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, 2012

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STATE CORPORATION COMMISSION

August 31, 2012

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

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

Members of the Commission on Electric Utility Regulation

The State Corporation Commission ("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,

Original signed by

Mark C. Christie
Commission Chair

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Commissioner

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James C. Dimitri
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GLOSSARY OF DEFINED TERMS

A&N	A&N Electric Cooperative
AEP	American Electric Power
APCo	Appalachian Power Company
Biomass Conversions	Convert coal-fueled to biomass-fueled generating facilities
CEC	Community Electric Cooperative
COL	Combined Operating License
CPCN	Certificate of Public Convenience and Necessity
CSP	Competitive Service Provider
CVEC	Central Virginia Electric Cooperative
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
Delmarva	Delmarva Power & Light Company's
Dominion	Virginia Electric and Power Company d/b/a Dominion Virginia Power
Dresden	Dresden Generating Plant
E&R	Environmental and Reliability
EE	Energy Efficiency
EEI	Edison Electric Institute
EIPC	Eastern Interconnection Planning Collaborative
EV	Electric Vehicle
FERC	Federal Energy Regulatory Commission
FRR	Fixed Resource Requirement
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
MAPP	Mid-Atlantic Power Pathway
MW	Megawatt
NOPR	Notice of Proposed Rulemaking
NRC	U.S. Nuclear Regulatory Commission
Net Energy Metering	Regulations Governing Net Energy Metering
ODEC	Old Dominion Electric Cooperative
OPSI	Organization of PJM States, Inc.
PSA	Public Service Announcement
PJM	PJM Interconnection, LLC
PSDR	Peak Shaving Demand Response
PSEDR	Peak Shaving and Emergency Demand Response
REC	Renewable Energy Certificates
ROE	Return on Equity
RPM	Reliability Pricing Model
RPS	Renewable Energy Portfolio Standard
RTE	Regional Transmission Entity
Regulation Act	Virginia Electric Utility Regulation Act
Staff	Commission Staff
TIER	Times Interest Earned Ratio
United States	U.S.
VCHEC	Virginia City Hybrid Energy Center
VES	Virginia Energy Sense
Virginia Power	Virginia Electric and Power Company d/b/a Dominion Virginia Power

EXECUTIVE SUMMARY

Section 56-596 B of the Code of Virginia ("Code") directs the State Corporation Commission ("Commission") to provide an annual update to the Governor and the General Assembly on the status of the implementation of the Virginia Electric Utility Regulation Act, §§ 56-576 through -596 of the Code ("Regulation Act") and to offer recommendations for any actions by the General Assembly or others. This report is responsive to that directive. Since the Commission's last report, presented on September 1, 2011, the following activities occurred:

- The ***Virginia Energy Sense*** ("VES") program broadened its scope to provide Virginia consumers of electricity with information to help save energy. Over the past year, the program implemented school outreach, added television public service announcements ("PSA"), increased its participation in community events, expanded digital and social media outreach, established partnerships with non-profit organizations, continued public relations activities, and conducted a follow-up benchmark survey.

- In response to statutory changes to § 56-594 of the Code, the Commission adopted revisions to its Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq.* ("Net Energy Metering Rules"). The revisions increased from 10 kilowatts ("kW") to 20 kW the maximum capacity of an electrical generation facility of a residential customer that qualifies for participation in a net energy metering program and require that an eligible residential customer-generator with a facility that exceeds 10 kW pay a Commission-approved standby charge that allows the participating utility to recover the costs associated with serving such customers. Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion, DVP, or Virginia Power") requested, and the Commission approved, a standby charge for distribution and transmission related costs. The Commission rejected a standby charge proposal related to generation costs.

- The Commission approved Dominion's requests to construct a 1,300 megawatt ("MW") combined-cycle generating facility in Warren County and to convert three existing coal-fired generating facilities at Altavista, Southampton, and Hopewell, Virginia, into biomass generation facilities. Additionally, the Commission is evaluating the company's proposed community solar demonstration program. With respect to generation additions approved prior to this year:

    - Appalachian Power Company's ("APCo") 580 MW combined-cycle natural gas facility in Dresden, Ohio, began commercial operation on March 1, 2012;
    - Dominion's 585 MW fluidized bed coal facility in Wise County began commercial operation on July 10, 2012; and
    - Northern Virginia Electric Cooperative's 49.9 MW biomass facility in Halifax County is expected to begin commercial operation in late 2013.

- APCo and Dominion have met the 2011 renewable portfolio standard goal as set forth in § 56-585.2 of the Code.

- The Commission approved additional energy efficiency and demand response programs for Virginia Power.

- The first biennial review cases for APCo and Virginia Power were completed.

- The Commission is currently considering applications for base rate increases for Community Electric Cooperative ("CEC") and Central Virginia Electric Cooperative ("CVEC"). The Commission also is considering a revenue-neutral adjustment of rates for A&N Electric Cooperative ("A&N").

- APCo and DVP's 2011-12 electricity rates appear to be competitive with their peer utilities, 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 to the Governor and the General Assembly 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 several applications/petitions from electric utilities for rate adjustment clauses, base and fuel rate changes, integrated resource plans ("IRP"), generation and transmission additions and modifications, and demand-side management ("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"), continued to participate in various proceedings before FERC. This report highlights such recent Commission efforts to implement the Regulation Act.

II. IMPLEMENTATION OF THE REGULATION ACT

A. Consumer Education

In the third year of the VES program, the Commission broadened the scope of the program to educate and provide more information to consumers of electricity about energy conservation, energy efficiency, DSM, demand response, and renewable energy. The program is targeted at building awareness of the value of energy savings. New components of the VES program include a school outreach program and television PSAs. Additionally, the VES program increased its participation in community events, established partnerships with non-profit

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

organizations, expanded digital and social media outreach, and continued public relations activities.

To gauge perceptions and attitudes relative to energy conservation among Virginians, the VES program conducted follow-up research to the benchmark survey completed in 2010. The research assessed the public's interest in energy efficiency and identified measures the public had taken, or would be willing to take, to reduce electricity usage. Approximately 98% of Virginians surveyed said saving energy is "important" or "very important" to them. Nearly 73% indicated that they pay a "great deal" or "fair amount" of attention to household electricity usage, and 65% were "extremely" or "very interested" in learning more ways to reduce electricity usage. Additional information regarding the VES program survey may be found in Appendix 6 to this report.

In 2012, one of the strategic priorities of the VES program was to develop energy education materials designed specifically for grade school teachers to share with students in the classroom and for students to take home to their parents. In cooperation with the Virginia Department of Education, teacher lesson plans and student/parent activities were developed that incorporate information available in the VES program into the Virginia Education Standards in science and math for fourth grade students. As a result, a total of 5,693 classrooms in Virginia public and private schools were instructed about the VES program. The VES program reached an average of 2.73 teachers per school. The average number of students reached per school was 98.13. The estimated number of students and families reached was 490,213. According to the teachers surveyed, 98% rated the VES program materials as "good" or "excellent" in terms of appeal to students, and 97% of teachers surveyed rated the education effectiveness of the materials as "good" or "excellent."

To increase consumer recognition of the VES program, the Commission developed a series of television PSAs for distribution to 38 television stations and seven major cable systems across the state. The PSAs began airing in July 2012. The PSAs highlight easy and common sense ways to conserve energy. A series of three videos were produced in a range of formats. This enables the PSAs to run over a longer period of time and provides television stations with several options to fill time slots. The PSAs are posted and promoted on the VES website (www.virginiaenergysense.org) and on social media.

Another strategic priority of the VES program in 2012 was initiating a community outreach pilot program in Central Virginia. This involved sponsoring and exhibiting energy conservation materials and activities at a variety of community events including fairs, festivals, workshops, and athletic events. The pilot was launched at the Richmond Earth Day Festival in April of 2012, an event with over 7,500 attendees. VES plans to participate in at least 20 major community events by the end of 2012. The Commission plans to target Southwest Virginia for its 2013 community outreach efforts.

VES continues to identify new organizations and businesses as potential partners in community outreach efforts. As part of its pilot program in Central Virginia, the Commission collaborated with the non-profit Richmond Regional Energy Alliance on marketing and public relations activities. Planning discussions are underway to collaborate on outreach activities with regional energy alliances and other organizations in Southwest Virginia, Charlottesville, and Northern Virginia.

VES displayed its digital presence with the addition of new and creative content on the website (www.virginiaenergysense.org) and diverse social media channels. A free online home energy assessment tool was added to the website to help consumers better understand their energy use and to identify opportunities to save energy and control utility costs. A new layout

with search functions was added to the website section on federal, state, and utility company incentives for consumers who initiate energy reduction efforts. Local and regional energy efficiency programs are highlighted with a map and listing to make it easier for consumers to find local area resources. School education materials also were added to the site, along with extra resources, activities, and curriculum guidelines.

The VES program continues to engage diverse audiences with daily updates and regular additions to social media channels. Consumers can follow the program on Twitter (@VAEnergySense) and a Facebook page (www.facebook.com/virginiaenergysense); they also can enter the energy discussion on a Tumblr blog (http://virginiaenergysense.tumblr.com).

The Commission will continue to monitor the VES program's objectives and make adjustments to the VES program that will 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 presently have the statutory right to purchase electric generation service from CSPs selling electric energy provided 100% from renewable energy resources (§ 56-577 A 5 of the Code) but only if the incumbent electric utility serving these consumers does not 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 suppliers and

aggregators interested in participating in the retail access programs in Virginia. Currently, 41 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. As in 2011, there currently are no electric CSPs serving customers in Virginia.

C. Renewable Tariffs

The Commission approved tariffs that allow customers of DVP and APCo to voluntarily support renewable energy.[2] Under both tariffs, customers have the opportunity to purchase renewable energy certificates ("RECs") representing the production of electricity from renewable sources such as wind, solar, falling water, biomass, energy from waste, 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 renewable energy.[3] Consequently, customers in these utilities' service territories may presently purchase 100% renewable electricity supply service from CSPs licensed by the Commission. To the Commission's knowledge, however, no CSP has yet committed to provide competitive supply service from 100% renewable resources in either utility's service territory.

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[2] *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).

[3] *Id.*

Pursuant to § 56-577 A 6 of the Code, nine electric cooperatives received Commission approval on December 17, 2010, to offer a tariff 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 recently filed petitions with the Commission for approval to amend such tariffs by extending the provisions of the approved renewable energy tariff to its nonresidential customers after July 1, 2012, as provided for in the statute. Some of these cases have been approved and others currently are pending before the Commission.[4] The Commission's approval of these tariffs thus would preclude competitive offerings of electric energy provided 100% from renewable energy within the respective service territories of the Cooperatives.

[4] 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, Doc. Cont. Cen. No. 120730283, 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, Doc. Cont. Cen. No. 120730281, 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, Doc. Cont. Cen. No. 120730282, 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, Doc. Cont. Cen. No. 120730284, 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, Doc. Cont. Cen. No. 120730286, 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, Doc. Cont. Cen. No. 120730287, 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, Doc. Cont. Cen. No. 120820126, 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, Doc. Cont. Cen. No. 120820127, 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, Doc. Cont. Cen. No. 120730285, Order Amending Tariff (July 31, 2012).

D. Net Energy Metering

On July 5, 2011, the Commission entered an Order Establishing Proceeding to amend Regulations Governing Net Energy Metering to reflect statutory changes pursuant to Chapter 239 of the 2011 Acts of Assembly, which amends § 56-594 of the Code. Specifically, the Commission sought to revise the Net Energy Metering Rules to: (1) increase from 10 kW to 20 kW the maximum capacity of an electrical generation facility of a residential customer that qualifies for participation in a net energy metering program; and (2) require that an eligible residential customer-generator whose generating facility has a capacity that exceeds 10 kW pay a Commission-approved monthly standby charge to the serving utility to recover that portion of its infrastructure costs that are properly associated with serving the eligible customer-generator.[5]

On July 29, 2011, pursuant to § 56-594 F of the Code, Dominion filed with the Commission an application for approval of a standby charge and methodology applicable to residential eligible customer-generators who own and operate, or contract with other persons to own and/or operate, an electrical generating facility with a capacity that exceeds 10 kW but is not greater than 20 kW. On November 23, 2011, the Commission issued a Final Order which approved a standby charge consisting of a $2.79/kW distribution-related component and a $1.40/kW transmission-related component.[6] Additionally, in that proceeding, the Commission rejected DVP's proposal to establish a "placeholder" generation standby charge component.

