

February 3, 2011

4220 North Fork Rd.  
Elliston, VA 24087



The Honorable Tommy Norment  
426 GAB  
Richmond, VA 23219

Dear Senator Norment,

On Monday you indicated that the Commission on Electric Utility Regulation might meet to consider legislative changes. Given the time frame, I am concerned that it may not be possible for me to be present for that meeting. Thus, I am using this method to communicate the concerns of the Virginia Citizens Consumer Council. Generally, the issue is the fact that the existing legislation gives utilities multiple opportunities to increase revenue and leaves consumers with few to balance our needs with the utilities.'

- 1) Utilities may submit multiple requests for rate increases each year. These should be limited to one per 12 month period.
- 2) The single issue rate cases allow significant expenditures to be only reviewed alone, with no consideration of their impact on the total consumer payment. It may be necessary to start a project as a stand-alone cost, but ALL expenditures should be considered and have potential for adjustment during regular rate cases.
- 3) While utilities needed more certainty concerning long term income and potential earnings, the legislation provides too many options. These should be reduced.
- 4) Utilities have too much flexibility to "manage" their expenditures and income to assure that they keep significant sums of money that should go to consumers. This should be reduced.
- 5) Too many decisions are being negotiated rather than litigated, a process that includes large users who are parties to cases before the SCC and who can afford attorneys. However, the only way the average consumer is included is when a case is litigated and decided by neutral decision makers following the law. The appearance of decisions being made by back room deals needs to end.
- 6) Since the Attorney General is charged with representing all consumers and in Virginia this is traditionally defined to include the utilities, and since the ability of the State Corporation Commission staff to defend residential consumers, Virginia needs to develop an adequately powerful and funded consumer representative to participate in utility cases and balance power.
- 7) Steep and repeated recent rate increases during a devastating recession clearly indicate a need for a systematic, dependable means of providing a safety net for consumers with low incomes. For too long Virginia has counted on the primarily federal LIHEAP funding with uneven state contributions and voluntary corporate and customer contributions.

I am available to discuss these and any other topics with you whenever it fits your schedule. I will be in the Richmond area all weekend and on Monday. My cell phone number is 540-230-5373.

Sincerely,

Irene E. Leech, Ph.D.  
President