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181229090

PUBLIC VERSION

December 14, 2018

BY HAND DELIVERY

Joel H. Peck, Clerk
State Corporation Commission
c/o Document Control Center
Tyler Building – First Floor
1300 East Main Street
Richmond, Virginia 23219

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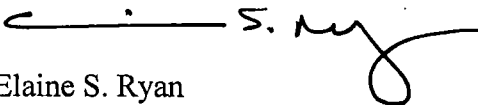
*Application of Virginia Electric and Power Company For approval of
a rate adjustment clause designated Rider E, for the recovery costs incurred
to comply with state and federal environmental regulations
pursuant to § 56-585.1 A 5 e of the Code of Virginia
Case No. PUR-2018-00195*

Dear Mr. Peck:

Enclosed for filing, please find an unbound original and one (1) copy of Virginia Electric and Power Company's Petition, Direct Testimony, Exhibits and Schedules in the above-referenced matter (consisting of Public Volumes 1-2). An extraordinarily sensitive version is also being filed under seal under separate cover.

Thank you for your attention to this matter.

Very truly yours,


Elaine S. Ryan

Enclosures

cc: William H. Chambliss, Esq. (w/o enclosures)
Mr. William F. Stephens (w/o enclosures)
Ms. Kimberly B. Pate (w/o enclosures)
C. Meade Browder, Jr., Esq.
Lisa S. Booth, Esq. (w/o enclosures)
David J. DePippo, Esq. (w/o enclosures)

Dominion Energy Services, Inc.
701 East Cary Street, Richmond, VA 23219
DominionEnergy.com



181220030

December 14, 2018

Joel H. Peck, Clerk
Virginia State Corporation Commission
C/o Document Control Center
1300 East Main Street
Richmond, VA 23219

RE: Virginia Environmental Rider CASE NO. PUR-2018-00195

Dear Mr. Peck:

Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company") respectfully submits to the Commission its application for a rate adjustment clause as authorized by Va. Code §56-585.1 A.5(e), effective November 1, 2019 ("Rider E"). The purpose of this proposed rate adjustment clause is to recover costs we have already incurred to comply with U.S. Environmental Protection Agency and Virginia Waste Management Board regulations related to the storage and disposal of coal combustion residuals – commonly referred to as coal ash – produced at the limited number of company facilities that continue to burn coal to produce electricity – Chesterfield, Clover and Mt. Storm Power Stations.

While coal remains an important element of Dominion Energy's diverse mix of power generation resources, we have made rapid progress in recent years toward a cleaner portfolio which increasingly relies upon lower-emissions natural gas and renewable sources of energy. Our commitment to operate more sustainably also demands that we responsibly manage the byproducts of decades of reliance on coal to power Virginia homes and businesses. Dominion Energy is not alone in confronting the challenge; our peer utilities across the country are currently grappling with this legacy issue as well.

In order to continue operating the coal-fired generating units at Chesterfield, Clover, and Mt. Storm, each site must have facilities to properly store coal ash in compliance with the CCR Rule and water treatment facilities to comply with water regulations and permits. To meet those requirements, Dominion Energy has constructed a new, state-of-the-art landfill; sedimentation ponds; and water treatment facilities that will help to ensure a safe and environmentally sound future for the communities in which we operate – communities that we call home.

At Chesterfield Power Station, for instance, Dominion Energy changed the way it manages coal ash, switching from a wet process to a dry process so that ash now being produced from coal combustion no longer needs to be stored in ponds. The new, lined landfill at Chesterfield Power Station is designed to manage coal ash from the electric generation process for up to twenty years. In order to minimize impacts to the community from increased truck traffic, the Company also constructed a 1,400-foot bridge that protects wetlands and allows truck traffic to remain on

station property. Dominion Energy also has installed a new Low Volume Waste Water Treatment System that continues the Company's commitment to protect the environment.