On November 18, 2011, the Commission's Division of Energy Regulation provided the Response to Net Energy Metering Information Request from the Virginia General Assembly House Commerce and Labor Special Subcommittee on Energy. The information was requested

[5] *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter of amending regulations governing net energy metering,* Case No. PUE-2011-00079, 2011 S.C.C. Ann. Rept. 524, Order Adopting Regulations (Nov. 1, 2011).

[6] *Application of Virginia Electric and Power Company, For approval of a standby charge and methodology and revisions to its tariff and terms and conditions of service pursuant to § 56-594 F of the Code of Virginia,* Case No. PUE-2011-00088, 2011 S.C.C. Ann. Rept. 530, Final Order (Nov. 23, 2011); Order on Reconsideration, Doc. Con. Cen. No. 120110339 (Jan. 17, 2012).

by letter dated February 2, 2011, from Delegate Kilgore, Chairman of the House Commerce and Labor Committee, seeking Commission assistance in determining where the costs and benefits of net metering fall with respect to the customer-generator and non-net-metered ratepayers. The Commission Staff's ("Staff") net cost-benefit impact analysis concluded that at the current level of net metering participation, roughly 2% of the statutory net metering capacity limit, eligible customer generators impose a very small net cost on Virginia's utilities in total, and such cost results in an "immaterial" average annual bill impact on non-net metering customers. The Staff further noted that if the net cost of the current program participation level is extrapolated to reflect a fully subscribed program, the analysis indicates that the average annual residential electric bill would increase by a relatively small (less than one-half of one percent) but notable amount.

On February 17, 2012, Senator Watkins, Chairman of the Senate Commerce and Labor Committee, transmitted a letter to the Commission requesting analysis and information relative to standby charges for residential net metering customers. The Commission's Division of Energy Regulation is in the process of coordinating a response to this request.

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. In 2010, approximately 91% of the total supply of energy to Virginia's investor-owned electric utility customers was produced from facilities under the Commission's rate setting jurisdiction even though some of those facilities were 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 "energy imports" may decrease with APCo's recent operation of the Dresden generating facility in Ohio and the recent operation of DVP's Virginia City and Bear Garden generation facilities, both of which are located in Virginia.

Virginia's investor-owned utilities also procure energy through purchases from other utilities. For example, DVP frequently purchases energy from the PJM market. Such purchases 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. APCo typically purchases additional energy and capacity at cost from its affiliates that are part of the AEP East Pool of companies, such as Ohio Power Company and Indiana Michigan Power Company. Such purchases are regulated by a FERC-approved Interconnection Agreement that may terminate on or after January 1, 2014.[7] AEP has 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

[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, or another date approved by the FERC.

West Virginia, to APCo. This would increase company-owned and operated capacity for APCo even though the units are physically located out-of-state.

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

F. Recent Generation and Transmission Additions

The Commission considered several applications for generation additions over the past year. Specifically, the Commission approved DVP's application to construct and operate a 1,300 MW combined-cycle facility in Warren County[8] which is under construction and expected to be operational in early 2015. The Commission also approved DVP's application to convert three coal-fired generators at Altavista, Southampton, and Hopewell, Virginia, to biomass generation facilities.[9] These units are under construction and expected to be operational by the end of 2013.

Generation additions that the Commission approved prior to September 1, 2011, are in various stages of construction. GPC Green Energy, LLC is constructing a 20 MW landfill gas facility in Suffolk, Virginia[10] and has signed a purchase power agreement to sell the output from this facility to Old Dominion Electric Cooperative ("ODEC"). Other projects, including a 6.4 MW landfill gas plant in Henrico County (output to be sold to ODEC pursuant to a purchase power agreement) and DVP's 580 MW combined-cycle natural gas Bear Garden facility in Buckingham County, were completed and have begun commercial operation. DVP's 585 MW

[8] *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, Doc. Con. Cen. No. 120210139, Final Order (Feb. 2, 2012).

[9] *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, Doc. Con. Cen. No. 120320053, Final Order (Mar. 16, 2012).

[10] *Application of GPC Green Energy, LLC, For approval to construct, own and operate an electric generation facility in Suffolk, Virginia pursuant to Va. Code §§ 56-46.1 and 56-580 D*, Case No. PUE-2008-00085, Doc. Con. Cen. No. 091130314, Final Order (Nov. 25, 2009).

circulating fluidized bed coal facility in Wise County began commercial operation on July 10, 2012. Northern Virginia Electric Cooperative's 49.9 MW biomass facility in Halifax County is under construction and expected to be operational by the end of 2013.[11] APCo's 580 MW combined-cycle natural gas facility in Dresden, Ohio, began commercial operation earlier this year.[12] The 39 MW Highland New Wind turbine facility has experienced construction challenges and remains under development.

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

On May 7, 2010, DVP announced that it selected Mitsubishi Heavy Industry's Advanced Pressurized Water Reactor technology for the proposed nuclear unit. The company's application is currently undergoing the NRC certification process for the potential third unit. 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 utilities also continue to expand their transmission facilities. Ten transmission lines approved by the Commission are under construction, and six transmission certificate applications are currently pending before the Commission.

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[11] *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).

[12] *Application of Appalachian Power Company, AEG Generating Company and American Electric Power Company, Inc., For authority to enter into affiliate transactions under Title 56, Chapter 4, of the Code of Virginia*, Case No. PUE-2011-00023, 2011 S.C.C. Ann. Rept. 452, Order Granting Authority (July 20, 2011).

On December 17, 2010, Potomac Electric Power Company ("Pepco") and DVP filed an application for approval of a 500 kilovolt ("kV"), 1,600-foot Virginia segment of the Mid-Atlantic Power Pathway transmission line project ("MAPP"). MAPP was to begin at the Possum Point Generating Station in Prince William County, Virginia, and travel 150 miles to Indian River, Delaware. On August 19, 2011 Pepco requested that the Commission delay consideration of its application in light of the PJM Board's decision to retain the MAPP project in its regional transmission expansion plan and to move the transmission line's in-service date from 2015 to the 2019-2021 timeframe. On December 13, 2011, the Commission issued an Order closing the case without prejudice.[13] In early August 2012, the PJM staff announced its latest recommendation to remove from its regional transmission expansion plan the proposed MAPP project as well as the Potomac-Appalachian Transmission Highline project. PJM's current evaluations reveal no transmission violations and sufficient power capacity to meet demand for 15 years. The PJM staff is slated to present its latest recommendations to the PJM board in late August 2012.

A chart summarizing generating capacity in Virginia and recent transmission line construction activity follows.

[13] *Joint Application of Potomac Electric Power Company and Virginia Electric and Power Company, For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1 et seq.*, Case No. PUE-2010-00148, 2011 S.C.C. Ann. Rept. 416, Order Closing Case (Dec. 13, 2011).

Generating Capacity Additions in Virginia
as of August 1, 2012

	Number of Units Added	1970s Total Capacity Additions (MW)	Number of Units Added in VA	Total Capacity Additions in VA (MW)
APCo	3	2900	0	0
DVP	14	4736	13	4705
ODEC		107		107
Total*	17	7743	13	4812

	Number of Units Added	1980s Total Capacity Additions (MW)	Number of Units Added in VA	Total Capacity Additions in VA (MW)
APCo	2	1406	1	106
DVP	26	1644	26	1644
ODEC		106		106
Total*	28	3156	27	1856

	Number of Units Added	1990s Total Capacity Additions (MW)	Number of Units Added in VA	Total Capacity Additions in VA (MW)
APCo	0	0	0	0
DVP	35	4188	33	3979
ODEC		441		441
Total*	35	4629	33	4420

	Number of Units Added	2000s Total Capacity Additions (MW)	Number of Units Added in VA	Total Capacity Additions in VA (MW)
APCo	1	580	0	0
DVP	13	4551	12	4419
ODEC	9	1167	9	1167
Total*	19	3701	19	3701

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

Summary of Transmission Line Case and Construction Activity in Virginia as of August 1, 2012

Company/Facility	Size	Location	Docket	C.O.D.*	Status
Transmission Lines					
DVP Hayes-Yorktown	230kV – 8 mi	Gloucester, York		9/12	under construction
DVP Loudoun-New Road	230kV– 4 mi	Loudoun, Prince William		5/13	under construction
DVP Ballston-Radnor Heights –Line #2036**	230kV – 5 mi	Arlington		4Q/12	under construction
DVP Landstown-Pendleton-Virginia Beach	230kV – 11 mi	Virginia Beach		12/12	under construction
DVP Mt. Storm-Doubs	500 kV – 31 mi	Frederick, Clarke, Loudoun		12/14	under construction
DVP Cannon Branch-Cloverhill	230 kV – 2 mi	Prince William, Manassas		Fall/13	under construction
DVP Hollymead Tap	230 kV – 8 mi	Albemarle		5/14	under construction
DVP Bremo-Dooms	230 kV – 43 mi	Albemarle, Fluvanna		5/14	under construction
DVP Lakeside-Northwest	230 kV – 12 mi	Hanover, Henrico		5/13	under construction
DVP Dahlgren Loop	230 kV – 9 mi	King George	PUE-2011-00113	5/14	pending
DVP Brambleton-Waxpool-Beco	230 kV – 13 mi	Loudoun	PUE-2011-00129	11/13	pending
DVP Lexington-Cloverdale	500 kV – 7 mi	Rockbridge	PUE-2012-00046	5/14	pending
DVP Surry-Skiffes Creek-Whealton	500 kV – 7 mi 230 kV – 20 mi	Surry, James City, York, Newport News, Hampton	PUE-2012-00029	5/15	pending
DVP Cloverhill-Liberty-Bristers-Gainesville Loop	230 kV – 5.6 mi 230 kV – 2 mi	Prince William, Manassas	PUE-2012-00065	5/15	pending
APCo Huntington Court-Roanoke	138kV – 6 mi	Roanoke City		5/13	under construction
APCo Falling Branch-Merrimac	138kV – 7.5 mi	Montgomery County	PUE-2012-00007	6/15	pending

* Estimated commercial operation date

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

G. Integrated Resource Planning

Section 56-597 *et seq.*, of the Code mandates the regular filing of IRPs by investor-owned public utilities ("IOUs") that provide retail 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 emphasized that the IRP, as a planning document, does not control future resource-specific decisions and that nothing in such cases should "preclude the Commission from approving or rejecting a particular supply-side or demand-side resource in the future, nor does the Commission's determination . . . create any presumption in favor, or not in favor, of a particular resource."[14]

Virginia's IOUs filed their second IRPs with the Commission in September of 2011.[15] The Commission approved Kentucky Utilities Company d/b/a Old Dominion Power Company's ("KU") IRP on June 13, 2012.

With respect to DVP's IRP, post-hearing briefs were filed with the Commission on August 8, 2012. The Commission is currently considering DVP's IRP.

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[14] *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).

[15] *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-2011-00092; *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-2011-00100; *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Kentucky Utilities Company d/b/a Old Dominion Power Company's Integrated Resource Plan Filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2011-00097, Doc. Cont. Cen. No. 120620046, Final Order (June 13, 2012).

The Commission suspended the procedural schedule regarding APCo's IRP pending additional information to be submitted concerning the proposed reorganization of AEP and the possible effects on APCo.

H. Voluntary Renewable Portfolio Standard Programs

1. APCo

In 2008, the Commission approved APCo's application under § 56-585.2 of the Code for participation in a voluntary renewable energy portfolio standard ("RPS") program and for approval of two purchased power agreements for wind resources, the Camp Grove and Fowler Ridge projects with capacities of 75 MW and 100 MW, respectively.[16] 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, 2011, APCo reported to the Commission that the company met RPS Goal I[17] for 2010 and fully expected to meet the voluntary goals for 2011 and each year thereafter.[18]

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[16] *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).

[17] 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.

[18] The Commission, in its final order on APCo's Biennial Review, confirmed that APCo had met its RPS Goal for 2010. *Application of Appalachian Power Company, For a 2011 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2011-00037, 2011 S.C.C. Ann. Rept. 477, Final Order (Nov. 30, 2011).

2. 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.[19]

On November 1, 2011, pursuant to § 56-585.2 H of the Code, DVP reported to the Commission that the company met the 2010 RPS Goal I and would meet its RPS Goal II for 2011.[20] These reports are available on the Commission's website (http://www.scc.virginia.gov/eaf/renew.aspx).

I. Other Renewable Energy Activities

As previously mentioned, several facilities in Southwest Virginia are under construction or modification as biomass-fueled projects and expected to be operational in late 2013. In addition, Dominion's Wise County coal-fired plant has co-firing capability to also utilize up to 20% biomass fuel; primarily, waste wood.

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,[21] consisting of multiple installations at selected commercial, industrial, and community locations dispersed throughout its Virginia service territory. This case is pending before the Commission and a hearing is scheduled on September 19, 2012.

