

September 2014 VEPGA Regional Meetings

Bonnie Horton, Regulatory Consultant - Rates

Johnny Harris, Customer Contracts Administrator III – Contracts

Jerri Northedge, Outdoor Lighting Mngr. - Outdoor Lighting

September 9 - Richmond

September 23 - Norfolk

September 30 - Herndon

Topics

- **2014 Contract**
- **2014 Contract Changes**
- **Construction Project Changes**
- **Streetlight Survey and Repair Enhancement**
- **Terms and Conditions**
- **Cost Recovery**
- **Rate Schedules**

2014 VEPGA Contract

- **Term**
 - ~ 4 years
 - August 1, 2014 to June 30, 2018
- **VEPGA members bound to contract**
- **DVP - exclusive electric service provider**
- **Transmission RAC, and Generation RAC rates set on 01-25-14 carry forward to this contract**
- **Fuel rate, negotiated after Jan. 25, effective 08-01-14**

2014

VEPGA CONTRACT

CHANGE

OPPORTUNITIES

LED Fixture Cost Review

- **Review LED total installed fixture cost for each Sch. SSL Tier in two years (by 06-30-16)**
- **Determine if Sch. SSL Tier rates should be reduced**

Schedule RG-CM

- **Effective 11-01-14 on a pilot basis**
- **Companion only to Sch. 130 and 134 (Principal Tariff)**
- **DVP buys renewable energy for the customer**
- **For every 30-minute interval (sample):**

Principal Tariff Consumed kWh	Renewable kWh	Principal Tariff Adjusted kWh
100	30	70
50	90	0

Schedule RG-CM (Cont'd)

- **Limited to 20 customers**
- **Sign up by June 30, 2017**
- **Annual planned supply for renewable energy**
 - **$\geq 1,000$ MWh**
 - **$\leq 24,000$ MWh**
 - **In aggregate $\leq 50,000$ MWh**

Solar Purchase Power Agreements

- **SCC Pilot**
 - Available to VEPGA 08-01-14
 - Access to 50 MW (first-come, first-served basis)
 - Power Purchase Agreement (PPA) w/ 3rd party for solar or wind renewable fuel generator (RFG)
- **RFG capacity \geq 50 kW and \leq 1 MW**
- **Only one customer per PPA**
- **All customer accounts on contiguous property (see Section III.A and III.B of VEPGA Contract)**
- **In accordance with all applicable SCC Rules**

Net Metering Revised

- **Net Metering provided**
 - Per SCC Rules 20 VAC 5-315
 - Any future NM laws/regulations applicable to Va. Juris.
- **VEPGA does not receive**
 - Agricultural net metering and
 - Residential standby charges
- **If net metering expanded, DVP may impose standby charges in addition to or in lieu of Sch. C**
- **Totalization only for those accounts on contiguous property (Sections III.A. and III.B.)**

Solar Purchase

- **Customer-owned solar installation**
- **DVP purchases all renewable energy and RECs from customer at a premium**
- **Premium (price greater than DVP's avoided cost) funded by Rider G-CM contributions**
- **Available if Rider G-CM funding becomes sufficient**

Renewable Options

- **Existing**
 - Renewable purchases under Sch. 19
 - Net Metering
 - Solar Partnership Program
 - Rider G-CM
- **Endeavor to provide VEPGA any new SCC-approved renewable options for Va. customers**

Distributed Generation Pilot

- **Replaces 2009 DG/Load Curtailment Pilot that expires 12-31-14**
- **New Sch. DG-CM Pilot available 06-01-15**
 - **≥ 1 MW aggregated load curtailment capability**
 - **On-site generation interconnected behind meter**
 - **Complies with PJM participation requirements for DR programs**
- **PowerSecure will provide monitoring and remote dispatch services**
- **DVP acts as CSP (DOMCSP)**

Distributed Generation Pilot (Cont'd)

DOMCSP enrolls customer's load curtailment into PJM capacity and energy markets

- Customer and DOMCSP mutually agree to size, value, and timing of the load curtailment
- Capacity payment split 75/25 between customer and DOMCSP
- Net revenue above customer's energy cost, split evenly between customer, DOMCSP, and PowerSecure

