

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2021-00058

For a 2021 triennial 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

ORDER FOR NOTICE AND HEARING

On March 31, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 56-585.1 A of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities,¹ for a triennial review of the Company's rates, terms and conditions for the provision of generation, distribution and transmission services.²

According to the Company, its Application presents three principal issues for the Commission's determination: (i) review of the Company's cost of service and earnings during the four successive 12-month periods ending December 31, 2020 ("Triennial Review Period")³

¹ 20 VAC 5-204-5 *et seq.*

² On April 14, 2021, pursuant to 5 VAC 5-20-160, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.*, the Commission's Staff ("Staff") filed a Memorandum of Completeness/Incompleteness stating that the Application was complete as of April 13, 2021, and that the Commission's final order in this matter is statutorily due in eight (8) months, or by December 13, 2021. *See* Code § 56-585.1 A 8.

³ Pursuant to Code § 56-585.1:1, after the conclusion of the transitional rate period on December 31, 2016, reviews of Dominion's rates for generation and distribution services shall resume in 2021, "utilizing the four successive 12-month test periods beginning January 1, 2017, and ending December 31, 2020." While four successive test

and a finding of whether there are any past earnings available for reinvestment or customer bill credits; (ii) a determination of whether rates for generation and distribution services should remain stable for the upcoming triennial review period or change, taking into account earnings test results, the Company's level of investment in qualifying projects, the statutory prohibition on a rate increase in this case under Code § 56-585.1 A 8 ("Subsection A 8"), and the present functional alignment of these rates; and (iii) a determination of the Company's prospective fair rate of return on common equity ("ROE") in accordance with Code § 56-585.1 A 2.⁴

Earnings Review

Dominion states that, for the combined Triennial Review Period, the Company earned a 10.85% ROE on its generation and distribution operations on a Virginia jurisdictional basis,⁵ relative to the allowed ROE of 9.2% approved by the Commission in Case No. PUR-2019-00050.⁶ The Company calculates \$26 million of revenues available for customer credit reinvestment offsets ("CCROs") or customer bill credits after consideration of certain outstanding customer balances required to be forgiven pursuant to recent legislative enactments.⁷ The Application states that Dominion elects, pursuant to Subsection A 8, to reinvest those

periods compose the Dominion 2021 review, Code § 56-585.1 A 1 requires "[a]ll such reviews occurring after December 31, 2017, [to] be referred to as triennial reviews."

⁴ Application at 1-2.

⁵ *Id.* at 9-10. The Application states that the individual test year Virginia jurisdictional earnings test results were a 14.51% earned ROE for 2017, a 14.42% earned ROE for 2018, a 7.34% earned ROE for 2019 and a 7.21% earned ROE for 2020. Direct Testimony of John C. Ingram at Attachment A, Schedule 11C.

⁶ Application at 9-10. *See Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity pursuant to § 56-585.1:1 C of the Code of Virginia*, Case No. PUR-2019-00050, 2019 S.C.C. Ann. Rept. 400, Final Order (Nov. 21, 2019).

⁷ Application at 10; Direct Testimony of John C. Ingram at 18-19.

revenues in the Coastal Virginia Offshore Wind demonstration project ("CVOW").⁸ The Company states this will result in \$26 million of the CVOW investment being recovered and written off the Company's accounting books with no further customer contribution to these amounts going forward.⁹ In the event the Commission reaches a different determination as to the earnings test results and calculates a higher level of available earnings, the Company states that it elects to apply offsetting investments in CVOW equal to such available earnings, and then to the extent necessary, to apply offsetting investments in the customer information platform and in advanced metering infrastructure ("AMI") equal to such remaining available earnings, up to the Company's total eligible Virginia jurisdictional CCRO investments of \$309 million.¹⁰

Based on its financial results, Dominion states that its base rates will remain stable until at least the end of the next triennial review in 2024 because the law precludes an increase and the Company's aggregate approved CCRO investments over the Triennial Review Period exceed earnings available for sharing from that period.¹¹

ROE

The Company requests the Commission approve a 10.80% authorized ROE to be applied prospectively to its generation and distribution services.¹² Dominion asserts that its current cost of equity falls within a range of 10.50% to 11.50%, and the requested 10.8% falls below the

⁸ Application at 10; Direct Testimony of John C. Ingram at 15.