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[19] *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).

[20] The Commission, in its Final Order on DVP's Biennial Review, confirmed that DVP had met its RPS Goal for 2010. *Application of Virginia Electric and Power Company, For a 2011 biennial review of the rates, terms, and conditions for the provision of generation, distribution, and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2011-00027, 2011 S.C.C. Ann. Rept. 456, Final Order (Nov. 30, 2011

[21] *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, Doc. Con. Cen. No. 111050008, Application (Oct. 31, 2011).

Additionally, DVP filed on May 17, 2012, an application for approval of a special tariff to facilitate consumer-owned solar DG installations for up to 3 MW of customer-owned capacity.[22] Comments and requests for hearing regarding the special tariff are due to be filed in September 2012.

J. Conservation, Energy Efficiency and Demand Response

1. Activity by Virginia Power

DSM 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.[23] 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 Virginia Power.[24] The five programs are as follows:

- The Residential Lighting Program, which provides instant rebates on energy efficient lighting for residential customers;
- The Low Income Program, which provides energy audits and improvements for low-income residential customers;
- The Commercial Heating/Air Conditioning Upgrade Program, which provides HVAC system upgrades to more efficient systems for the commercial sector in exchange for an incentive;

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[22] *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, Doc. Con. Cen. No. 120530112.

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

[24] *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 Commercial Lighting Program, which provides commercial participants with the opportunity to retrofit existing inefficient lighting with more energy efficient lighting in exchange for an incentive; 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 to expire on March 31, 2013, and DVP was directed to provide the Commission with 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, 2012.

On April 30, 2012, the Commission approved seven additional DSM programs for customers of DVP.[25] The seven programs are as follows.

- The Residential Bundle Program is a combination of the following four residential 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 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 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 incentives for residential customers to install high-efficiency heat pumps that exceed federally-mandated standards.

- The Commercial Energy Audit Program, which provides on-site energy audits of non-residential 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, which provides incentives to qualifying customers to employ a contractor to seal ducts in existing buildings using program-approved methods.
- The Commercial Distributed Generation Program, which entitles qualifying customers to receive an incentive to curtail load by utilizing customer-owned backup generation up to 120 hours per year when called upon to do so by DVP.

[25] *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, Doc. Con. Cen. No. 120440021, Order (Apr. 30, 2012).

The energy efficiency 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.

Electric Vehicle ("EV") Pilot

Although not filed under the Regulation Act, on July 11, 2011, the Commission approved DVP's application to establish an EV pilot program.[26] DVP anticipates that by 2013 more than 5,000 EVs will be in use in its service territory, with the potential for that number to grow to more than 86,000 by 2020. DVP's pilot program offers 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. Currently, 55 customers are served under the whole house tariff and 13 customers under the EV only tariff. As further discussed below, the Commission granted DVP's request for recovery of costs related to this pilot program through Rider C1A, a rate adjustment clause, in Case No. PUE-2011-00093.[27]

2. Activity by APCo

On September 12, 2011, the Commission issued a Final Order approving two Demand Response Riders ("DR Riders") for APCo.[28] These DR Riders consist of: (i) a Peak Shaving Demand Response ("PSDR") Rider; and (ii) a Peak Shaving and Emergency Demand Response ("PSEDR") Rider. The PSDR Rider targets non-residential customers and was designed to

[26] *Application of Virginia Electric and Power Company, For approval to establish an electric vehicle pilot program pursuant to § 56-234 of the Code of Virginia*, Case No. PUE-2011-00014, Doc. Con. Cen. No. 110710243, Order Granting Approval (July 11, 2011),

[27] *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, Doc. Con. Cen. No. 120440021, Order (Apr. 30, 2012).

[28] *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).

reduce APCo's peak demand during the period from December to March, when APCo has traditionally experienced its annual peak demand. APCo stated that the PSEDR Rider is aligned with the existing PJM Demand Response Program, which allows for curtailments of load by non-residential 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.

To date, APCo has not filed for approval of any DSM programs but has indicated to the Commission Staff that it will likely file for approval of DSM programs at a future time.

3. Activity by KU

On April 1, 2011, KU filed an application with the Commission for an adjustment of electric base rates, including a request for approval of four DSM and energy efficiency ("EE") programs, as well as a Program Administrator to oversee the development, implementation, and management of the programs. KU proposed a Commercial Audit and Incentives program, a Residential Audit program, a Residential Incentives program, and a Residential Low Income Weatherization program.[29] The Commission found in its Order on Stipulation of October 12, 2011, that it was inappropriate to implement these programs as part of this base rate review proceeding. The Order did not preclude KU from requesting approval of DSM or EE programs in the future.[30]

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

[30] *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For an adjustment to electric base rates*, Case No. PUE-2011-00013, 2011 S.C.C. Ann. Rept. 434, Order on Stipulation (Oct. 12, 2011).

4. Activity by Electric Cooperatives

On March 5, 2012, the Commission approved the applications of Prince George Electric Cooperative and Northern Neck Electric Cooperative for approval of a DSM program involving member-consumers' central air conditioning systems.[31] Under these programs, the member-consumer allows his or her cooperative to install a load-cycling switch device on the member-consumer's central air conditioning system. If the device remains operational through September 30 of the year in which the device is installed, the member-consumer receives a one-time bill credit of $25. This DSM program is similar to a DSM program that Rappahannock Electric Cooperative implemented in early 2011.[32]

K. Regulatory/Rate Proceedings

Following is a brief summary of regulatory proceedings, primarily involving rate increase requests, pending before the Commission or completed within the last year.

1. APCo

Biennial Review

On March 31, 2011, pursuant to § 56-585.1 A of the Code, APCo filed with the Commission its first biennial review, which provided information on its generation, distribution, and transmission services for calendar years 2009 and 2010, and requested an increase in its annual revenues of $126,364,310, based on a return on equity ("ROE") of 11.65%.[33]

On November 30, 2011, the Commission issued its Final Order and found, among other things, that APCo earned more than 50 basis points below a fair combined rate of return during

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[31] *Application of Prince George Electric Cooperative, For approval of a demand-side management program including promotional allowances*, Case No. PUE-2012-00002, Doc. Con. Cen. No.120310105, 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. PUE201200003, Doc. Con. Cen. No. 120310184, Order Granting Approval (Mar. 5, 2012).

[32] *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).

[33] This proposed ROE includes a general ROE of 11.15% and a 50 basis point performance incentive for meeting RPS Goal I as provided in § 56-585.2 C of the Code.

the test periods under review, approved an annual revenue increase of $55,071,025 based on a rate of return on common equity of 10.90% (including a base ROE of 10.4% and a 50 basis point adder for meeting RPS Goal I pursuant to § 56-585.2 C of the Code) and required, pursuant to § 56-585.1 A 3 of the Code, that APCo's previously implemented rate adjustment clause for the recovery of transmission costs should be combined with base rates.[34]

Environmental Rate Adjustment Clause

On March 31, 2011, pursuant to § 56-585.1 A 5 e of the Code, APCo filed a petition requesting approval of a rate adjustment clause to recover environmental costs. APCo requested recovery, over a two-year period, of approximately $77 million of environmental costs that it incurred during 2009 and 2010. The Commission issued its Order Approving Rate Adjustment Clause providing for a revenue increase of $30 million to be recovered over a one-year period.[35] On December 29, 2011, APCo filed notice that it was appealing to the Virginia Supreme Court the Commission's Order Approving Rate Adjustment Clause. The appeal is pending.

Renewable Portfolio Rate Adjustment Clause

On March 31, 2011, pursuant to §§ 56-585.1 A 5 d and 56-585.2 E of the Code, APCo filed a petition requesting approval of a rate adjustment clause to recover the incremental costs associated with its participation in a RPS program. APCo's petition proposed a revenue increase of $6.3 million to recover costs incurred from 2008 through 2010 for APCo's purchased power agreements for wind power from the Camp Grove and Fowler Ridge wind farms. On November

[34] *Application of Appalachian Power Company, For a 2011 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia,* Case No. PUE-2011-00037, 2011 S.C.C. Ann. Rept. 477, Final Order (Nov. 30, 2011).

[35] *Application of Appalachian Power Company, For approval of a rate adjustment clause, E-RAC, to recovery costs incurred in complying state and federal environmental laws and regulations, pursuant to Va. Code § 56-585.1 A 5 e,* Case No. PUE-2011-00035, 2011 S.C.C. Ann. Rept. 474, Order Approving Rate Adjustment Clause (Nov. 30, 2011).

3, 2011, the Commission issued its Order Approving Rate Adjustment Clause providing for, among other things, recovery of the requested $6.3 million of incremental RPS Program costs.[36]

Rate Adjustment Clause to Recover Dresden Generation Facility Costs (2011)

On March 31, 2011, pursuant to §§ 56-585.1 A 6 of the Code, APCo filed a petition requesting approval of a rate adjustment clause to recover the costs associated with the Dresden Generating Plant ("Dresden"), a partially constructed 580 MW natural gas-fired, combined-cycle generating station located in Dresden, Ohio. APCo requested an annual revenue requirement of approximately $27 million effective March 1, 2012, based on an ROE of 12.15%, which includes the 100 basis point enhancement pursuant to § 56-585.1 A 6 of the Code for combined-cycle combustion turbine facilities. In its Final Order, the Commission approved an annual revenue requirement of $26.1 million (including a base ROE of 10.4% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code).[37]

Adjustment to Rates for Environmental and Reliability ("E&R") Costs

On May 2, 2011, APCo filed an application requesting recovery of the cumulative under-recovered balance of E&R costs of $4.6 million. This case is the fourth in a series of cases in which the Commission determined the amount of APCo's E&R costs allowed for recovery through a surcharge pursuant to §§ 56-582 B(vi) and 56-585.1 A 5 of the Code. In its Final Order, the Commission approved the full requested rate increase for a one-year period beginning February 1, 2012.[38]

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[36] *Application of Appalachian Power Company, For approval of a rate adjustment clause, RPS-RAC, to recover the incremental costs of participation in the Virginia renewable energy portfolio standard program, pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E*, Case No. PUE-2011-00034, 2011 S.C.C. Ann. Rept. 471, Order Approving Rate Adjustment Clause (Nov. 3, 2011).

[37] *Application of Appalachian Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia to recover the costs of the Dresden Generating Plant*, Case No. PUE-2011-00036, Doc. Con. Cen. No. 120110002, Final Order (Jan. 3, 2012).

[38] *Application of Appalachian Power Company, For recovery of environmental and reliability costs*, Case No. PUE-2009-00039, 2011 S.C.C. Ann. Rept. 297, Order (Dec. 20, 2011).

Fuel Case

On April 24, 2012, APCo filed an application seeking an increase in its fuel factor from 2.197 cents per kilowatt-hour ("kWh") to 2.953 cents per kWh, effective for service rendered on and after June 5, 2012. The request included recovery of a fuel cost under-recovery balance of approximately $95 million, as well as an in-period projected increase for the 15-month period ending August 2013 of approximately $86 million. To mitigate the customer impact of the revenue increase, APCo proposed to recover the $95 million estimated under-recovery balance over a 24-month period rather than the 15-month forecast period. This mitigation measure, along with the in-period increase, resulted in a proposed annual increase of approximately $117 million, and an increase in APCo's fuel factor to the proposed 2.953 cents per kWh rather than an increase to a "full" fuel factor amount of 3.138 cents per kWh. On June 21, 2012, the Commission issued its Order Establishing Fuel Factor which, among other things, allowed the proposed fuel factor of 2.953 cents per kWh to become effective for service rendered on and after June 22, 2012.[39]

Rate Adjustment Clause to Recover Dresden Generation Facility Costs (2012)

On March 30, 2012, APCo filed an application for approval to continue its rate adjustment clause designed to recover the costs associated with the company's acquisition and operation of Dresden. In this proceeding, APCo forecasts an annual revenue requirement of approximately $28 million, which the company calculated using an ROE of 11.4%, consisting of a base ROE of 10.4% as determined in the company's biennial review (discussed above), and a 100 basis point enhancement pursuant to § 56-585.1 A 6 of the Code. On May 1, 2012 the Commission issued an Order for Notice and Hearing wherein, among other things, it established

[39] *Application of Appalachian Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2012-00051, Doc. Con. Cen. No. 120630027, Order Establishing Fuel Factor (June 21, 2012).

a procedural schedule, required notice to the public of the application, and set a public hearing for August 28, 2012.[40] This proceeding is pending before the Commission.