CONSTRUCTION PROJECT CHANGES

2014 Construction Project Changes

- **New Construction Project Pilot**
- **New Electric Line Extension Plan**
- **Project Design Errors**

New Construction Project Pilot

- **Consist of no more than two projects selected prior to June 1, 2016 by VEPGA and approved by DVP with an estimated cost of construction in excess of \$250,000.00.**
- **Selected projects will either be new construction, or overhead to underground conversions.**
- **DVP will terminate cables, splice cables, make the facilities ready to be energized, energize the facilities, de-energize and make safe facilities to be removed, and perform any work requiring specialized skills related to the operation of DVP's distribution facilities.**

Pilot (continued)

- If requested by the Customer in writing prior to the design phase of the project, the Customer may perform the removal portion of the project using DVP approved contractors once DVP determines the facilities to be removed are de-energized and safe.
- The Pilot will allow the Customer to utilize DVP approved contractor labor at the onset of the project.
- The Customer will be responsible for staging the material at an offsite area.

Pilot (continued)

- Upon the project being released for construction, DVP will provide a planned scheduled start date for DVP crews that shall coincide with the expected completion of the Customer's installation. This date may be adjusted by mutual agreement based on construction contingencies.
- The Customer will pay the actual inspection charges to DVP for reasonable inspection service provided by DVP.
- Pilot will test reliability and safety of VEPGA performing construction work.
- Joint working group (equal VEPGA and DVP members) will assess results of the pilot and determine if Contract should be amended to broaden the Pilot.

Line Extension Methodology Changes

No impact on:

- Streetlight installations
- Service to Traffic Signals
- Services requested in Designated UG Areas

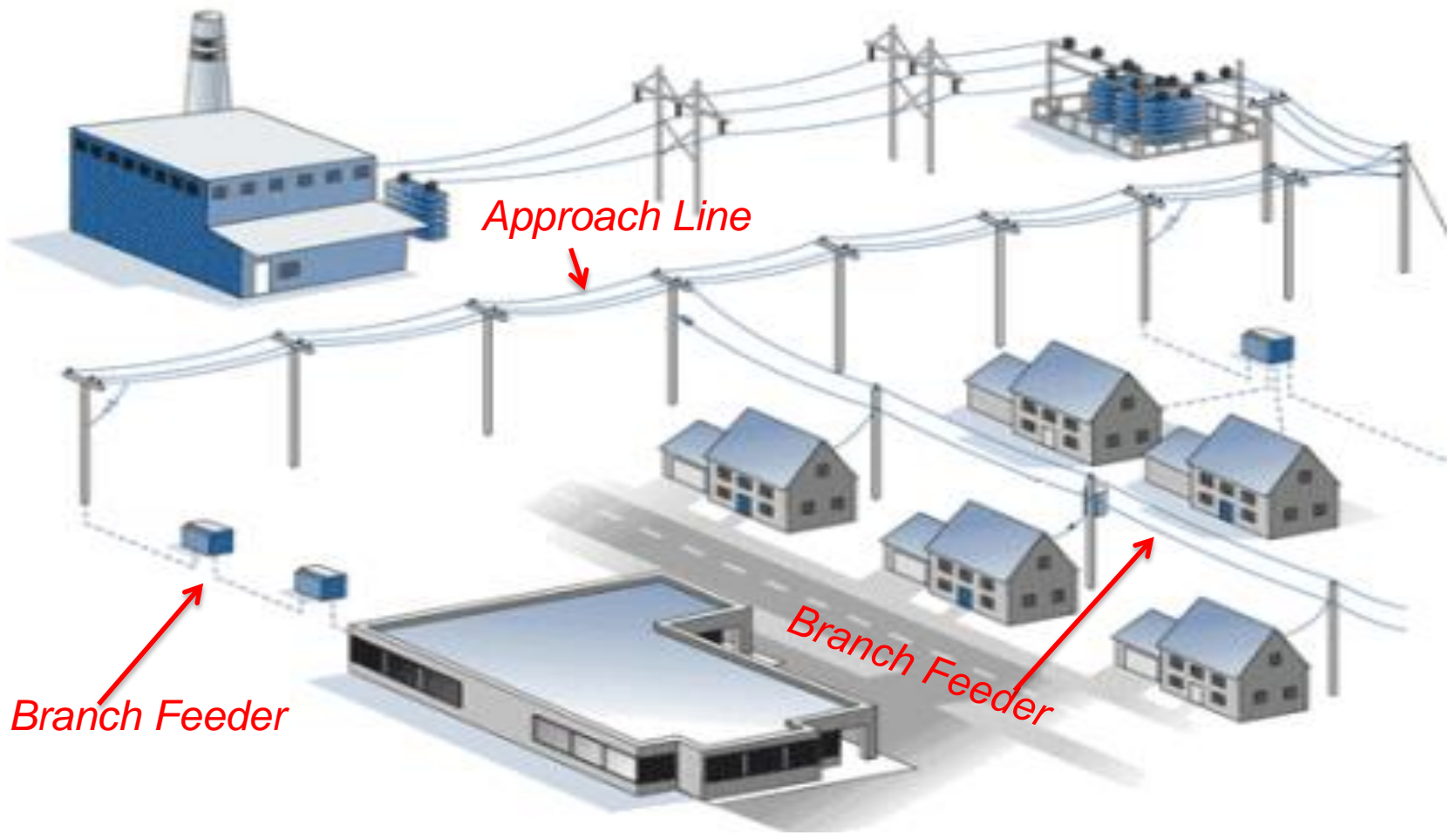
Other services (new or rewired)

