inc. | 2,139,377.00 | 1,873,510.00 | -12.43 | 16 | 8 | 8 |
| FP&L Company | 2,895,801.00 | 1,561,500.74 | -46.08 | 19 | 1 | 18 |
| Georgia Power | 1,811,356.00 | 2,293,846.90 | 26.64 | 12 | 14 | -2 |
| Gulf Power | 1,775,793.00 | 2,550,039.00 | 43.60 | 10 | 18 | -8 |
| Mississippi Power | 1,984,609.00 | 2,420,563.00 | 21.97 | 15 | 15 | 0 |
| Duke Energy Progress, Inc. (NC) | 1,866,475.00 | 2,163,866.00 | 15.93 | 13 | 13 | 0 |
| Duke Energy Progress, Inc. (SC) | 1,880,233.00 | 2,101,233.00 | 11.75 | 14 | 12 | 2 |
| Duke Progress Energy Florida, Inc. | 2,687,323.00 | 2,597,620.00 | -3.34 | 18 | 19 | -1 |
| SCE&G | 1,665,125.00 | 2,445,050.00 | 46.84 | 9 | 16 | -7 |
| Tampa Electric Company | 2,608,056.00 | 2,546,569.17 | -2.36 | 17 | 17 | 0 |
| KU d/b/a Old Dominion Power | 1,329,592.00 | 1,978,222.00 | 48.78 | 5 | 9 | -4 |
| Louisville Gas & Electric | 1,176,493.00 | 1,648,732.00 | 40.14 | 3 | 3 | 0 |
| | | | | | | |
| Average For East South Central | 1,490,768.00 | 1,867,544.00 | 25.27 | | | |
| Average For South Atlantic | 1,973,214.00 | 2,196,755.00 | 11.33 | | | |
| USA Average | 2,245,855.00 | 2,612,475.00 | 16.32 | | | |