⁹ Application at 10; Direct Testimony of John C. Ingram at 15-20.

¹⁰ Application at 10. The Company states it has \$224 million in CCRO-eligible investment in CVOW; \$53 million of CCRO-eligible investments in AMI meters; and \$32 million in CCRO-eligible investment in the customer information platform. Direct Testimony of John C. Ingram at 15.

¹¹ Application at 10; Direct Testimony of Edward H. Baine at 15.

¹² Application at 4-5, 12; Direct Testimony of James M. Coyne at 80.

midpoint of the range.¹³ The Application states that the requested ROE also falls within the lower boundaries of the Company's calculation of the prescribed statutory peer group range of 10.33% to 11.83%.¹⁴ The Company asserts that it forecasts capital investment exceeding \$28 billion over the next five years, \$23 billion of which will be used to support investment such as customer growth, solar build out, storage deployment, nuclear subsequent license renewal, and the first utility scale off-shore wind project built in federal waters.¹⁵ Further, the Company states that its need and ability to undertake these substantial investments is directly related to the determination of an adequate and reasonable ROE in this case.¹⁶ Longer term, the Company states it anticipates investments related to compliance with the Virginia Clean Economy Act¹⁷ alone may approach \$40 billion over the next 15 years.¹⁸

Revenue Apportionment and Rate Design

Although the Company does not propose an increase or decrease to overall revenues, the Company proposes to re-balance the rates of return between the generation and distribution functions by a revenue neutral transfer of \$330 million between those functions.¹⁹ Dominion states this transfer is needed to mitigate cost shifting between bundled service customers and

¹³ Application at 4, 12; Direct Testimony of James M. Coyne at 80.

¹⁴ Application at 5, 12; Direct Testimony of James M. Coyne at 77-78.

¹⁵ Application at 4, 11-12; Direct Testimony of Edward H. Baine at 22.

¹⁶ Application at 12.

¹⁷ 2020 Va. Acts ch. 1193, 1194.

¹⁸ Direct Testimony of Edward H. Baine at 22.

¹⁹ Application at 13-14; Direct Testimony of Paul B. Haynes at 3-5.

retail choice customers.²⁰ According to the Company, presently, base distribution rates are not sufficient to recover distribution costs, meaning that retail choice customers are not paying rates that result in revenues sufficient to recover the distribution costs incurred to serve them.²¹ The Company further states that revenue changes are allocated to the customer classes with the goal of moving each class closer to parity.²² While revenue neutral to the Company, this transfer may not be neutral to all customers on their bills, and could result in: (i) an increase, (ii) a decrease, or (iii) no change to the customer's bills.²³ Based on the Company's analysis, its re-balancing proposal and revenue apportionment proposal would result in an \$0.18 reduction in the monthly bill of a residential customer using 1,000 kilowatt hours per month.²⁴ If approved, retail choice customers, as well as customers taking service under the Company's market-based rate schedules ("market-based rate customers"), will receive an increase in base distribution revenue allocation, but will not receive a decrease in base generation charges, as retail choice customers do not take generation service from the Company and the market-based rate customers take service at market-based rates for generation service.²⁵

²⁰ Application at 13; Direct Testimony of Paul B. Haynes at 6-8.

²¹ Direct Testimony of Paul B. Haynes at 6.

²² *Id.* at 19-20.

²³ *Id.* at 5.

²⁴ *Id.* at 25.

²⁵ *Id.* at 34.