2. Virginia Power

Biennial Review

On March 31, 2011, DVP filed its first biennial review pursuant to § 56-585.1 A of the Code, providing information on its generation, distribution, and transmission services for calendar years 2009 and 2010. DVP requested that the Commission approve a 12.50% ROE, inclusive of a 100 basis point performance incentive pursuant to § 56-585.1 A 2 c of the Code, for its generation and distribution services, beginning upon the date of the final order in this proceeding. In its Final Order, the Commission found, among other things, that DVP earned 13.31% during the two-year review period, which is more than 50 basis points above the fair combined return of 11.9%, and therefore, pursuant to § 56-585.1 A 8 ii of the Code, was required to refund to its customers $78.3 million of the overearnings. The Final Order also found that (i) pursuant to § 56-585.1 A 3 of the Code, previously implemented rate adjustment clauses must be combined with base rates and (ii) a fair ROE of 10.9% (including a base ROE of 10.4% and an adder for RPS Goal I pursuant to § 56-585.2 of the Code) would be used to assess 2011 and 2012 earnings in the next biennial review to be filed on March 31, 2013.[41]

On December 29, 2011, DVP filed notice that it was appealing to the Virginia Supreme Court the Commission's November 30, 2011 Final Order.

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[40] *Application of Appalachian Power Company, For approval of a rate adjustment clause: Rider G, Dresden Generating Plant,* Case No. PUE-2012-00036, Doc. Con. Cen. No. 120510061, Order For Notice and Hearing (May 1, 2012).

[41] *Application of Virginia Electric and Power Company, For a 2011 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia,* Case No. PUE-2011-00027, 2011 S.C.C. Ann. Rept. 456, Final Order (Nov. 30, 2011).

Rate Adjustment Clauses to Recover Generation Facility Costs (2011)

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

On June 27, 2011, DVP filed its annual update to Rider S, requesting recovery of $249.3 million of revenues during the twelve months of April 2012 through March 2013, based on an ROE of 13.5%. The proposed ROE is comprised of a general ROE of 11.5%, a performance incentive of 100 basis points pursuant to § 56-585.1 A 2 c of the Code, and an enhanced return of 100 basis points applicable to a conventional coal generating facility in accordance with § 56-585.1 A 6 of the Code. The Commission issued its Final Order on March 23, 2012, adopting an annual revenue requirement of $177.8 million for pre-commercial operations and an annual revenue requirement of $246.0 million for post-commercial operations based on an ROE of 11.4% (including a base ROE of 10.4% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code).[42]

(ii) *Bear Garden Power Station*

On June 27, 2011, DVP filed its annual update to Rider R. DVP requested recovery of $81.0 million during the 12 months of April 2012 through March 2013 based on an ROE of 13.5%. The Commission issued its Final Order on March 20, 2012, approving an annual revenue requirement of $73.9 million, based on a return of equity of 11.4% (including a base ROE of 10.4% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code).[43]

(iii) *Warren County Power Station*

On May 2, 2011, DVP filed an application for certificates of public convenience and necessity ("CPCN") to construct and operate generation facilities, to construct transmission interconnection facilities, and for a new rate adjustment clause ("Rider W") for its Warren

[42] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center, for the rate year commencing April 1, 2012*, Case No. PUE-2011-00067, Doc. Con. Cen. No. 120320294, Final Order (Mar. 23, 2012).

[43] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider R, Bear Garden Generating Station for 2012-2013*, Case No. PUE-2011-00066, Doc. Con. Cen. No. 120320206, Final Order (Mar. 20, 2012).

County Power Station. This project is a 1,329 MW natural gas-fired combined-cycle generation facility in Warren County, Virginia. DVP estimated the total projected cost of this project to be approximately $1.1 billion, excluding financing costs. DVP requested recovery of an annual revenue requirement of approximately $39 million, effective April 1, 2012. On February 2, 2012, the Commission issued its Final Order which, among other things, issued the requested CPCNs and approved a rate adjustment clause effective for service rendered on and after April 1, 2012, based on an ROE of 11.4% (including a base ROE of 10.4% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code). The Commission also found that the enhanced return should remain in effect during construction of the facilities and for the first ten years of the service life of the facilities.[44]

(iv) *Biomass Conversions*

On June 27, 2011, DVP filed three applications to amend and reissue CPCNs for major unit modifications to its existing Altavista, Hopewell, and Southampton power stations. The applications also proposed a new rate adjustment clause ("Rider B") to recover costs associated with such conversions be effective for a rate year beginning April 1, 2012 through March 31, 2013. DVP proposed to convert each of these coal-fired generation facilities to biomass facilities at a total projected cost of $165.8 million, excluding financing costs. DVP asserted that these conversions qualify as major unit modifications under § 56-585.1 A 6 of the Code. DVP proposed a first year revenue requirement for recovery of financing costs associated with the three facilities of $7.3 million based on an ROE of 14.5% (including a base ROE of 11.5% and a 100 basis point adder, pursuant to § 56-585.1 A 2 c of the Code, and an enhanced return of 200 basis points, pursuant to § 56-585.1 A 6 of the Code, for renewable powered generation

[44] *Application of Virginia Electric and Power Company, For approval and certification of the proposed Warren County Power Station electric generation and related transmission facilities under §§ 56-580 D, 56-265.2, and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated as Rider W, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00042, Doc. Con. Cen. No. 120210139, Final Order (Apr. 1, 2012).

facilities). DVP further requested that the 200 basis points enhanced return be applied during the conversion process and for the first 15 years of these facilities' service lives upon conversion. In its Final Order, the Commission, among other things, granted CPCNs for the major unit modifications, approved Rider B effective for service rendered on and after April 1, 2012, based on an ROE of 12.4% (including a base ROE of 10.4% and a 200 basis point adder pursuant to § 56-585.1 A 6 of the Code), and found that the enhanced return should remain in effect during construction of the facilities and for the first five years of the service lives of the facilities.[45]

DSM and EE Programs

On September 1, 2011, DVP filed an application to implement new DSM programs for a period of five years commencing on June 1, 2012. Dominion proposed the following programs: Residential Home Energy Check-Up Program; Residential Duct Testing & Sealing Program; Residential Heat Pump Tune-Up Program; Residential Heat Pump Upgrade Program; Residential Lighting Program (Phase 2); Commercial Refrigeration Program; Commercial Energy Audit Program; Commercial Duct Testing and Sealing Program; and Commercial Distributed Generation Program. DVP also sought approval to increase funding for two previously approved non-residential DSM programs, and to continue two rate adjustment clauses, Riders C1 and C2, for the purpose of recovering costs associated with the company's DSM programs previously approved by the Commission in its first DSM proceeding. Additionally, DVP also sought to recover the costs related to its EV pilot program, which the Commission approved in its Order

[45] *Application of Virginia Electric and Power Company, For approval and certification of the proposed major unit modification of the Altavista Power Station under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00073; *Application of Virginia Electric and Power Company, For approval and certification of the proposed major unit modification of the Hopewell Power Station under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00074; and *Application of Virginia Electric and Power Company, For approval and certification of the proposed major unit modification of the Southampton Power Station under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00075. These three petitions were combined into one proceeding under Case No. PUE-2011-00073, Doc. Con. Cen. No. 120320053, Final Order (Mar. 16, 2012).

Granting Approval in Case No. PUE-2011-00014.[46] Finally, DVP sought to recover under Rider C2 projected lost revenues resulting from the approved and proposed energy efficiency programs. The total proposed revenue requirement for the rate year of Riders C1 and C2 was approximately $71.8 million for service rendered on and after May 1, 2012.

On April 30, 2012, the Commission issued an Order authorizing a five-year Residential Bundle Program consisting of the following four programs: (1) Residential Home Energy Check-Up Program; (2) Residential Duct Testing & Sealing Program; (3) Residential Heat Pump Tune-Up Program; and (4) Residential Heat Pump Upgrade Program; a five-year Commercial Bundle Program consisting of the following two programs: (i) Commercial Energy Audit Program; and (ii) Commercial Duct Testing and Sealing Program; along with a Commercial Distributed Generation Program. The approved programs were subject to a total revenue requirement of $16.9 million.[47]

Transmission Rate Adjustment Clause

On May 2, 2012, DVP filed an application for approval of a rate adjustment clause, designated Rider T1. DVP requested recovery of transmission costs through a combination of base rates and a new increment/decrement rate adjustment clause, designated Rider T1. The company asserts that Rider TI is designed to recover the increment/decrement between revenues produced from the former Commission-approved 2011 Rider T, now combined with base rates, and the new annual revenue requirement of transmission costs based on § 56-585.1 A 4 of the Code. The company proposed a Rider T1 that, if approved, would produce an annual revenue decrease of $99.6 million. DVP's proposed Rider T1 would be effective for usage during the rate year of September 1, 2012, through August 31, 2013. In its Final Order, the Commission,

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[46] *See supra* at 20.

[47] *Application of Virginia Electric and Power Company, For approval to implement new demand side manangement programs and for approval of two rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia,* Case No. PUE-2011-00093, Doc. Con. Cen. No. 120440041, Final Order (Apr. 30, 2012).

among other things, approved Dominion's proposed annual revenue requirement of $99.6 million.[48]

Fuel Case

On May 2, 2012, DVP filed an application[49] to decrease its fuel factor from 3.289¢/kWh to 2.706¢/kWh for service rendered on and after July 1, 2012. On May 10, 2012, the Commission issued an Order for Notice and Hearing wherein it allowed DVP to place its proposed fuel factor in effect, as requested, on an interim basis and scheduled a hearing for September 6, 2012, to receive public comments and evidence on the application.

Rate Adjustment Clauses to Recover Generation Facility Costs (2012)

(i) *VCHEC*

On June 29, 2012, DVP filed an application[50] to revise Rider S, designed to recover the costs associated with the VCHEC generating facility in Wise County, Virginia. DVP reported that the project was 98% complete through the first quarter of 2012 and was expected to begin commercial operations by July 16, 2012.[51] DVP requests that the Commission approve rates to recover revenue requirements of $248.6 million and $229.1 million for the two rate years beginning April 1, 2013 and April 1, 2014, respectively. The revenue requirements are based on an ROE of 11.4%, (including a base ROE of 10.4% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code). On July 24, 2012, the Commission issued an Order for Notice and Hearing, established a procedural schedule, and set a hearing date of January 23, 2013, to receive public comments and evidence on DVP's application.

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[48] *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-2012-00052, Doc. Con. Cen. No. 120810054, Final Order (Aug. 2, 2012)

[49] *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-2012-00050.

[50] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center, for the rate years commencing April 1, 2013 and April 1, 2014*, Case No. PUE-2012-00071.

[51] According to a DVP press release, VCHEC began commercial operations on July 10, 2012.

(ii) *Bear Garden Power Station*

On June 1, 2012, DVP filed an application[52] to revise Rider R, designed to recover costs associated with its Bear Garden generating facility. DVP requests that the Commission approve rates to recover revenue requirements of $80.5 million and $74.6 million for the two rate years beginning April 1, 2013 and April 1, 2014, respectively. The revenue requirements are based on an ROE of 11.4% (including a base ROE of 10.4% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code). On June 21, 2012, the Commission issued an Order for Notice and Hearing which, among other things, established a procedural schedule and set a hearing for November 14, 2012, to receive public comments and evidence on the application.

(iii) *Warren County Power Station*

On June 1, 2012, DVP filed an application[53] to revise Rider W, designed to recover costs associated with its Warren County generating facility. According to DVP, the project is generally on schedule and on budget. It is expected to begin commercial operations in December 2014. DVP requests that the Commission approve rates to recover a revenue requirement of $86.1 million beginning April 1, 2013, an increase of approximately $52.0 million over the currently effective revenue requirement. The revenue requirement is based on an ROE of 11.4% (including a base ROE of 10.4% and a 100 basis point adder pursuant to § 56-585.1 A 6 of the Code). On June 21, 2012, the Commission issued an Order for Notice and Hearing which, among other things, established a procedural schedule and set a hearing for December 4, 2012, to receive public comment and evidence on the application.

[52] *Application of Virginia Electric and Power Company, To revise rate adjustment clause: Rider R, Bear Garden Generating Station*, Case No. PUE-2012-00068.
[53] *Application of Virginia Electric and Power Company, For revision to rate adjustment clause: Rider W, Warren County Power Station, for the rate year commencing April 1, 2013*, Case No. PUE-2012-00067.