Additionally, similar improvements to facilities at Clover and Mt. Storm Power Stations are now underway. Existing sedimentation ponds at Clover did not meet current CCR rules. The ponds are being brought into compliance by retrofitting them with a new liner system that includes compacted clay, a geosynthetic high density polyethylene liner, a geotextile cushion, and a concrete pad. The Company also will replace the ponds' pumping system in order to support the new liners. Groundwater monitoring wells will be maintained on-site as long as these ponds are active.

At Mt. Storm, existing sedimentation ponds also did not meet current CCR rules. To comply with these regulations, the ponds are being retrofitted with a new liner system that includes clay, synthetic, and concrete liners. These low-volume ponds must remain operational in order for the station to meet the limits set by its water discharge permit issued by the state of West Virginia. The Company also will install a groundwater monitoring network integral to continued station operations.

The Code of Virginia, in § 56-585.1 A.5(e), authorizes the Company to seek Commission approval of a rate adjustment clause to recover the "projected and actual costs of projects that the Commission finds to be necessary to comply with state and federal environmental laws and regulations applicable to generation facilities used to serve a utility's native load obligation." The Company makes such a request in the Application submitted to the Commission today. All of the projects included in the proposed Rider E are necessary to comply with environmental laws and regulations—namely the CCR Rule and Clean Water Act requirements as implemented by the Commonwealth and the state of West Virginia. Meeting these requirements allows the Company to maintain its operation of coal-fired generating units producing power for Dominion Energy customers.

The total capital cost of the CCR rule compliance projects proposed for recovery under Rider E is approximately \$302.4 million, excluding financing costs. This includes: \$246.8 million for the Chesterfield Power Station projects; \$7.6 million for the Clover Power Station projects; and \$48.0 million for the Mt. Storm Power Station projects. If approved by the Commission as proposed, Rider E would authorize the Company to recover \$113.7 million from Dominion Energy customers during the year beginning November 1, 2019. Under the Company's proposal, Rider E would increase the typical residential customer's bill for 1,000 kilowatt-hours of monthly usage by \$2.15 effective November 1, 2019. This proposal reflects a one-year amortization period of deferred costs.

Alternatively, the Company has calculated the impact associated with three-year and five-year amortization periods of deferred costs. These alternatives would result in an increase to the typical residential customer's bill for 1,000 kilowatt-hours of monthly usage by \$1.18 or \$0.99, respectively, effective November 1, 2019.

Mr. Joel H. Peck, Clerk
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Since the promulgation of the strict CCR Rules in 2015, the Company has continued to make good on its pledge to comply fully with these, as well as all other environmental rules and requirements, as it moves toward a lower emissions energy future. The projects proposed for recovery under Rider E represent an important step in compliance with the CCR Rules.

However, Dominion Energy recognizes that much more must be done to meet the requirements of these regulations and deal with the legacy of millions of tons of coal ash created during the past era of power generation. Our efforts to address this situation through additional projects that are environmentally sound and in the best interests of our customers will continue, both at locations where coal is still used as a power source and sites where coal units have been shut down or repowered. Throughout this compliance process, we will continue to work with legislators, local communities, regulators and other interested parties to develop the best possible compliance options.

Sincerely,



Mark D. Mitchell
Vice President, Generation Construction
Dominion Energy Services, Inc.



**Dominion
Energy[®]**

**Petition, Direct Testimony,
Exhibits and Schedules of
Virginia Electric and Power
Company**

**Before the State Corporation
Commission of Virginia**

**For approval of a rate adjustment
clause, designated Rider E, for the
recovery of costs incurred to
comply with state and federal
environmental regulations
pursuant to § 56-585.1 A 5 e of the
Code of Virginia**

Case No. PUR-2018-00195

Filed: December 14, 2018

PUBLIC VERSION

Volume 1 of 2

**Petition of Virginia Electric and Power Company
For approval of a rate adjustment clause, designated Rider E,
For the recovery of costs incurred to comply with state and federal environmental
regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia**

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Company Exhibit No. __, MDM, Public Redacted Schedule 2 – Chesterfield Project Cost Reports