The Company proposes that the revised tariffs become effective for usage on and after the first day of the month that is no more than 60 days after the date of the Commission's Final Order in the proceeding but no earlier than January 1, 2022.²⁶

AMI

As part of this proceeding, the Company states it is requesting a Commission determination that its investments in AMI from 2017 to 2020, including 310,000 smart meters and associated infrastructure, are reasonable and prudent.²⁷ In connection with AMI, the Company is also proposing a change to its tariff regarding the smart meter opt-out policy and associated fees.²⁸ Currently, residential customer accounts in good standing may opt-out of smart meter installation upon request and at no expense.²⁹ The Company's new policy would continue to permit accounts in good standing to opt-out, but would impose a one-time initial fee of \$52.24, and an ongoing monthly fee of \$36.19, which the Company states are intended to recover the incremental costs of a customer opting-out of smart meter installation.³⁰ Customers that have opted-out of a smart meter in the past would not be subject to the one-time initial fee of \$52.24, but would be required to either opt-in to a smart meter at no charge or become subject to the ongoing monthly fee of \$36.19.³¹ Customers receiving electric service on any time-varying

²⁶ *Id.* at 45.

²⁷ Direct Testimony of Augustus Johnson, IV at 12.

²⁸ *Id.* at 18-21.

²⁹ *Id.* at 19.

³⁰ *Id.* at 20.

³¹ *Id.* at 21.

or demand rate and customers who generate electricity are ineligible to opt-out of smart meter installation because detailed energy usage data is required to bill these customers.³²

Other Tariff Changes

The Company proposes to update the basic customer charge in Residential Rate Schedule 1 from \$6.58 to \$8.53.³³ In addition, the Company proposes changes to its existing tariffs that include the following: (i) withdraw Rate Schedule CS – Curtailable Service, Rate Schedule SG – Standby Generator, and Rider J – Interruptible Electric Water Heating Service Residential Customers; (ii) add clarifying language to certain tariffs to recognize the applicability of demand-based rates in distribution-related riders; (iii) modify the language in existing tariffs to address the applicability of non-bypassable charges; (iv) modify restrictive tariff language from Rate Schedule 24 – Outdoor Lighting Service Solid State Outdoor Lighting; (v) change the term of contract for Rider EDR – Economic Development Rate; (vi) modify certain language in Rate Schedule 10 – Large General Service; (vii) modify the determination of distribution demand tariff language in certain rate schedules; (viii) include standby charges in Rate Schedule 1S applicable to eligible residential customers with installed capacity of more than 15 kilowatts; (ix) modify Rider REC – Renewable Energy Certificate Purchase Program to reflect updated renewable energy certificate sources and pricing; and (x) update Rider D – Tax Effect Recovery to reflect the proposed changes in this proceeding.³⁴ The Company is also proposing

³² *Id.* at 20.

³³ Direct Testimony of Paul B. Haynes at 39.

³⁴ *Id.* at 45-55.

changes to the process whereby contract minimums are established for customer billing purposes and revisions to the Company's Commission-approved Line Extension Plan.³⁵

Finally, simultaneously with the filing of its Application on March 31, 2021, the Company filed a Motion for Entry of a Protective Order and Additional Protective Treatment ("Motion for Protective Order") along with a proposed protective order requesting that the Commission establish procedures designed to protect from public disclosure the Company's confidential and extraordinarily sensitive information.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; the Company should provide public notice of its Application; public hearings should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or to participate in this proceeding as a respondent; and the Staff should be directed to investigate the Application and to file testimony and exhibits containing its findings and recommendations thereon.

The Commission takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.³⁶ The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.³⁷

³⁵ Direct Testimony of John I. Harris at 2-10.

³⁶ See, e.g., Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Gov. Ralph S. Northam. This and subsequent Executive Orders related to COVID-19 may be found at: <https://www.governor.virginia.gov/executive-actions/>.

³⁷ See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020);

Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2021-00058.

(2) All pleadings in this matter should be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.³⁸

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in

Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

³⁸ As noted in the Commission's March 19, 2020 Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency in Case No. CLK-2020-00005, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency. See n.37, *supra*.

which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that may arise during the course of this proceeding, including the Company's Motion for Protective Order.