(iv) *Biomass Conversions*

On June 29, 2012, DVP filed an application[54] to revise its Rider B, designed to recover the costs associated with the conversions of its Altavista, Hopewell, and Southampton power stations from coal-fueled to biomass-fueled generating facilities ("Biomass conversions"). DVP reports that the Biomass conversions are generally progressing on schedule and under budget and are expected to be fully operational prior to December 2013. DVP requests that the Commission approve rates to recover a revenue requirement of $12.3 million for the rate year beginning April 1, 2013. The revenue requirement is based on an ROE of 12.4% (including a base ROE of 10.4% and a 200 basis point adder pursuant to § 56-585.1 A 6 of the Code). On July 23, 2012, the Commission issued an Order for Notice and Hearing in this case which, among other things, established a procedural schedule and set a hearing date of January 15, 2013, to receive public comments and evidence on DVP's application.

3. KU

Fuel Case

On February 17, 2012, KU filed an application requesting an increase in its levelized fuel factor from 3.026¢/kWh to 3.137¢/kWh, effective for service rendered on and after April 1, 2012. On May 3, 2012, the Commission approved KU's request.[55]

General Rate Case

On April 1, 2011, KU filed an application with the Commission requesting authority to increase its annual revenues by $9.3 million. On October 12, 2011, the Commission issued its Order on Stipulation wherein it adopted certain modifications to a stipulation offered by KU and the Commission Staff to resolve the case. The Order on Stipulation authorized an annual

[54] *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider B, Biomass conversions of the Altavisa, Hopewell and Southampton power stations, for the rate year commencing April 1, 2013*, Case No. PUE-2012-00072.

[55] *Application of Kentucky Utilities d/b/a Old Dominion Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2012-00020, Doc. Con. Cen. No. 120520028, Order Establishing Fuel Factor (May 3, 2012).

revenue increase of $6.6 million, effective for service rendered on and after November 1, 2011.[56] Upon KU's acceptance of the modified terms of the stipulation, the Commission issued its Order Closing Case on October 21, 2011.

4. A&N

In 2007, the Commission approved A&N's acquisition of Delmarva Power & Light Company's ("Delmarva") Virginia service territory. Since that time, A&N has had separate tariffs for its customers formerly served by Delmarva. On November 22, 2011, A&N filed an application for a revenue-neutral adjustment of its electric rates and consolidation of its tariffs. The application explains that the tariff proposals result in a small decrease in annual revenues of $189,626 and a times interest earned ratio ("TIER") of 2.24; however, according to A&N, some customers will experience a small change, either up or down, in monthly bills. A&N requested that its proposed rates become effective on an interim basis on April 1, 2012. On July 25, 2012, the Commission entered its Final Order in this proceeding adopting the stipulation that results in a decrease in annual revenues of $503,514 and a TIER of 2.38.[57]

5. CVEC

Pending at the time of the Commission's last report was CVEC's application for a general increase in its rates filed on December 22, 2010. CVEC requested an annual revenue increase of approximately $3 million, or 5.21%, based on a TIER of 2.15. The Commission allowed CVEC's proposed rates to become effective on an interim basis, subject to refund with interest, for service rendered on and after May 1, 2011. On September 7, 2011, the Commission

[56] *Application of Kentucky Utilities d/b/a Old Dominion Power Company, For an adjustment of electric base rates*, Case No. PUE-2011-00013, 2011 S.C.C. Ann. Rept. 434, Order on Stipulation (Oct. 12, 2011).
[57] *Application of A&N Electric Cooperative for a revenue-neutral adjustment of its electric rates and consolidation of tariffs*, Case No. PUE-2011-00096, Doc. Con. Cen. No. 120730158, Final Order (July 25, 2012).

issued its Final Order adopting a stipulation between CVEC and the Staff which approved CVEC's proposed revenue increase.[58]

On June 7, 2012, CVEC filed a new application[59] for a general increase in rates of $15.55 million, or 24.8%, based on a TIER of 2.15. The increase is primarily driven by CVEC's new power supply contract. On August 6, 2012, the Commission issued an Order for Notice and Hearing in this case which, among other things, established a procedural schedule and set a hearing date of December 6, 2012, to receive public comments and evidence on CVEC's application.

6. CEC

On June 18, 2012, CEC filed an application[60] for a general increase in rates of approximately $1.2 million, or 5%, based on a TIER of 2.50. CEC requests that its proposed rates become effective on an interim basis for bills rendered on and after August 24, 2012. On July 18, 2012, the Commission issued an Order for Notice and Hearing in this case which, among other things, established a procedural schedule and set a hearing date of January 8, 2013, to receive public comment and evidence on CEC's application.

L. Performance Incentive

On March 5, 2012, the Commission issued an Order Initiating Rulemaking Proceeding[61] to develop specific performance metrics and nationally recognized standards the Commission should consider when assessing whether or not a positive or negative performance incentive, based on generating plant performance, customer service, and operating efficiency should be applied in determining a combined rate of return, as authorized by § 56-585.1 A 2 c of the Code. The Commission directed the Staff to draft proposed rules and regulations relative to

[58] *Application of Central Virginia Electric Cooperative, For a general increase in rates*, Case No. PUE-2010-00095, 2011 S.C.C. Ann. Rept. 356, Final Order (Sept. 7, 2011).
[59] *Application of Central Virginia Electric Cooperative, For a general increase in rates*, Case No. PUE-2012-00045.
[60] *Application of Community Electric Cooperative, For a general increase in rates*, Case No. PUE-2012-00041.
[61] Order Initiating Rulemaking Proceeding in Case No. PUE-2012-00021.

performance incentive filing requirements and submit the same to the Commission for further consideration after consultation with stakeholders and other interested persons. The Commission set a date of September 5, 2012, for the filing of the Staff's proposed rules and regulations relating to the performance incentive.

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, 2012, on the rates, terms and conditions of incumbent electric utilities in the Commonwealth. The report is to include analyses of the amount, reliability, and type of generation facilities required to serve Virginia native load compared to that available to serve such load. 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 group. In examining rate competitiveness, this analysis focused on the level of rates and did not attempt to focus on other potential measures of competitiveness such as electrical costs as a percent of income or as a percent of production costs.

The EEI information was used in several ways to rank the rates of APCo, DVP, and their peer groups from lowest to highest.[62] First, the EEI data was used to compare average revenue per kWh for total, residential, commercial, and industrial rates for 2006 and 2011.[63] The 2011 information was utilized to assess the competitiveness of the then current rates. The 2011 information was then compared to the 2006 data to determine whether there has been any upward or downward trend in DVP's or APCo's rate competitiveness.

Typical bills for DVP, APCo, and the statutorily defined peer group were also examined for differing customer groups and varying ranges of consumption.[64] 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, 2012, 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, 2012, and as such do not reflect any subsequent or pending rate changes. These pending requests could increase or lessen 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 2011 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.*,

[62] It should be noted that the number of companies ranked differ for the average revenue per kWh comparisons and typical bill comparisons. While multi-state companies have been combined on a weighted average basis in the average revenue comparisons they are listed separately in the typical bill comparisons since the rates of multi-state companies vary from state to state.

[63] The 2011 information was taken from EEI's "Typical Bills and Average Rates Report Winter 2012" and the Excel files accompanying that report. The 2006 information was taken from EEI's "Typical Bills and Average Rates Report Winter 2007" and the Excel files accompanying that report.

[64] 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.

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."[65] APCo, DVP, and ODEC are currently participating in such an RTE known as PJM.[66] 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 over eight years and will continue to participate in PJM markets and processes in substantial ways. For example, Virginia's electric cooperatives and municipal utilities and their retail customers remain affected by PJM wholesale market electricity prices. Dominion currently purchases a significant portion of its energy needs from PJM-administered wholesale markets. In addition, Virginia's utilities participate in PJM demand response programs and are affected by PJM's 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 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

[65] This also is referred to as regional transmission organization, or RTO.
[66] PJM accepted control of AEP's transmission facilities (including those of APCo) on October 1, 2004, and Virginia Power's transmission facilities on May 1, 2005.

impacted to the extent that its 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.

V. SIGNIFICANT RTE-RELATED DOCKETS AT THE FERC

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

A. PJM's RPM

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

three-year forward commitment.[67] The most recent auction, for the 2015-2016 delivery year, was completed on May 7, 2012.[68] The FERC has adjudicated numerous disputes regarding the RPM auctions, and the Commission has frequently intervened in support of such complaints, asserting that PJM has not demonstrated that the RPM construct results in just and reasonable rates.

B. Issues Related to PJM's Market Monitoring Function

The Commission has long been concerned with market monitoring issues at PJM. OPSI has shared these concerns as well. The Commission, working with OPSI, 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, the FERC approved a proposal from PJM that would socialize costs of transmission projects operating at or above 500 kV across all PJM transmission zones, based on the transmission owners' respective load ratio shares.[69] 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 the FERC had not justified its cost allocation methodology for projects operating above 500 kV, finding that the FERC is not authorized to approve a pricing scheme that requires a group of utilities to pay for facilities from which its members derive no benefits, or benefits that are trivial

[67] 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.
[68] PJM reported that the 2012 auction was impacted by an unprecedented amount of planned generation retirements (more than 14,000 MW) driven largely by environmental regulations, which drove prices higher than last year's auction. The auction produced record amounts of offers of new generation, demand response and energy efficiency. A record number of new generation resources were procured compared to any single RPM auction.
[69] PJM Interconnection, L.L.C., 119 FERC ¶ 61,063 (2007), reh'g denied, 122 FERC ¶ 61,082 (2008).

in relation to the costs sought to be shifted to its members.[70] The Court remanded the case to the 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.[71]

On June 17, 2010, the FERC issued a Notice of Proposed Rulemaking ("NOPR") proposing reforms to its transmission planning and cost allocation policy. In the NOPR, the FERC proposed that transmission providers be required to participate in regional transmission planning processes to develop regional transmission plans that would identify necessary transmission facilities and non-transmission solutions. In addition, a transmission provider would be required to specify in its Open Access Transmission Tariff the procedures for evaluating transmission projects proposed to satisfy public policy requirements. The FERC stated that this requirement is not intended to preempt state planning requirements or IRPs.

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

Finally, although not specifically in response to the cost allocation order of the U.S. Court of Appeals for the Seventh Circuit, the NOPR proposed changes to cost allocation for transmission projects. Under the NOPR, costs should be allocated in a manner roughly commensurate with the benefits provided by the project, and those receiving no benefits should

[70] Illinois Commerce Comm'n v. F.E.R.C., 576 F.3d 470 (7th Cir. 2009).
[71] PJM Interconnection L.L.C., 138 FERC ¶ 61,230 (2012) reh'g pending.

not be involuntarily assigned costs for the project. The cost allocation method and procedures used to determine benefits and beneficiaries must be transparent. The FERC did not identify specific cost allocation methodologies that must be used and indicated that different regions could use different methodologies and that different methodologies could be used within a region for different types of projects (*i.e.*, facilities needed for reliability, congestion relief, or to achieve public policy requirements). On July 21, 2011, FERC issued its Final Rule, requiring transmission providers to participate in regional transmission processes.[72] The Final Rule largely tracked the NOPR and required consideration of non-transmission alternatives, eliminated the federal right of first refusal, and required that regional cost allocation methodologies follow six general principles of cost allocation.[73] FERC's Order No. 1000 has been appealed by numerous parties, including a number of IOUs participating through appeals filed by EEI and the Coalition for Fair Transmission Policy.

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 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 Interconnect States Planning Council[74] was awarded a $14 million grant by the DOE to develop inputs as needed to conduct the interconnection-level

[72] Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000, 136 FERC ¶ 61,051 (2011).

[73] 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.

[74] 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.

analyses prepared by EIPC and to designate energy zones of particular interest for low- or no-carbon electricity.

The Commission has participated in discussions relating to the implementation of the studies to be funded by the DOE grant.[75] Such studies will be directed by the National Association of Regulatory Utility Commissioners, of which the Commission is a member. The Staff has been attending meetings and is part of the ongoing discussions and studies.

VI. CLOSING

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

[75] 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.

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-12	Change	% Increase
IOU				
Appalachian Power Company	$66.61	$112.59	$45.98	69.03
Dominion Virginia Power	90.60	104.42	13.82	15.25
Old Dominion/Kentucky Utilities	67.57	93.35	25.78	38.15
Electric Cooperatives				
A&N	122.59	117.27	-5.32	-4.34
BARC	123.18	123.50	0.32	0.26
Central Virginia	83.04	123.19	40.15	48.35
Community	122.37	107.72	-14.65	-11.97
Craig Botetourt	114.90	148.28	33.38	29.05
Mecklenburg	121.71	130.54	8.83	7.25
Northern Neck	126.35	130.67	4.32	3.42
Northern Virginia	129.20	119.24	-9.96	-7.71
Prince George	118.62	123.59	4.97	4.19
Rappahannock	127.72	123.43	-4.29	-3.36
Shenandoah Valley	115.12	109.23	-5.89	-5.12
Southside	133.32	127.49	-5.83	-4.37

NOTES

1. National average data from Edison Electric Institute's Typical Bills and Average Rates Reports.
2. Electric Cooperatives: Wholesale power cost adjustment rates as filed with Staff in the month of July.
3. Sales and Use, Consumption and Local Utility taxes are not included in the rate calculations.
4. DVP's 2012 rates are annualized and include an interim fuel factor rate and the Biennial Review credit. DVP's rates exclude changes in Riders S and T1, effective July 16, 2012 and September 1, 2012, respectively.