Direct Testimony of Rick D. Boyd

Company Exhibit No. __, RDB, Public Redacted Schedule 1 – Clover and Mt. Storm Project Cost Reports

Direct Testimony of C. Alan Givens

Company Exhibit No. __, CAG, Schedule 1 – Public Redacted Rider E Revenue Requirement for the Rate Year Ending October 31, 2020

Direct Testimony of J. Clayton Crouch

Company Exhibit No. __, JCC, Schedule 1 – Allocation of the Revenue Requirement for Rider E for the Rate Year Ending October 31, 2020

Company Exhibit No. __, JCC, Schedule 2 – Rider E

Company Exhibit No. __, JCC, Schedule 3 – Typical Bills

Company Exhibit No. __, JCC, Schedule 4 – Peak Demand Worksheet

Company Exhibit No. __, JCC, Schedule 5 – Factor 1 Worksheet

PUBLIC VOLUME 2 OF 2

Filing Schedule 46A

Sponsored by Company Witnesses Mark D. Mitchell, Rick D. Boyd, and Cathy C. Taylor

Statement 1

Overview of Projected Costs by Type of Cost and Year for Chesterfield, Clover, and Mt. Storm Projects (also satisfies subsection (f) of Filing Schedule 46) (ES Information Redacted)

Statement 2A

Projected Costs by Type of Cost and Year for Chesterfield Project (also satisfies subsection (f) of Filing Schedule 46) (ES Information Redacted)

Statement 2B

Documentation Supporting Projected Costs for Chesterfield Project (ES Information Redacted)

**Petition of Virginia Electric and Power Company
For approval of a rate adjustment clause, designated Rider E,
For the recovery of costs incurred to comply with state and federal environmental
regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia**

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Filing Schedule 46B	Sponsored by Company Witness C. Alan Givens
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Statement 2	Annual Revenue Requirement for Rate Years 2020-2055
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Statement 2	Annual Revenue Requirement by Class for Rate Years 2019-2055

ES = Extraordinarily Sensitive

**Petition of Virginia Electric and Power Company
For approval of a rate adjustment clause, designated Rider E,
For the recovery of costs incurred to comply with state and federal environmental
regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia**

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Company Exhibit No. __, MDM, Schedule 1 – List of Required Permits/Approvals

Company Exhibit No. __, MDM, Extraordinarily Sensitive Schedule 2 – Chesterfield Project
Cost Reports

Direct Testimony of Rick D. Boyd

Company Exhibit No. __, RDB, Extraordinarily Sensitive Schedule 1 – Clover and Mt. Storm
Project Cost Reports

Direct Testimony of C. Alan Givens

Company Exhibit No. __, CAG, Schedule 1 – Extraordinarily Sensitive Rider E Revenue
Requirement for the Rate Year Ending October
31, 2020

Direct Testimony of J. Clayton Crouch

Company Exhibit No. __, JCC, Schedule 1 – Allocation of the Revenue Requirement for Rider E
for the Rate Year Ending October 31, 2020

Company Exhibit No. __, JCC, Schedule 2 – Rider E

Company Exhibit No. __, JCC, Schedule 3 – Typical Bills

Company Exhibit No. __, JCC, Schedule 4 – Peak Demand Worksheet

Company Exhibit No. __, JCC, Schedule 5 – Factor 1 Worksheet

EXTRAORDINARILY SENSITIVE VOLUME 2 of 3

Filing Schedule 46A

**Sponsored by Company Witnesses Mark D. Mitchell, Rick D.
Boyd, and Cathy C. Taylor**

Statement 1

Overview of Projected Costs by Type of Cost and Year for
Chesterfield, Clover, and Mt. Storm Projects (also satisfies
subsection (f) of Filing Schedule 46) (Contains ES Information)

ES = Extraordinarily Sensitive

**Petition of Virginia Electric and Power Company
For approval of a rate adjustment clause, designated Rider E,
For the recovery of costs incurred to comply with state and federal environmental
regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia**