- Provided in accordance with the nonresidential language in Section XXII of the SCC approved filing.

Line Extension New Services

New Definitions:

- **Approach Lines** - Facilities installed from an existing source **to** the property of the customer requesting Electric Delivery.
- **Branch Feeder** - Facilities installed **on** the property of the Customer requesting Electric Delivery Service.
- **Transitional Cost** - The amount by which the estimated cost of providing underground facilities exceeds the estimated cost of providing comparable overhead facilities along the Company's Preferred Route (switches, pads, terminals, etc. required for this installation will be included in the comparison). This cost difference in no event will be less than zero.



Approach Line

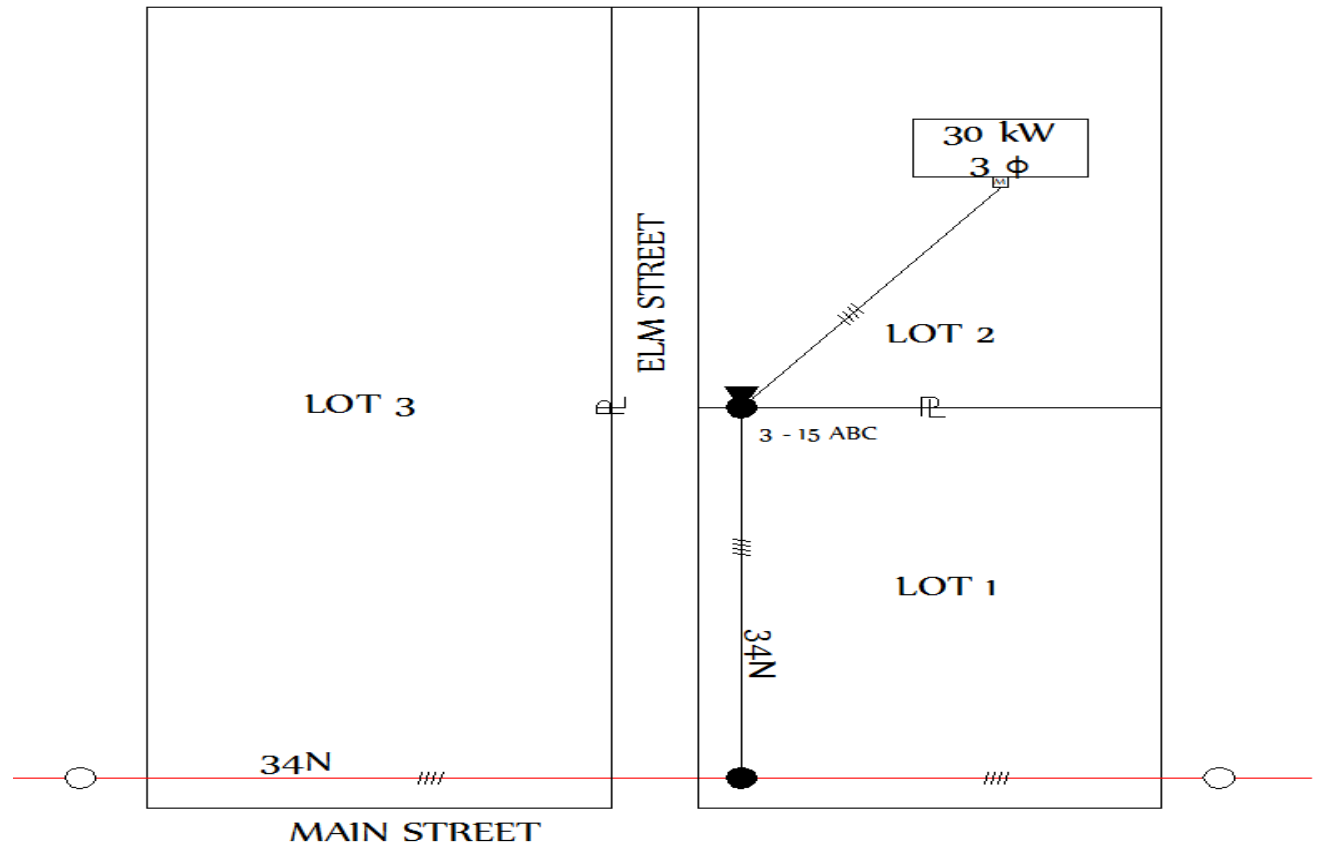
- **Apply 4 years of revenue to overhead installations.**
- **If multi-phase or located adjacent to public rights-of-way and request is for UG, the customer pays Transitional Cost.**
- **Apply 4 years of revenue for UG installation if single-phase and not located adjacent to public rights-of-way.**