Appendix 2

CHANGE IN AVERAGE RATES PER CUSTOMER CLASS

Total Rate:	2006 ¢/kWh	2011 ¢/kWh	Percentage Change	2006 Ranking	2011 Ranking	Rankings Change
Alabama Power	7.09	9.09	28.23%	5	8	-3
Appalachian Power Company (VA)	5.04	7.72	53.24%	1	3	-2
Dominion Virginia Power	6.79	9.03	33.00%	4	7	-3
DUKE Energy Carolinas (NC)	6.48	7.49	15.50%	3	2	1
DUKE Energy Carolinas (SC)	5.54	6.83	23.31%	2	1	1
Entergy Mississippi, Inc	9.89	7.92	-20.00%	11	4	7
FP&L Company	11.22	9.90	-11.76%	14	10	4
Georgia Power	7.29	9.61	31.79%	7	9	-2
Gulf Power	7.98	11.17	39.96%	10	13	-3
Mississippi Power	7.21	8.21	13.80%	6	5	1
Progress Energy Carolinas, Inc. (Wtd Avg)	7.55	8.60	13.98%	8	6	2
Progress Energy Florida, Inc.	10.55	11.28	6.92%	13	14	-1
SCE&G	7.83	10.06	28.47%	9	11	-2
Tampa Electric Company	9.96	10.52	5.63%	12	12	0
Average For South Atlantic	8.26	9.43	14.16%			
USA Average	8.89	10.09	13.50%			

Residential Rate:	2006 ¢/kWh	2011 ¢/kWh	Percentage Change	2006 Ranking	2011 Ranking	Rankings Change
Alabama Power	8.93	11.49	28.69%	6	10	-4
Appalachian Power Company (VA)	5.95	9.25	55.41%	1	4	-3
Dominion Virginia Power	8.43	10.82	28.31%	4	7	-3
DUKE Energy Carolinas (NC)	7.93	9.09	14.58%	3	3	0
DUKE Energy Carolinas (SC)	7.33	8.99	22.68%	2	2	0
Entergy Mississippi, Inc	10.55	8.38	-20.58%	11	1	10
FP&L Company	11.90	10.65	-10.47%	14	6	8
Georgia Power	8.82	11.90	35.04%	5	11	-6
Gulf Power	9.07	12.24	35.02%	8	12	-4
Mississippi Power	10.12	11.40	12.60%	10	8	2
Progress Energy Carolinas, Inc. (Wtd Avg)	9.02	10.08	11.77%	7	5	2
Progress Energy Florida, Inc.	11.79	12.80	8.59%	13	14	-1
SCE&G	9.92	12.25	23.48%	9	13	-4
Tampa Electric Company	10.97	11.41	4.01%	12	9	3
Average For South Atlantic	9.79	11.06	12.97%			
USA Average	10.62	12.07	13.65%			

Commercial Rate:	2006 ¢/kWh	2011 ¢/kWh	Percentage Change	2006 Ranking	2011 Ranking	Rankings Change
Alabama Power	8.17	10.55	29.11%	10	13	-3
Appalachian Power Company (VA)	5.09	7.75	52.33%	1	3	-2
Dominion Virginia Power	6.08	7.91	30.02%	2	4	-2
DUKE Energy Carolinas (NC)	6.31	7.06	11.84%	4	1	3
DUKE Energy Carolinas (SC)	6.26	7.31	16.79%	3	2	1
Entergy Mississippi, Inc	10.20	8.05	-21.13%	13	5	8
FP&L Company	10.54	9.09	-13.76%	14	7	7
Georgia Power	7.50	9.78	30.32%	5	9	-4
Gulf Power	7.59	10.66	40.53%	7	14	-7
Mississippi Power	8.05	9.17	13.92%	9	8	1
Progress Energy Carolinas, Inc. (Wtd Avg)	7.54	8.46	12.15%	6	6	0
Progress Energy Florida, Inc.	9.62	9.95	3.46%	12	11	1
SCE&G	7.91	10.14	28.32%	8	12	-4
Tampa Electric Company	9.48	9.87	4.16%	11	10	1
Average For South Atlantic	8.33	9.00	8.04%			
USA Average	9.33	10.20	9.32%			

Industrial Rate:	2006 ¢/kWh	2011 ¢/kWh	Percentage Change	2006 Ranking	2011 Ranking	Rankings Change
Alabama Power	4.92	6.03	22.61%	5	5	0
Appalachian Power Company (VA)	3.85	5.92	53.74%	1	3	-2
Dominion Virginia Power	4.62	6.56	41.85%	3	8	-5
DUKE Energy Carolinas (NC)	4.73	5.31	12.35%	4	2	2
DUKE Energy Carolinas (SC)	4.04	4.80	18.71%	2	1	1
Entergy Mississippi, Inc	8.04	6.27	-22.03%	12	6	6
FP&L Company	8.87	7.40	-16.56%	14	11	3
Georgia Power	5.39	6.58	21.94%	8	9	-1
Gulf Power	5.85	9.02	54.25%	10	14	-4
Mississippi Power	5.10	6.01	17.83%	6	4	2
Progress Energy Carolinas, Inc. (Wtd Avg)	5.75	6.52	13.45%	9	7	2
Progress Energy Florida, Inc.	8.31	8.77	5.58%	13	12	1
SCE&G	5.15	6.87	33.21%	7	10	-3
Tampa Electric Company	7.65	8.94	16.80%	11	13	-2
Average For South Atlantic	5.19	6.61	27.36%			
USA Average	6.00	6.64	10.67%			

Appendix 3

RESIDENTIAL TYPICAL BILLS

Monthly Usage of 500 kWh:	2006 $	2012 $	Percentage Change	2006 Rank	2012 Rank	Rankings Change
Alabama Power	53.33	68.43	28.31%	11	14	-3
Appalachian Power Company (VA)	34.58	51.53	49.02%	2	2	0
Appalachian Power Company (WV)	32.48	53.90	65.95%	1	5	-4
Dominion North Carolina Power	49.38	56.82	15.07%	8	9	0
Dominion Virginia Power	48.00	60.58	26.21%	6	11	-4
DUKE Energy Carolinas (NC)	44.09	54.41	23.41%	4	6	-2
DUKE Energy Carolinas (SC)	39.55	51.91	31.25%	3	3	0
Entergy Mississippi, Inc	60.81	53.62	11.82%	16	4	12
FP&L Company	56.97	50.85	10.74%	13	1	12
Georgia Power	45.28	68.49	33.51%	5	15	-9
Gulf Power	51.30	62.63	38.32%	10	12	-7
Mississippi Power	64.08	72.06	12.45%	17	17	0
Progress Energy Carolinas, Inc. (NC)	48.69	56.66	16.37%	7	8	0
Progress Energy Carolinas, Inc. (SC)	51.17	55.84	9.13%	9	7	3
Progress Energy Florida, Inc.	58.90	66.09	12.21%	14	13	1
SCE&G	53.73	69.16	28.72%	12	16	-4
Tampa Electric Company	59.17	58.84	-0.56%	15	10	5
Average For South Atlantic	49.07	59.86	21.99%			
USA Average	56.20	66.63	18.56%			

Monthly Usage of 750 kWh:	2006 $	2012 $	Percentage Change	2006 Rank	2012 Rank	Rankings Change
Alabama Power	74.35	95.21	28.06%	11	15	-4
Appalachian Power Company (VA)	48.38	73.12	51.14%	2	2	0
Appalachian Power Company (WV)	43.88	75.33	71.67%	1	5	-4
Dominion North Carolina Power	69.30	80.31	15.89%	7	7	0
Dominion Virginia Power	68.48	87.34	27.54%	6	11	-5
DUKE Energy Carolinas (NC)	63.52	76.76	20.84%	4	6	-2
DUKE Energy Carolinas (SC)	56.24	74.47	32.41%	3	4	-1
Entergy Mississippi, Inc	81.37	71.15	-12.56%	13	1	12
FP&L Company	82.79	73.24	-11.54%	14	3	11
Georgia Power	67.28	89.30	32.73%	5	12	-7
Gulf Power	71.82	97.14	35.25%	9	16	-7
Mississippi Power	85.27	94.72	11.08%	17	14	3
Progress Energy Carolinas, Inc. (NC)	69.66	81.33	16.75%	8	9	-1
Progress Energy Carolinas, Inc. (SC)	73.50	80.51	9.54%	10	8	2
Progress Energy Florida, Inc.	84.23	94.64	12.36%	15	13	2
SCE&G	76.84	99.48	29.46%	12	17	-5
Tampa Electric Company	84.39	82.87	-1.80%	16	10	6
Average For South Atlantic	70.42	85.87	21.94%			
USA Average	81.56	96.22	17.97%			

Monthly Usage of 1,000 kWh:	2006 $	2012 $	Percentage Change	2006 Rank	2012 Rank	Rankings Change
Alabama Power	93.40	119.91	28.38%	9	14	-5
Appalachian Power Company (VA)	61.39	94.69	54.24%	2	2	0
Appalachian Power Company (WV)	55.28	96.75	75.02%	1	4	-3
Dominion North Carolina Power	89.24	103.79	16.30%	6	7	-1
Dominion Virginia Power	87.18	112.31	28.83%	5	11	-6
DUKE Energy Carolinas (NC)	82.95	99.11	19.48%	4	6	-2
DUKE Energy Carolinas (SC)	72.93	97.03	33.05%	3	5	-2
Entergy Mississippi, Inc	101.92	88.74	-12.93%	13	1	12
FP&L Company	108.61	95.63	-11.95%	15	3	12
Georgia Power	93.91	117.15	24.75%	10	12	-2
Gulf Power	92.34	125.80	36.24%	8	16	-8
Mississippi Power	106.27	117.22	10.30%	14	13	1
Progress Energy Carolinas, Inc. (NC)	90.62	106.00	16.97%	7	9	-2
Progress Energy Carolinas, Inc. (SC)	94.50	103.85	9.89%	11	8	3
Progress Energy Florida, Inc.	109.56	123.19	12.44%	16	15	1
SCE&G	99.95	129.97	30.04%	12	17	-5
Tampa Electric Company	109.61	106.90	-2.47%	17	10	7
Average For South Atlantic	91.75	111.80	21.85%			
USA Average	106.52	125.91	18.20%			

Appendix 4

COMMERCIAL TYPICAL BILLS

Demand of 3 kW and Usage of 375 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	50.00	77.00	54.00%	11	14	-3
Appalachian Power Company (VA)	28.00	40.00	42.86%	2	2	0
Appalachian Power Company (WV)	26.00	39.00	50.00%	1	1	0
Dominion North Carolina Power	45.00	51.00	13.33%	5	6	-1
Dominion Virginia Power	44.08	52.00	17.97%	4	7	-3
DUKE Energy Carolinas (NC)	48.00	60.00	25.00%	8	10	-2
DUKE Energy Carolinas (SC)	44.00	52.05	18.30%	3	8	-5
Entergy Mississippi, Inc	56.00	51.00	-8.93%	15	6	9
FP&L Company	50.00	44.16	-11.68%	12	3	9
Georgia Power	56.00	74.31	32.70%	16	13	3
Gulf Power	47.00	60.00	27.66%	7	10	-3
Mississippi Power	64.00	72.00	12.50%	17	12	5
Progress Energy Carolinas, Inc. (NC)	48.00	60.00	25.00%	9	10	-1
Progress Energy Carolinas, Inc. (SC)	48.00	50.00	4.17%	10	5	5
Progress Energy Florida, Inc.	51.00	56.00	9.80%	14	9	5
SCE&G	50.00	64.00	28.00%	13	11	2
Tampa Electric Company	46.00	49.38	7.35%	6	4	2
Average For South Atlantic	48.00	55.00	14.58%			
USA Average	53.00	61.00	15.09%			