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Statement 4B	Documentation Supporting Projected Costs for Mt. Storm Project (Contains ES Information)
Statement 5	Environmental and Dam Safety Permit Approvals

EXTRAORDINARILY SENSITIVE VOLUME 3 OF 3

Filing Schedule 46A (continued)

Filing Schedule 46B	Sponsored by Company Witness C. Alan Givens
Statement 1	Rider E Revenue Requirement for the Rate Year Ending October 31, 2020 (also satisfies subsection (f) of Filing Schedule 46) (Contains ES Information)
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Statement 5	Documentation Supporting Filing Schedule 46B, Statement 2 for the Mt. Storm Project (Contains ES Information)
Statement 6	Accounting Procedures and Internal Controls

ES = Extraordinarily Sensitive

**Petition of Virginia Electric and Power Company
For approval of a rate adjustment clause, designated Rider E,
For the recovery of costs incurred to comply with state and federal environmental
regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia**

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181220039

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

PETITION OF)
)
VIRGINIA ELECTRIC AND POWER COMPANY)
) Case No. PUR-2018-00195
For approval of a rate adjustment clause, designated)
Rider E, for the recovery of costs incurred to comply)
with state and federal environmental regulations pursuant)
to § 56-585.1 A 5 e of the Code of Virginia)

**VIRGINIA ELECTRIC AND POWER COMPANY'S
PETITION AND REQUEST FOR LIMITED WAIVER**

Virginia Electric and Power Company (“Dominion Energy Virginia” or the “Company”), by counsel, hereby files with the State Corporation Commission of Virginia (the “Commission”) the Company’s Petition for approval of a rate adjustment clause (“RAC”), designated Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia (“Va. Code”) (“Subsection A 5 e” or “A 5 e”) and the Commission’s Rules Governing Utility Rate Applications and Annual Informational Filings (the “Rate Case Rules”).¹

The Company further requests limited waivers of certain of the Rate Case Rules. Specifically, pursuant to Rule 10 E of the Rate Case Rules, 20 VAC 5-201-10 E, and for the reasons stated herein, the Company requests a limited waiver of the requirements of Rules 60 and 90 of the Rate Case Rules, 20 VAC 5-201-60 and 20 VAC 5-201-90, with respect to Filing Schedule 45 (Return on Equity Peer Group Benchmark) and Filing Schedule 46 as it relates to the provision of “all documents, contracts, studies, investigations or correspondence that support projected costs”

In support of its petition and request for limited waiver (collectively, the “Petition”), the

¹ 20 VAC 5-201-10 *et seq.*

Company respectfully shows as follows:

I. GENERAL INFORMATION

1. Dominion Energy Virginia is a public service corporation organized under the laws of the Commonwealth of Virginia furnishing electric service to the public within its certificated service territory. The Company also supplies electric service to non-jurisdictional customers in Virginia and to the public in portions of North Carolina. The Company is engaged in the business of generating, transmitting, distributing, and selling electric power and energy to the public for compensation. The Company is also a public utility under the Federal Power Act, and certain of its operations are subject to the jurisdiction of the Federal Energy Regulatory Commission. The Company is an operating subsidiary of Dominion Energy, Inc. ("Dominion Energy").

2. The Company's post office address is:

Virginia Electric and Power Company
120 Tredegar Street
Richmond, Virginia 23219

3. The addresses and telephone numbers of the attorneys for the Company are:

Lisa S. Booth
David J. DePippo
Dominion Energy Services, Inc.
120 Tredegar Street
Richmond, Virginia 23219
(804) 819-2288 (LSB)
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Elaine S. Ryan
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800 East Canal Street
Richmond, Virginia 23219-3916
(804) 775-1090 (ESR)

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(804) 775-1069 (TDP)

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II. APPROVAL OF RIDER E

4. Va. Code § 56-585.1 A 5 e permits utilities to petition the Commission for approval of a RAC to recover the costs of compliance with state and environmental laws and regulations. Specifically, it provides:

A utility may at any time, after the expiration or termination of capped rates, but not more than once in any 12-month period, petition the Commission for approval of one or more rate adjustment clauses for the timely and current recovery from customers of . . . [p]rojected and actual costs of projects that the Commission finds to be necessary to comply with state or federal environmental laws or regulations applicable to generation facilities used to serve the utility's native load obligations.