(5) Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Company's Application, as follows:

- (a) A hearing for the receipt of testimony from public witnesses on the Company's Application shall be convened telephonically at 10 a.m. on September 14, 2021, with no public witness present in the Commission's courtroom.³⁹
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before September 10, 2021, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m. on September 14, 2021, the Commission will telephone sequentially each person who has signed up to testify as provided above.
- (e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

³⁹ The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.

(6) On September 14, 2021, if time permits following the receipt of public witness testimony, or at 10 a.m. if there are no public witnesses, the Commission, via Microsoft Teams with no party present in the Commission's courtroom, may receive opening statements from case participants and may receive uncontested exhibits into evidence. Further details will be provided by subsequent Commission Order.

(7) A public evidentiary hearing on the Application shall be convened at 10 a.m. on September 20, 2021, either in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, or by electronic means, to receive testimony and evidence offered by the Company, respondents, and the Staff on the Application. Further details on this hearing will be provided by subsequent Commission Order.

(8) An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company, Elaine S. Ryan, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or eryan@mcguirewoods.com. Interested persons also may download unofficial copies of the public version of the Application and other documents filed in this case from the Commission's website: scc.virginia.gov/pages/Case-Information.

(9) On or before May 14, 2021, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
VIRGINIA ELECTRIC AND POWER COMPANY
FOR A 2021 TRIENNIAL REVIEW OF ITS
BASE RATES, TERMS AND CONDITIONS
PURSUANT TO § 56-585.1 OF THE CODE OF VIRGINIA
CASE NO. PUR-2021-00058

- **Virginia Electric and Power Company ("Dominion") has filed its 2021 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia.**
- **While Dominion does not request an overall increase or decrease in revenues, it does propose a revenue neutral reallocation of revenues between the distribution and generation function of base rates. According to Dominion, the requested revenue reallocation would decrease the bill of a residential customer using 1,000 kilowatt hours per month by \$0.18. Retail choice customers, as well as customers taking service under Dominion's market-based rate schedules, would receive an increase in base distribution revenues but would not receive a decrease in base generation charges.**
- **Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the State Corporation Commission ("Commission") will hold a telephonic hearing in this case on September 14, 2021, at 10 a.m., for the receipt of public witness testimony.**
- **An evidentiary hearing will be held on September 20, 2021, at 10 a.m., either in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, or by electronic means. Further details on this hearing will be provided by subsequent Commission Order.**
- **Further information about this case is available on the SCC website at: scc.virginia.gov/pages/Case-Information.**

On March 31, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 56-585.1 A of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities, for a triennial review of the Company's rates, terms and conditions for the provision of generation, distribution and transmission services.

According to the Company, its Application presents three principal issues for the Commission's determination: (i) review of the Company's cost of service and earnings during the four successive 12-month periods ending December 31, 2020 ("Triennial Review Period") and a finding of whether there are any past earnings available for reinvestment or customer bill credits; (ii) a determination of whether rates for generation and distribution services should remain stable for the upcoming triennial review period or change, taking into account earnings test results, the Company's level of investment in qualifying projects, the statutory prohibition on a rate increase in this case under Code § 56-585.1 A 8 ("Subsection A 8"), and the present functional alignment of these rates; and (iii) a determination of the Company's prospective fair rate of return on common equity ("ROE") in accordance with Code § 56-585.1 A 2.

Earnings Review

Dominion states that, for the combined Triennial Review Period, the Company earned a 10.85% ROE on its generation and distribution operations on a Virginia jurisdictional basis, relative to the allowed ROE of 9.2% approved by the Commission in Case No. PUR-2019-00050. The Company calculates \$26 million of revenues available for customer credit reinvestment offsets ("CCROs") or customer bill credits after consideration of certain outstanding customer balances required to be forgiven pursuant to recent legislative enactments. The Application states that Dominion elects, pursuant to Subsection A 8, to reinvest those revenues in the Coastal Virginia Offshore Wind demonstration project ("CVOW"). The Company states this will result in \$26 million of the CVOW investment being recovered and written off the Company's accounting books with no further customer contribution to these amounts going forward. In the event the Commission reaches a different determination as to the earnings test results and calculates a higher level of available earnings, the Company states that it elects to apply offsetting investments in

CVOW equal to such available earnings, and then to the extent necessary, to apply offsetting investments in the customer information platform and in advanced metering infrastructure ("AMI") equal to such remaining available earnings, up to the Company's total eligible Virginia jurisdictional CCRO investments of \$309 million.