Branch Feeder

- **Rated voltage > 50 kv install OH and apply 4 years of revenue credit (transmission requests).**
- **Facilities installed adjacent to public rights-of-way that can or will be utilized to serve future customers will be installed overhead with 4 years of revenue credit (Transitional Cost required if UG requested).**
- **Facilities not described above and where Bulk Feeder is not required will be installed UG and apply 4 years of revenue credit.**
- **Where Bulk Feeder is required install OH and apply 4 years of revenue credit (Transitional Cost required if UG requested).**

Example

NON - RESIDENTIAL



Design Errors

- **Notification to Customers:**
 - Provide customer with an explanation during the construction phase of cost-plus type projects;
 - Proactive versus waiting until project completion;
 - Alternative is for customer selection of a flat charge type billing.

Project Communication

- **Communicating with Customers:**
 - **Upon request, a meeting will be scheduled within 2 weeks of project request;**
 - **Reasonable timeframes for key milestones to be set;**
 - **List of DVP contacts on VEPGA web site;**
 - **Creation of a FAQ for placement on VEPGA web site.**

Project Reports Upon Request

- **Flat Charge Projects:**
 - 148 Report
- **Cost Plus Projects**
 - 148 Report
 - WMIS “As-Built Compatible Unit Variance Report”
 - WMIS “Work Request As-Built/Estimate Cost Summary”
 - WMIS “Point Span Report #81” for projects in excess of \$250,000.00

STREETLIGHT CHANGES

2014 Streetlight Survey

- **GIS Inventory Discrepancies**
 - Company Research/Verification Process
 - GIS, Field, Billing corrections made as necessary
- **Written Request**
 - Targeted Geographic area mutually agreeable to Company/Customer
 - Company/Customer field survey representatives
- **DVP GIS Streetlight Inventory**
 - Provided by Company upon written request from Customer as often as once every 12 calendar months

Streetlight Repair Enhancement

- **Streetlight Poles Wraps**
 - Communication and Training completed for Company and Contractor repair personnel to address proper placement and removal of wraps
- **Internal Audit**
 - Monthly through early November
- **VEPGA Counsel**
 - Report future issues to Company's negotiating team for elevation



2014 VEPGA CONTRACT TERMS AND CONDITIONS CHANGES

T&C Changes

- **Group Bill Child Accounts**
 - Up to 12 months of bill images available for child accounts
 - On Manage Your Account (MYA) and Key Accounts Web Portals
- **Franchise agreement provisions for OH to UG conversion apply**