5. Subsection A 5 e provides further:

The Commission shall approve such petition if it finds that such costs are necessary to comply with such laws or regulations The Commission shall have the authority to determine the duration or amortization period for any adjustment clause approved under this subdivision.

6. In this Petition, the Company seeks Commission approval of its proposed RAC, designated Rider E, pursuant to Subsection A 5 e, to recover on a timely and current basis its actual and projected costs to comply with state and federal environmental laws and regulations applicable to generation facilities used to serve the Company's native load obligations. Specifically, the Company seeks to recover three general categories of costs that have been incurred to comply with state and federal environmental laws and regulations: 1) asset retirement obligation ("ARO") expenses associated with existing assets that must be closed; 2) newly constructed assets and associated expenses; and, 3) ARO expenses associated with the newly constructed assets. The costs requested for recovery are for certain environmental projects located at the Company's Chesterfield Power Station ("Chesterfield Environmental Project");

Clover Power Station (“Clover Environmental Project”); and Mt. Storm Power Station (the “Mt. Storm Environmental Project”) (as applied to the Chesterfield, Clover, and Mt. Storm Power Stations, the “Power Stations;” and as to the respective or collective environmental projects at those Power Stations, the “Environmental Projects” or “Projects”).

7. The Environmental Projects are required for the Company to comply with the United States Environmental Protection Agency’s (“EPA”) “Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals From Electric Utilities; Final Rule,” 80 Fed. Reg. 20,301 (Apr. 17, 2015) (codified at 40 CFR Parts 257 and 261) (“CCR Rule”). The CCR Rule was incorporated in Virginia’s Solid Waste Management Regulations (“SWMR”) by the Virginia Waste Management Board on December 28, 2015. 9 VAC 20-81-800 to -820. On August 5, 2016, the EPA published a direct final rule that extended certain compliance deadlines for certain inactive CCR surface impoundments under the CCR Rule. 81 Fed. Reg. 51,802 (Aug. 5, 2016). That rule became effective on October 4, 2016, and was incorporated into the SWMR on April 3, 2017.

8. To comply with the CCR Rule, the Company is required to close or retrofit certain coal ash ponds and certain water treatment basins and flue gas desulfurization (“FGD”) sludge ponds that contain coal ash (individually or collectively “CCR ponds”) at its coal-fired power stations. Closing or retrofitting existing CCR ponds necessitates the construction of new ponds and other facilities so that the respective generation facilities may continue to operate and provide power (energy and capacity) to the Company’s customers. In order to operate, the Chesterfield, Clover, and Mt. Storm Power Stations must be in compliance with federal and state environmental laws, regulations and permits, including water discharge and solid waste permits. Therefore, the Environmental Projects are necessary for the Power Stations to continue to

provide energy and capacity to Dominion Energy Virginia's customers.

9. In addition to, and operating in close connection with, the CCR Rule, EPA's Steam Electric Power Generating Effluent Guidelines (40 CFR Part 423) ("Effluent Guidelines"), promulgated under the Clean Water Act ("CWA"), were amended in 2015 to prohibit the discharge of fly ash and bottom ash transport waters. 80 Fed. Reg. 67,893 (Nov. 3, 2015). EPA's Effluent Guidelines have been incorporated into the Virginia State Water Control Board's Virginia Pollutant Discharge Elimination System ("VPDES") Permit regulations. 9 VAC 25-31-30. Compliance with this prohibition also is a driver of certain of the Environmental Projects.

