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August 3, 2007

**Via email (econfin@scc.virginia.gov)  
and  
Hand Delivery**

David R. Eichenlaub, Assistant Director  
Division of Economics and Finance  
Virginia State Corporation Commission  
1300 E. Main Street  
Tyler Building, 4<sup>th</sup> Floor  
Richmond, Virginia 23218-1197

**Re: Case No.: PUE-2007-00049—VEPGA Comments**

Dear Mr. Eichenlaub:

Enclosed please find the *Comments of the Virginia Energy Purchasing Governmental Association*, which we request that you consider in this docket.

Sincerely,



Cliona Mary Robb

/nh

cc: Joel H. Peck, Clerk

#826284

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. PUE-2007-00049

Ex Parte: In the matter of determining a recommended mix of programs, including demand side management (DSM), conservation, energy efficiency, load management, real-time pricing, and consumer education, to be implemented in the Commonwealth to cost-effectively achieve the energy policy goals set in § 67-102 of the Code of Virginia to reduce electric energy consumption

**COMMENTS OF VIRGINIA ENERGY  
PURCHASING GOVERNMENTAL ASSOCIATION**

The Virginia Energy Purchasing Governmental Association ("VEPGA"), by counsel, hereby submits comments to assist the Commission in its task of submitting findings and recommendations to the Governor and General Assembly as required by the third enactment clause of SB 1416.

VEPGA is a joint powers association of 171 local governments within Dominion Virginia Power's service territory. The facilities of such local governments, including schools, fire departments, general government facilities, water and sewerage departments and authorities, etc., purchase over \$300 million and consume over four billion kWh annually in electricity.

As local governments, Virginia Power's rates, terms, and service to members of VEPGA are not regulated and jurisdictional to the State Corporation Commission. Rather, by statute, such rates, terms, and services are established through negotiation and contracts. Members of VEPGA are currently being served pursuant to a contract negotiated with Virginia Power that provides for base (non-fuel) rates to be fixed at a certain level through December 31, 2010.

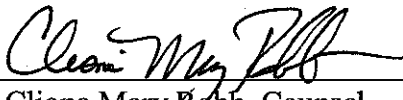
Many of the local governments that are members of VEPGA are already engaged, and have been for a number of years, in implementing energy conservation and efficiency programs for their facilities that use electricity and other forms of energy. Such programs include construction of new buildings using LEED standards, light retrofits, HVAC replacements, smart thermostats, smart lighting switches, etc.

A significant issue and concern of VEPGA is how local governments, as non-jurisdictional consumers of electricity and other forms of energy, should be treated versus other classes of customers, in particular jurisdictional customers, with respect to possible future state programs for energy conservation and efficiency. Local governments are non-jurisdictional customers whose rates, terms, and services from the utility are established through negotiation and contracts; local governments are significantly self-governing through their own elected or appointed governing boards; and local governments are already engaged in, and have been for a number of years, in energy conservation and efficiency programs.

VEPGA, through its representatives, looks forward to working with the Staff of the Commission in its working group process.

Respectfully submitted,

VIRGINIA ENERGY PURCHASING  
GOVERNMENTAL ASSOCIATION

By:   
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