T&C Changes (Cont'd)

- **VEPGA pays no betterment**
- **Cost Estimate valid for 90 days**
 - If after 90 days, customer may act on Cost Estimate
 - Updates may be made for changes in materials, labor, or field conditions; or for change in project scope
 - Company may cancel the project in its system after 90 days
 - Company will notify customer by letter if the project is cancelled

COST RECOVERY

2014 Cost Recovery

- **Base revenue**
- **Generation rate adjustment clauses (RACs)**
 - Rider B-CM, Biomass Conversions
 - Rider BW-CM, Brunswick County Power Station
 - Rider R-CM, Bear Garden Generating Station
 - Rider S-CM, Virginia City Hybrid Energy Center
 - Rider W-CM, Warren County Power Station
- **Rider T-CM, Transmission RAC**
- **Fuel Charge Rider A**

2014 Update to Rates

- **Base revenue increase:** \$0.435 M
 - **Generation RAC increases:** \$6.187 M
 - **Transmission RAC Increase:** \$0.782 M
 - **Total:** \$7.404 M
-
- **Fuel Decrease Offset:** -\$7.404 M

Overall, no change in rates

2014 Cost Recovery

- **\$435,000 base revenue increase recovered through increase in the Basic Customer Charge in each rate schedule**
- **No changes to demand and/or energy rates in the rate schedules**

Rate Schedule & Rider Timeline

	2014			2015						2016						2017						2018														
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Base Rates	August 1, 2014 Base Rates																																			
Modified Sch. 102, & New Sch. 133 & RG-CM	Nov. 1, 2014: Modified Sch. 102; New Sch. 133 and RG-CM																																			
Sch. SSL Conversions from MW/HPSV to LED	Jan. 1, 2015 Sch. SSL MV or HPSV Conversion to LED																																			
Sch. DG-CM	Jun. 1, 2015 Sch. DG-CM																																			
Generation Riders B-CM, BW-CM, R-CM, S-CM, and W-CM	Aug. 1, 2014 Gen. Riders	Nov. 1, 2014 Gen. Riders (No change in Rates)						July 1, 2015 Generation Riders						July 1, 2016 Generation Riders						July 1, 2017 Generation Riders																
Transmission Rider T-CM	Aug. 1, 2014 Trans. Rider	Nov. 1, 2014 Trans. Rider (No Change in Rates)						July 1, 2015 Transmission Rider						July 1, 2016 Transmission Rider						July 1, 2017 Transmission Rider																
Fuel Charge Rider A	Aug. 1, 2014 Fuel Rider A	Nov. 1, 2014 Fuel Rider A (No Change in Rates)						July 1, 2015 Fuel Rider A						July 1, 2016 Fuel Rider A						July 1, 2017 Fuel Rider A																

Notes:

Beginning in 2015, each January 25, the revenue requirement for Fuel Charge Rider A, the Generation Riders, the and the Transmission Rider will be set and become effective for billing at the same level on the following July 1.

The revenue requirement for each future generation rider and/or A5 rider (except DSM), which are approved by the SCC, will by set on the following January 25 and become effective to VEPGA at the same level on the subsequent July 1.

The riders that are set on January 25, 2018, will carry over to the July 1, 2018 VEPGA contract.

Rider Revenue Requirement Updates

- **January 25, 2015; 2016, 2017, and 2018**
 - Fuel rate and Generation and Transmission RAC revenue requirements set
 - These rate updates are **confidential** until the corresponding case is filed for the Va. Juris.
- **Revised rider rates become effective on the following July 1 during the contract term**
- **Jan. 25, 2018 Fuel, Generation RAC, and Transmission RAC rates carry forward to 2018 VEPGA contract**

RATE SCHEDULE CHANGES

Schedule 102 – Traffic Control Svc

- **Stand-alone school flashing lights and similar installations (08-01-14)**
 - If not connected to the electric service cabinet at the intersection
 - May remain unmetered
- **Reconfiguration at grandfathered intersection (08-01-14)**
 - For traffic control devices (TCD) installed prior to 07-01-07
 - Addition of new TCD or removal of existing TCD
 - Relocation or upgrade of TCD
 - Customer may submeter reconfiguration for 24 hours to determine new kWh and will notify DVP by letter
 - DVP may submeter reconfiguration for audit purposes
 - DVP may meter reconfigured TCD's if monthly usage \geq 500 kWh