10. The Company has used a return on equity ("ROE") of 9.20% for purposes of calculating the Rider E revenue requirement over the rate year in this case. This 9.20% ROE was approved by the Commission in its Final Order on November 29, 2017, in the Company's 2017 RAC ROE proceeding.²

11. The proposed rate year for this proceeding is November 1, 2019, through October 31, 2020 ("Rate Year"). The three key components of the revenue requirement are the Projected Cost Recovery Factor, the Allowance for Funds Used During Construction ("AFUDC") Cost Recovery Factor, and the Actual Cost True-Up Factor.

12. In calculating the Projected Cost Recovery Factor, the Company proposes to reflect the projected net plant balances as of the month-end immediately preceding the Rate Year (*i.e.*, as of October 31, 2019) in determining the rate base and calculating the financing costs on the rate base. Similarly, the revenue requirement reflects plant related depreciation expenses, asset retirement cost ("ARC") depreciation expenses, and ARO accretion expenses incurred over

² *Application of Virginia Electric and Power Company For determination of the fair rate of return on common equity to be used as the general rate of return applicable to its rate adjustment clauses pursuant to § 56-585.1:1 C of the Code of Virginia, Case No. PUR-2017-00038, Final Order (Nov. 29, 2017).*

the 12-month period leading up to the Rate Year. In addition, the Projected Cost Recovery Factor will include certain ongoing operation and maintenance (“O&M”) costs related to these environmental projects/facilities. Finally, the Company is proposing to amortize certain deferred costs (including financing costs) incurred prior to the initial Rate Year, over the November 1, 2019, through October 31, 2020 Rate Year. The Projected Cost Recovery Factor revenue requirement for the Environmental Projects totals \$94,612,000 for the Virginia Jurisdictional customers in this case.

13. The AFUDC Cost Recovery Factor represents the amortization over the Rate Year beginning November 1, 2019, of the actual and projected AFUDC through October 31, 2019 – *i.e.*, the day immediately prior to the date (November 1, 2019) when Rider E rates initially go into effect. In this initial Rider E RAC filing, the Company recommends that the amortization period for the total amount of deferred AFUDC for each of the identified environmental projects be the period beginning with the commencement of rates for this initial Rider E, November 1, 2019, through the end of the Rate Year, October 31, 2020. The proposed AFUDC Cost Recovery Factor revenue requirement for the 12-month period beginning November 1, 2019, of \$19,038,000 recovers the accrued balance of AFUDC, at a revenue requirement level, which has been grossed up appropriately for taxes.

14. Although no true-up amount is included in this case, when initiated in 2020 as anticipated, the Actual Cost True-Up Factor will either credit to, or recover from, jurisdictional customers the difference between actual revenues recovered through Rider E for calendar year 2019 compared to the actual costs. Any over- or under-collection of costs would include carrying costs and be refunded or collected over the Rate Year November 1, 2021, to October 31, 2022.

15. The total revenue requirement requested for recovery in this initial Rider E for the Rate Year beginning November 1, 2019 is \$113,650,000.

16. Rider E identifies the rates in cents per kWh or dollars per kW, that will apply to each Company rate schedule or special contract approved by the Commission pursuant to Va. Code § 56-235.2. If approved as proposed, Rider E would be effective for usage on and after November 1, 2019.

17. The implementation of the proposed Rider E on November 1, 2019 will increase the residential customer's monthly bill, based on 1,000 kWh per month, by \$2.15. This increase is calculated using a one-year amortization of the accounting treatment. As discussed in the testimony of Company Witnesses C. Alan Givens and J. Clayton Crouch, it is also possible to create a revenue requirement based on a three-year or five-year amortization treatment, which would result in a typical residential monthly bill increase of \$1.18 or \$0.99, respectively. Typical monthly bill increases for customers receiving service on Residential Schedule 1, General Service Schedules GS-1, GS-2, GS-3, and GS-4, and Church Schedule 5C are provided to present proposed Rider E at several representative levels of consumption or demand.