Demand of 3kW and Usage of 1,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	110.00	232.00	110.91%	11	16	-5
Appalachian Power Company (VA)	60.00	129.00	115.00%	2	2	0
Appalachian Power Company (WV)	58.00	133.00	129.31%	1	4	-3
Dominion North Carolina Power	92.00	151.00	64.13%	5	5	0
Dominion Virginia Power	91.77	160.00	74.35%	4	7	-3
DUKE Energy Carolinas (NC)	110.00	184.00	67.27%	12	12	0
DUKE Energy Carolinas (SC)	105.00	183.04	74.32%	8	11	-3
Entergy Mississippi, Inc	133.00	156.00	17.29%	17	6	11
FP&L Company	120.00	130.20	8.50%	14	3	11
Georgia Power	130.00	248.62	91.25%	16	17	-1
Gulf Power	103.00	198.00	92.23%	7	14	-7
Mississippi Power	128.00	172.00	34.38%	15	9	6
Progress Energy Carolinas, Inc. (NC)	87.00	170.00	95.40%	3	8	-5
Progress Energy Carolinas, Inc. (SC)	93.00	175.00	88.17%	6	10	-4
Progress Energy Florida, Inc.	118.00	186.00	57.63%	13	13	0
SCE&G	108.00	199.00	84.26%	9	15	-6
Tampa Electric Company	109.00	113.73	4.34%	10	1	9
Average For South Atlantic	109.00	172.00	57.80%			
USA Average	118.00	183.00	55.08%			

Demand of 40 kW and Usage of 10,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	961.00	1,288.00	34.03%	12	15	-3
Appalachian Power Company (VA)	580.00	846.00	45.86%	2	3	-1
Appalachian Power Company (WV)	569.00	951.00	67.14%	1	8	-7
Dominion North Carolina Power	731.00	867.00	18.60%	5	4	1
Dominion Virginia Power	802.00	1,020.00	27.18%	7	11	-4
DUKE Energy Carolinas (NC)	723.00	825.00	14.11%	4	1	3
DUKE Energy Carolinas (SC)	678.00	834.31	23.05%	3	2	1
Entergy Mississippi, Inc	1078.00	936.00	-13.17%	16	7	9
FP&L Company	1117.00	988.20	-11.53%	17	10	7
Georgia Power	1038.00	1,394.03	34.30%	15	17	-2
Gulf Power	811.00	1,133.00	39.70%	8	13	-5
Mississippi Power	955.00	971.00	1.68%	11	9	2
Progress Energy Carolinas, Inc. (NC)	753.00	884.00	17.40%	6	5	1
Progress Energy Carolinas, Inc. (SC)	824.00	899.00	9.10%	9	6	3
Progress Energy Florida, Inc.	982.00	1,299.00	32.28%	13	16	-3
SCE&G	934.00	1,198.00	28.27%	10	14	-4
Tampa Electric Company	1013.00	1,040.41	2.71%	14	12	2
Average For South Atlantic	930.00	1,066.00	14.62%			
USA Average	1051.00	1,195.00	13.70%			

Demand of 40 kW and Usage of 14,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	1192.00	1,617.00	35.65%	11	15	-4
Appalachian Power Company (VA)	731.00	1,028.00	40.63%	1	2	-1
Appalachian Power Company (WV)	731.00	1,225.00	67.58%	2	10	-8
Dominion North Carolina Power	963.00	1,152.00	19.63%	7	6	1
Dominion Virginia Power	951.00	1,238.00	30.18%	6	11	-5
DUKE Energy Carolinas (NC)	938.00	1,053.00	12.26%	5	3	2
DUKE Energy Carolinas (SC)	875.00	1,004.91	14.85%	3	1	2
Entergy Mississippi, Inc	1409.00	1,209.00	-14.19%	15	7	8
FP&L Company	1438.00	1,214.60	-15.54%	17	8	9
Georgia Power	1192.00	1,615.84	35.56%	12	14	-2
Gulf Power	1032.00	1,474.00	42.83%	9	13	-4
Mississippi Power	1189.00	1,222.00	2.78%	10	9	1
Progress Energy Carolinas, Inc. (NC)	913.00	1,092.00	19.61%	4	4	0
Progress Energy Carolinas, Inc. (SC)	1009.00	1,111.00	10.11%	8	5	3
Progress Energy Florida, Inc.	1314.00	1,733.00	31.89%	14	17	-3
SCE&G	1299.00	1,666.00	28.25%	13	16	-3
Tampa Electric Company	1415.00	1,452.27	2.63%	16	12	-4
Average For South Atlantic	1205.00	1,371.00	13.78%			
USA Average	1342.00	1,535.00	14.38%			

Demand of 500 kW and Usage of 150,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	13463.00	17,621.00	30.88%	13	17	-4
Appalachian Power Company (VA)	8017.00	11,683.00	45.73%	1	4	-3
Appalachian Power Company (WV)	8062.00	13,405.00	66.27%	2	9	-7
Dominion North Carolina Power	10726.00	12,761.00	18.97%	7	7	0
Dominion Virginia Power	9860.00	13,349.00	35.39%	5	8	-3
DUKE Energy Carolinas (NC)	9799.00	10,888.01	11.11%	4	1	3
DUKE Energy Carolinas (SC)	9029.00	11,364.69	25.87%	3	3	0
Entergy Mississippi, Inc	13147.00	10,907.00	-17.04%	12	2	10
FP&L Company	15707.00	13,778.60	-12.28%	17	10	7
Georgia Power	12416.16	16,851.50	35.72%	10	15	-5
Gulf Power	11620.00	16,382.00	40.98%	9	14	-5
Mississippi Power	12531.00	13,872.00	10.70%	11	11	0
Progress Energy Carolinas, Inc. (NC)	10172.00	11,744.00	15.45%	6	5	1
Progress Energy Carolinas, Inc. (SC)	11225.00	12,129.00	8.05%	8	6	2
Progress Energy Florida, Inc.	14074.00	15,362.00	9.15%	15	13	2
SCE&G	13699.00	17,580.00	28.33%	14	16	-2
Tampa Electric Company	14118.00	14,936.92	5.80%	16	12	4
Average For South Atlantic	12694.00	14,557.00	14.68%			
USA Average	14015.00	15,889.00	13.37%			

Demand of 500 kW and Usage of 180,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	15198.00	20,152.00	32.60%	13	17	-4
Appalachian Power Company (VA)	8722.00	12,964.00	48.64%	1	4	-3
Appalachian Power Company (WV)	9150.00	15,321.00	67.44%	2	9	-7
Dominion North Carolina Power	12129.00	14,510.00	19.63%	7	8	-1
Dominion Virginia Power	10533.00	14,447.00	37.16%	4	7	-3
DUKE Energy Carolinas (NC)	11402.00	12,574.00	10.28%	6	2	4
DUKE Energy Carolinas (SC)	10392.00	12,300.99	18.37%	3	1	2
Entergy Mississippi, Inc	15294.00	12,602.00	-17.60%	14	3	11
FP&L Company	18021.00	15,326.59	-14.95%	17	10	7
Georgia Power	13574.88	18,515.03	36.39%	10	15	-5
Gulf Power	13015.00	18,646.00	43.27%	9	14	-5
Mississippi Power	14124.00	15,635.00	10.70%	11	11	0
Progress Energy Carolinas, Inc. (NC)	11367.00	13,252.00	16.58%	5	5	0
Progress Energy Carolinas, Inc. (SC)	12612.00	13,680.00	8.47%	8	6	2
Progress Energy Florida, Inc.	16538.00	17,940.00	8.48%	16	13	3
SCE&G	14708.00	19,035.00	29.42%	12	16	-4
Tampa Electric Company	16189.00	16,854.15	4.11%	15	12	3
Average For South Atlantic	14447.00	16,422.00	13.67%			
USA Average	15959.00	18,055.00	13.13%			

Appendix 5

INDUSTRIAL TYPICAL BILLS

Demand of 75 kW and Usage of 15,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	1457.00	1,914.00	31.37%	11	15	-4
Appalachian Power Company (VA)	912.00	1,314.00	44.08%	2	4	-2
Appalachian Power Company (WV)	908.00	1,508.00	66.08%	1	8	-7
Dominion North Carolina Power	1079.00	1,283.00	18.91%	4	3	1
Dominion Virginia Power	1317.00	1,711.00	29.92%	8	11	-3
DUKE Energy Carolinas (NC)	1101.00	1,245.00	13.08%	5	2	3
DUKE Energy Carolinas (SC)	1030.00	1,174.31	14.01%	3	1	2
Entergy Mississippi, Inc	1637.00	1,424.00	-13.01%	15	5	10
FP&L Company	1765.00	1,625.87	-7.88%	17	10	7
Georgia Power	1738.48	2,269.94	30.68%	16	17	-1
Gulf Power	1281.00	1,771.00	38.25%	7	12	-5
Mississippi Power	1519.00	1,523.00	0.26%	12	9	3
Progress Energy Carolinas, Inc. (NC)	1243.00	1,445.00	16.25%	6	7	-1
Progress Energy Carolinas, Inc. (SC)	1331.00	1,426.00	7.14%	9	6	3
Progress Energy Florida, Inc.	1521.00	2,017.00	32.61%	13	16	-3
SCE&G	1390.00	1,783.00	28.27%	10	13	-3
Tampa Electric Company	1636.00	1,810.92	10.69%	14	14	0
Average For South Atlantic	1422.00	1,691.00	18.92%			
USA Average	1650.00	1,879.00	13.88%			

Demand of 75 kW and Usage of 30,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	2378.00	3,231.00	35.87%	11	15	-4
Appalachian Power Company (VA)	1415.00	2,077.00	46.78%	1	3	-2
Appalachian Power Company (WV)	1469.00	2,431.00	65.49%	2	8	-6
Dominion North Carolina Power	1950.00	2,350.00	20.51%	7	6	1
Dominion Virginia Power	1878.00	2,478.00	31.95%	6	11	-5
DUKE Energy Carolinas (NC)	1865.00	1,976.00	5.95%	5	2	3
DUKE Energy Carolinas (SC)	1749.00	1,929.78	10.34%	3	1	2
Entergy Mississippi, Inc	2834.00	2,406.00	-15.10%	16	7	9
FP&L Company	2968.00	2,474.86	-16.62%	17	10	7
Georgia Power	2320.00	3,100.02	33.62%	10	14	-4
Gulf Power	2110.00	3,049.00	44.50%	9	13	-4
Mississippi Power	2394.00	2,466.00	3.01%	12	9	3
Progress Energy Carolinas, Inc. (NC)	1842.00	2,201.00	19.49%	4	4	0
Progress Energy Carolinas, Inc. (SC)	2047.00	2,224.00	8.65%	8	5	3
Progress Energy Florida, Inc.	2766.00	3,647.00	31.85%	15	17	-2
SCE&G	2437.00	3,241.00	32.99%	13	16	-3
Tampa Electric Company	2672.00	2,769.54	3.65%	14	12	2
Average For South Atlantic	2364.00	2,729.00	15.44%			
USA Average	2668.00	3,060.00	14.69%			

Demand of 75 kW and Usage of 50,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	3507.00	4,887.00	39.35%	12	17	-5
Appalachian Power Company (VA)	1885.00	2,931.00	55.49%	1	3	-2
Appalachian Power Company (WV)	2028.00	3,237.00	59.62%	2	6	-4
Dominion North Carolina Power	2864.00	3,504.00	22.35%	7	8	-1
Dominion Virginia Power	2343.00	3,280.00	39.99%	4	7	-3
DUKE Energy Carolinas (NC)	2570.00	2,673.00	4.01%	5	2	3
DUKE Energy Carolinas (SC)	2274.00	2,560.11	12.58%	3	1	2
Entergy Mississippi, Inc	4431.00	3,714.00	-16.18%	16	10	6
FP&L Company	4572.00	3,606.86	-21.11%	17	9	8
Georgia Power	3044.00	4,140.57	36.02%	9	13	-4
Gulf Power	3214.00	4,753.00	47.88%	11	16	-5
Mississippi Power	3560.00	3,724.00	4.61%	13	11	2
Progress Energy Carolinas, Inc. (NC)	2591.00	3,158.00	21.88%	6	4	2
Progress Energy Carolinas, Inc. (SC)	2924.00	3,209.00	9.75%	8	5	3
Progress Energy Florida, Inc.	4209.00	4,437.00	5.42%	15	15	0
SCE&G	3143.00	4,316.00	37.32%	10	14	-4
Tampa Electric Company	4053.00	4,047.69	-0.13%	14	12	2
Average For South Atlantic	3496.00	3,910.00	11.84%			
USA Average	3940.00	4,519.00	14.70%			