Sch. 102 – Traffic Control Svc (Cont'd)

Beginning 11-01-14

- **Unmetered Basic Customer Charge applies if monthly usage \leq 49 kWh in the current or previous 11 billing months;**
- **Metered Basic Customer Charge applies if monthly usage \geq 50 kWh in the current or previous 11 billing months.**

Sch. 132, SGCM, and SGCM-1

- **Customers on these rate schedules can no longer participate in PJM DR Programs**
- **Company will offer One-time Option**
 - **Active account as of 06-01-14**
 - **Current CSP contract dated prior to 06-01-14 and for no more than five PJM delivery years**
 - **Eligible customers may complete their current CSP contract**
 - **Customers who do not qualify for or who do not explicitly choose One-time Option will be removed from rate schedule**

Schedule 133 – Dynamic Pricing

- **Effective 11-01-14 on a pilot basis**
- **Available only to**
 - **New customers on or after 08-01-14 or**
 - **Any existing Sch. 132 customer who does not show a savings on Sch. 133 – requires DVP rate analysis**
 - **Peak measured demand of 500 kW or more immediately prior to going to Sch. 133**
 - **Maximum of 25 active accounts**
 - **Cannot participate in PJM Demand Response Programs**

Sch. 133 – Dynamic Pricing (Cont'd)

Cutting edge rate schedule pricing

- **Base level kWh charge at ~ 1.5 cents per kWh**
- **Seasonal A, B, C day by time of day (day ahead)**
- **15 kWh rating periods**
(12 kWh rating periods on Schedule 132)
- **125 hours of critical pricing per year (2 hours notice)**
 - 25 five-hour periods
 - 46.9 cents per kWh
- **Relatively low pricing in 8,635 of 8,760 hours/yr**

Schedule 134 – Large ML&P Service

- **Effective 08-01-14**
- **Applicability**
 - Three peak measured demands of 1,500 kW or more in previous and 11 billing months
 - Transmission or Primary Delivery Voltage
 - DVP provides no transformation from the voltage normally found in the area
 - Customer cannot purchase DVP's transformation to qualify
 - Customer does not receive Sch. SP energy discount

Sch. 134 – Large ML&P Service (Cont'd)

- **Designed for very high load factor customers**
- **Distribution Demand like Sch. 132 (contract demand that ratchets upward)**
- **On-peak Electricity Supply Demand – highest of**
 - On-peak demand in current billing month
 - 90% of maximum on-peak kW in previous Jun – Sept
 - 1,000 kW
 - \$12.537 per kW (includes riders)
- **Very low on- and off-peak kWh charges**

Schedule SSL

Effective 08-01-14

- LED streetlighting
- Tier 1 rates decreased because of reduction in total installed fixture cost since implementation
- Added Tiers 9 and 10 pricing

Effective 01-01-15

- Conversion from MV or HPSV fixtures to LED priced at Additional Unit on the Same Pole Rate
- Customer Pays 4:1

Rider J-CM

- **\$4 per month credit for curtailing electric water heater**
- **Rider J-CM closed since 1997**
- **Program has not been called in many years**
- **Affected customers being notified by letter**
- **Rider J-CM to be withdrawn on 11-01-14**

Other Schedule Charges

- **TERF Rate unchanged**
- **Miscellaneous Service Charges**

Schedule	Type	2011 Charge	2014 Charge
A	Min, Temporary Svc	\$ 23.48	\$ 23.95
C	Service Connection	\$ 15.00	\$ 25.31
E	Streetlight Patrol Hourly Rate	\$114.90	\$120.55

Revised Excess Facilities Charges

- **Va. Jurisdictional Excess Facilities Charge Percentages apply to VEPGA**

Category	2011 Excess Facilities Charge	2014 Excess Distribution and Substation Facilities Charge	2014 Excess Transmission Facilities Charge
Non-One-time	1.58%	1.46%	1.26%
One-time	0.66%	0.54%	0.36%

- **VEPGA's Excess Facilities Charge Percentages will follow Virginia**



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