III. SUPPORTING TESTIMONY, FILING SCHEDULE 46, AND LIMITED REQUEST FOR WAIVER OF FILING SCHEDULE 45 AND 46 REQUIREMENTS

18. The Company's request for approval of Rider E in this Petition is supported by the prepared direct testimonies of Company Witnesses Cathy C. Taylor, Mark D. Mitchell, Rick D. Boyd, J. Clayton Crouch, and C. Alan Givens.

19. Section Rule 60 of the Rate Case Rules provides that an application filed pursuant to Subsection A 5 "shall include Schedules 45 and 46 as identified and described in 20 VAC 5-201-90, and which shall be submitted with the utility's direct testimony." The Company is filing with this Petition, Filing Schedule 46, as follows:

- A. Company Witnesses Mitchell, Boyd, and Taylor co-sponsor Filing Schedule 46A, consisting of Statements 1 through 5. Mr. Mitchell sponsors the information in Filing Schedule 46A concerning the Chesterfield Environmental Project, and Mr. Boyd sponsors information Filing Schedule 46A concerning the Clover and Mt. Storm Environmental Projects. Filing Schedule 46A, Statement 1 (contains public and extraordinarily sensitive information), provides a schedule summarizing all projected/actual costs, as well as cost estimates for capital and operations and maintenance (“O&M”) expenses, by type of cost and year associated with the Environmental Projects. Filing Schedule 46A, Statement 2 (contains public and extraordinarily sensitive information), provides a schedule of all projected/actual costs, as well as cost estimates for capital and O&M expenses, by type of cost and year associated with the Chesterfield Environmental Project. Filing Schedule 46A, Statement 3 (contains public and extraordinarily sensitive information), provides a schedule of all projected/actual costs, as well as cost estimates for capital and O&M expenses, by type of cost and year associated with the Clover Environmental Project. Filing Schedule 46A, Statement 4 (contains public and extraordinarily sensitive information), provides a schedule of all projected/actual costs, as well as cost estimates for capital and O&M expenses, by type of cost and year associated with the Mt. Storm Project. Finally, Filing Schedule 46A, Statement 5 (contains public information only), provides a schedule detailing all of the permits obtained by the Company in connection with the Environmental Projects. Filing Schedule 46A, Statement 5, is sponsored by Ms. Taylor.
- B. Company Witness Givens sponsors Filing Schedule 46B, consisting of Statements 1 through 6. Filing Schedule 46B, Statement 1, provides the annual revenue requirement

calculation for the rate year ending October 31, 2020, and also satisfies subsection (f) of Filing Schedule 46. Filing Schedule 46B, Statement 2, provides the projected annual revenue requirement over the duration of the RAC. Filing Schedule 46B, Statements 3 – 5, provide the detailed support by each Project location in support of statement 2. Filing Schedule 46B, Statement 6, provides a detailed description of all significant accounting procedures and internal controls that the Company will institute to identify all costs associated with Rider E in order to isolate and exclude such costs from the Company's base rate filings.

- C. Company Witness Crouch sponsors Filing Schedule 46C, consisting of Statements 1 and 2. Filing Schedule 46C, Statement 1, provides detailed information relative to the Company's methodology for allocating the revenue requirement among the rate classes and the design of the class rates. Filing Schedule 46C, Statement 2, provides the annual revenue requirement by class over the duration of the RAC.

20. The Company, for good cause shown and pursuant to Rule 10 E of the Rate Case Rules, respectfully requests that the Commission waive in part the requirements of Rules 60 and 90 of the Rate Case Rules with respect to Filing Schedule 45 (Return on Equity Peer Group Benchmark). Pursuant to the provisions of Va. Code §§ 56-585.1 and 56-585.1:1, and consistent with recent Commission orders granting similar limited waivers,³ a return on equity determination is not to be made in this proceeding. Therefore, good cause exists, as required by Rule 10 E, for the Commission to waive in part the requirements of Rules 60 and 90 of the Rate Case Rules with respect to Filing Schedule 45 (Return on Equity Peer Group Benchmark).