Demand of 1,000 kW and Usage of 200,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	15200.00	17,834.00	17.33%	5	5	0
Appalachian Power Company (VA)	11157.00	16,143.00	44.69%	2	4	-2
Appalachian Power Company (WV)	10840.00	18,537.00	71.01%	1	6	-5
Dominion North Carolina Power	15841.00	18,610.00	17.48%	6	7	-1
Dominion Virginia Power	17350.00	22,913.05	32.06%	7	13	-6
DUKE Energy Carolinas (NC)	13620.00	15,769.00	15.78%	4	3	1
DUKE Energy Carolinas (SC)	12471.00	14,475.69	16.07%	3	1	2
Entergy Mississippi, Inc	17675.00	14,652.00	-17.10%	8	2	6
FP&L Company	23661.00	22,345.78	-5.56%	17	12	5
Gulf Power	23285.00	25,043.00	35.87%	15	16	-1
Georgia Power	23285.00	30,672.50	31.73%	16	17	-1
Mississippi Power	18783.00	20,729.00	10.36%	9	8	1
Progress Energy Carolinas, Inc. (NC)	20250.00	22,242.00	9.84%	13	11	2
Progress Energy Carolinas, Inc. (SC)	20171.00	21,437.00	6.28%	12	9	3
Progress Energy Florida, Inc.	19795.00	21,979.00	11.03%	11	10	1
SCE&G	19408.00	24,446.00	25.96%	10	15	-5
Tampa Electric Company	21457.00	23,424.61	9.17%	14	14	0
Average For South Atlantic	17968.00	21,318.00	18.64%			
USA Average	20947.00	23,711.00	13.20%			

Demand of 1,000 kW and Usage of 400,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	23852.00	28,898.00	21.16%	6	5	1
Appalachian Power Company (VA)	17076.00	25,278.00	48.03%	1	2	-1
Appalachian Power Company (WV)	17105.00	29,814.00	74.30%	2	6	-4
Dominion North Carolina Power	25581.00	30,894.00	20.77%	7	8	-1
Dominion Virginia Power	21834.00	30,227.45	38.44%	4	7	-3
DUKE Energy Carolinas (NC)	23159.00	25,566.00	10.39%	5	3	2
DUKE Energy Carolinas (SC)	21271.00	25,191.50	18.43%	3	1	2
Entergy Mississippi, Inc	31759.00	25,684.00	-19.13%	14	4	10
FP&L Company	39089.00	32,665.78	-16.43%	17	11	6
Georgia Power	31381.00	42,194.42	34.46%	13	17	-4
Gulf Power	27731.00	40,139.00	44.74%	9	16	-7
Mississippi Power	29510.00	32,599.00	10.47%	12	10	2
Progress Energy Carolinas, Inc. (NC)	28750.00	32,688.00	13.70%	10	12	-2
Progress Energy Carolinas, Inc. (SC)	29117.00	31,469.00	8.08%	11	9	2
Progress Energy Florida, Inc.	36224.00	39,168.00	8.13%	16	15	1
SCE&G	26106.00	34,764.00	33.16%	8	13	-5
Tampa Electric Company	35217.00	36,206.15	2.81%	15	14	1
Average For South Atlantic	28633.00	33,395.00	16.63%			
USA Average	33137.00	37,273.00	12.48%			

Demand of 1,000 kW and Usage of 650,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	33196.00	41,216.00	24.16%	5	7	-2
Appalachian Power Company (VA)	22149.00	32,608.00	47.22%	2	1	1
Appalachian Power Company (WV)	21095.00	39,313.00	86.36%	1	5	-4
Dominion North Carolina Power	35741.00	42,494.00	18.89%	8	8	0
Dominion Virginia Power	27440.00	39,371.00	43.48%	3	6	-3
DUKE Energy Carolinas (NC)	33369.00	34,292.00	2.77%	6	3	3
DUKE Energy Carolinas (SC)	29581.00	33,190.13	12.20%	4	2	2
Entergy Mississippi, Inc	46038.00	36,017.00	-21.77%	14	4	10
FP&L Company	58373.00	45,959.24	-21.27%	17	12	5
Georgia Power	40776.00	55,569.32	36.28%	12	15	-3
Gulf Power	39354.00	59,009.00	49.94%	10	17	-7
Mississippi Power	41529.00	45,839.00	10.38%	13	11	2
Progress Energy Carolinas, Inc. (NC)	38120.00	44,490.00	16.71%	9	10	-1
Progress Energy Carolinas, Inc. (SC)	39721.00	43,431.00	9.34%	11	9	2
Progress Energy Florida, Inc.	53888.00	56,819.00	5.44%	16	16	0
SCE&G	34479.00	46,692.00	35.42%	7	13	-6
Tampa Electric Company	52417.00	52,183.08	-0.45%	15	14	1
Average For South Atlantic	40934.00	47,070.00	14.99%			
USA Average	47459.00	53,310.00	12.33%			

Demand of 50,000 kW and Usage of 15,000,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	960686.00	1,149,069.00	19.61%	5	7	-2
Appalachian Power Company (VA)	649370.00	960,520.00	47.92%	2	3	-1
Appalachian Power Company (WV)	643137.00	1,146,501.00	78.27%	1	6	-5
Dominion North Carolina Power	1072319.00	1,309,072.00	22.08%	7	10	-3
Dominion Virginia Power	962792.00	1,314,225.35	36.50%	6	11	-5
DUKE Energy Carolinas (NC)	824123.00	1,005,677.00	22.03%	4	5	-1
DUKE Energy Carolinas (SC)	719461.00	881,068.65	22.46%	3	1	2
Entergy Mississippi, Inc	1144786.00	928,877.00	-18.86%	11	2	9
FP&L Company	1555031.00	970,122.54	-37.61%	17	4	13
Georgia Power	1154245.00	1,548,835.78	34.19%	13	16	-3
Gulf Power	1146283.00	1,621,075.00	41.42%	12	17	-5
Mississippi Power	1123217.00	1,235,612.00	10.01%	9	8	1
Progress Energy Carolinas, Inc. (NC)	1185500.00	1,331,496.00	12.32%	14	12	2
Progress Energy Carolinas, Inc. (SC)	1126375.00	1,301,825.00	15.58%	10	9	1
Progress Energy Florida, Inc.	1393733.00	1,521,305.00	9.15%	15	15	0
SCE&G	1079050.00	1,411,450.00	30.80%	8	13	-5
Tampa Electric Company	1404056.00	1,487,904.58	5.97%	16	14	2
Average For South Atlantic	1125102.00	1,271,281.00	12.99%			
USA Average	1276726.00	1,427,612.00	11.82%			

Demand of 50,000 kW and Usage of 25,000,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	1328493.00	1,635,001.00	23.07%	6	7	-1
Appalachian Power Company (VA)	851270.00	1,251,920.00	47.06%	2	1	1
Appalachian Power Company (WV)	822487.00	1,515,191.00	84.22%	1	6	-5
Dominion North Carolina Power	1478753.00	1,773,071.95	19.90%	8	9	-1
Dominion Virginia Power	1187012.00	1,678,845.35	41.43%	4	8	-4
DUKE Energy Carolinas (NC)	1275938.00	1,341,237.00	5.12%	5	4	1
DUKE Energy Carolinas (SC)	1105786.00	1,258,774.67	13.84%	3	2	1
Entergy Mississippi, Inc	1713124.00	1,317,989.00	-23.07%	14	3	11
FP&L Company	2321185.00	1,425,680.48	-38.58%	17	5	12
Georgia Power	1538454.00	2,096,443.46	36.27%	9	14	-5
Gulf Power	1611214.00	2,375,858.00	47.46%	12	17	-5
Mississippi Power	1638836.00	1,804,448.00	10.11%	13	11	2
Progress Energy Carolinas, Inc. (NC)	1610500.00	1,853,796.00	15.11%	11	12	-1
Progress Energy Carolinas, Inc. (SC)	1573675.00	1,803,425.00	14.60%	10	10	0
Progress Energy Florida, Inc.	2104110.00	2,232,366.00	6.10%	16	16	0
SCE&G	1413950.00	1,888,550.00	33.57%	7	13	-6
Tampa Electric Company	2092056.00	2,126,981.49	1.67%	15	15	0
Average For South Atlantic	1620448.00	1,807,927.00	11.57%			
USA Average	1842062.00	2,051,067.00	11.35%			

Demand of 50,000 kW and Usage of 32,500,000 kWh:	2006 $	2012 $	Percent Change	2006 Rank	2012 Rank	Ranking Change
Alabama Power	1604349.00	1,999,450.00	24.63%	6	8	-2
Appalachian Power Company (VA)	1002695.00	1,470,470.00	46.65%	2	1	1
Appalachian Power Company (WV)	928687.00	1,777,783.00	91.43%	1	6	-5
Dominion North Carolina Power	1783578.00	2,121,072.00	18.92%	9	9	0
Dominion Virginia Power	1355177.00	1,952,310.35	44.06%	4	7	-3
DUKE Energy Carolinas (NC)	1564881.00	1,609,769.00	2.87%	5	3	2
DUKE Energy Carolinas (SC)	1303720.00	1,504,672.57	15.41%	3	2	1
Entergy Mississippi, Inc	2139377.00	1,609,823.00	-24.75%	14	4	10
FP&L Company	2895801.00	1,767,348.93	-38.97%	17	5	12
Georgia Power	1811356.00	2,486,949.22	37.30%	10	14	-4
Gulf Power	1775793.00	2,748,632.00	54.78%	8	16	-8
Mississippi Power	1984609.00	2,184,503.00	10.07%	13	12	1
Progress Energy Carolinas, Inc. (NC)	1866475.00	2,182,746.00	16.94%	11	11	0
Progress Energy Carolinas, Inc. (SC)	1880233.00	2,150,708.00	14.39%	12	10	2
Progress Energy Florida, Inc.	2687323.00	2,833,209.00	5.43%	16	17	-1
SCE&G	1665125.00	2,246,375.00	34.91%	7	13	-6
Tampa Electric Company	2608056.00	2,606,289.17	-0.07%	15	15	0
Average For South Atlantic	1973214.00	2,198,476.00	11.42%			
USA Average	2245855.00	2,500,935.00	11.36%			

Appendix 6

2012 SURVEY OF VIRGINIA RESIDENTS ON ENERGY EFFICIENCY

VALUE YOUR POWER
VIRGINIA ENERGY SENSE

2012 Survey of Virginia Residents on Energy Efficiency

Hart Research conducted a telephone survey among 601 adults throughout Virginia to assess the public's views on energy efficiency and their willingness to take action at home to save energy. This follows a similar survey that Hart did for VES in early 2010. Overwhelmingly, Virginians believe energy efficiency is important. They are willing to make changes to their homes and habits to save energy and money, and they will invest to a point. Many residents were unaware of the goal set by the Commonwealth to reduce the state's energy consumption from 2006 levels by 10 percent. Below we summarize the findings from the survey.

Highlights from the survey

- 98% of Virginia consumers feel that saving energy is important.
  - 74% say that it is very important.
  - Residents of the Roanoke/Lynchburg area are most concerned about saving energy; 84% of participants there said saving energy was very important.
- More than half of Virginians expect energy costs to rise by 10% or more.
- There has been no real change in the number of Virginians who pay attention to the amount of electricity used by their household, with 77% reported in 2012 and 78% in 2010.
  - 35% of Virginians pay a great deal to the amount of electricity used by their household; 42% pay a fair amount.
- 89% of Virginians find homes with energy efficiency upgrades more valuable.
- In 2010, 63% of Virginians believed they could reduce their energy use if motivated to do so, but many were only somewhat knowledgeable on the steps they could take. Today, Virginians continue to believe they can reduce energy costs. Only 27% of Virginians feel they are highly knowledgeable about steps they can take to reduce electricity use, but 65% are interested in learning more.
- In order to save energy and help the environment, Virginians are most likely to:
  - Turn off lights/electronics when not regularly using them,
  - Regularly recycle at home,
  - Regularly buy locally grown foods,
  - Seal windows, doors and cracks,
  - Use more energy efficient light bulbs and replace old, drafty windows.
- In 2008, the General Assembly set a goal by 2022 for the Commonwealth to reduce total energy use 10% from 2006 levels. Only 11% of Virginians were aware that the state had set a goal; 63% assumed that no goal had been set.

About VES

VES is the Commonwealth's state-wide consumer education and outreach program under the guidance of the State Corporation Commission. It was created by the General Assembly to help Virginia residents understand how to save energy at home, work and school in support of the state's goal to reduce energy consumption by 10%. Saving energy makes good sense, and VES encourages all Virginians to "value your power." The program provides tools and information to help consumers understand their energy bills and take action to reduce them. Visit us at **www.virginiaenergysense.org** or follow us on Twitter and Facebook.