21. Section 20 VAC 5-201-90 requires applicants to “[p]rovide all documents,

³ See, e.g., *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider GY, Greensville County Power Station*, Case No. PUR-2018-00084, Order for Notice and Hearing, at 4, 14 (June 12, 2018).

contracts, studies, investigations or correspondence that support projected costs proposed to be recovered via a rate adjustment clause.” While the Company is producing schedules of the projected costs of the Projects as required by Rule 90, the Company estimates that a physical production of the contracts and correspondence supporting the projected costs would require the submission of approximately 30 additional bound volumes per set, or approximately 480 additional total bound volumes once the requisite copies have been made. Due to the voluminous nature of these documents, it would be unduly burdensome to produce them in hard copy. Further, all of the supporting documentation has been designated as confidential by the Company, and as such would not be posted to the Commission’s online docket for public review. In lieu of a physical production, concurrently with this filing, the Company has submitted electronic copies of these documents to the Division of Utility Accounting & Finance and the Division of Public Utility Regulation, and will make them available for review by Staff and any respondents in an eRoom established for this proceeding. Accordingly, for good cause shown, as required by Rule 10 E, the Company requests the Commission to grant a partial waiver of this requirement in this proceeding.

**IV. REQUEST FOR CONFIDENTIAL TREATMENT AND
ADDITIONAL PROTECTIVE TREATMENT OF
EXTRAORDINARILY SENSITIVE INFORMATION**

22. The Company’s Petition contains confidential and extraordinarily sensitive information, as designated therein. Because portions of the Company’s Petition contain such confidential and extraordinarily sensitive information, in compliance with Rule 10 F and Rule 170, 20 VAC 5-201-10 F and 5 VAC 5-20-170, this filing is accompanied by a separate Motion for Entry of a Protective Order and Additional Protective Treatment, including a Proposed Protective Order, filed contemporaneously with this Petition.

V. COMPLIANCE WITH RULE 10 OF THE RATE CASE RULES

23. The Company's Petition for approval of Rider E complies with the requirements contained in Rule 10 of the Rate Case Rules. In accordance with Rule 10 A, Dominion Energy Virginia filed with the Commission on June 29, 2018, the Company's notice of intent to file this Petition under Va. Code § 56-585.1 A 5 e. Copies of this Petition, to the extent required by Rule 10 J, along with the additional information required by Rule 10 J, have been served upon the persons addressed in that Rule. A complete copy of this Petition has been served upon the Office of the Attorney General's Division of Consumer Counsel in conformity with Rule 10 J. Also included with and following this Petition, pursuant to Rule 10, is a table of contents of this filing, including exhibits and schedules.

24. Beyond the initial Application, Rule 20 VAC 5-201-10 J requires the Company to serve copies of certain information related to Dominion Energy Virginia's rate proceedings upon local officials via first class mail or personal delivery. The Company has obtained a continuing waiver of Rule 10 J of the Rate Case Rules from the Commission to permit electronic delivery of rate application information to the localities in lieu of first class mail delivery upon request from the locality. (Case No. PUE-2016-00039, Order, April 19, 2016). Accordingly, the Company requests that any procedural order issued in this proceeding allow for electronic service of materials going forward on localities that request such service in writing.

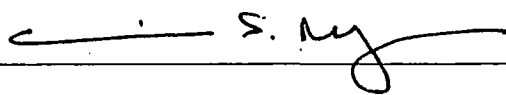
WHEREFORE, Dominion Energy Virginia respectfully requests that the Commission (1) approve the proposed Rider E under Va. Code § 56-585.1 A E subject to future Rider E proceedings and true-ups, effective for usage on and after November 1, 2019; (2) approve the proposed revenue requirement, cost allocation, rate design, and accounting treatment for the

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Environmental Projects for the Rate Year November 1, 2019, through October 31, 2020; (3) grant the Company's requested waivers as to Filing Schedules 45 and 46; and (4) grant such other and further relief as it deems just and proper.

Respectfully submitted,

VIRGINIA ELECTRIC AND POWER COMPANY

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