Based on its financial results, Dominion states that its base rates will remain stable until at least the end of the next triennial review in 2024 because the law precludes an increase and the Company's aggregate approved CCRO investments over the Triennial Review Period exceed earnings available for sharing from that period.

ROE

The Company requests the Commission approve a 10.80% authorized ROE to be applied prospectively to its generation and distribution services. Dominion asserts that its current cost of equity falls within a range of 10.50% to 11.50%, and the requested 10.8% falls below the midpoint of the range. The Application states that the requested ROE also falls within the lower boundaries of the Company's calculation of the prescribed statutory peer group range of 10.33% to 11.83%. The Company asserts that it forecasts capital investment exceeding \$28 billion over the next five years, \$23 billion of which will be used to support investment such as customer growth, solar build out, storage deployment, nuclear subsequent license renewal, and the first utility scale off-shore wind project built in federal waters. Further, the Company states that its need and ability to undertake these substantial investments is directly related to the determination of an adequate and reasonable ROE in this case. Longer term, the Company states it anticipates investments related to compliance with the Virginia Clean Economy Act alone may approach \$40 billion over the next 15 years.

Revenue Apportionment and Rate Design

Although the Company does not propose an increase or decrease to overall revenues, the Company proposes to re-balance the rates of return between the generation and distribution functions by a revenue neutral transfer of \$330 million between those functions. Dominion states this transfer is needed to mitigate cost shifting between bundled service customers and retail choice customers. According to the Company, presently, base distribution rates are not sufficient to recover distribution costs, meaning that

retail choice customers are not paying rates that result in revenues sufficient to recover the distribution costs incurred to serve them. The Company further states that revenue changes are allocated to the customer classes with the goal of moving each class closer to parity. While revenue neutral to the Company, this transfer may not be neutral to all customers on their bills, and could result in: (i) an increase, (ii) a decrease, or (iii) no change to the customer's bills. Based on the Company's analysis, its re-balancing proposal and revenue apportionment proposal would result in an \$0.18 reduction in the monthly bill of a residential customer using 1,000 kilowatt hours per month. If approved, retail choice customers, as well as customers taking service under the Company's market-based rate schedules ("market-based rate customers"), will receive an increase in base distribution revenue allocation, but will not receive a decrease in base generation charges, as retail choice customers do not take generation service from the Company and the market-based rate customers take service at market-based rates for generation service.

The Company proposes that the revised tariffs become effective for usage on and after the first day of the month that is no more than 60 days after the date of the Commission's Final Order in the proceeding but no earlier than January 1, 2022.

AMI

As part of this proceeding, the Company states it is requesting a Commission determination that its investments in AMI from 2017 to 2020, including 310,000 smart meters and associated infrastructure, are reasonable and prudent. In connection with AMI, the Company is also proposing a change to its tariff regarding the smart meter opt-out policy and associated fees. Currently, residential customer accounts in good standing may opt-out of smart meter installation upon request and at no expense. The Company's new policy would continue to permit accounts in good standing to opt-out, but would impose a one-time initial fee of \$52.24, and an ongoing monthly fee of \$36.19, which the Company states are intended to recover the incremental costs of a customer opting-out of smart meter installation. Customers that have opted-out of a smart meter in the past would not be subject to the one-time initial fee of \$52.24, but would be required to either opt-in to a smart meter at no charge or become subject to the ongoing monthly fee of \$36.19. Customers receiving electric service on any time-varying or demand rate and customers who generate electricity are ineligible to opt-out of smart meter

installation because detailed energy usage data is required to bill these customers.

Other Tariff Changes

The Company proposes to update the basic customer charge in Residential Rate Schedule 1 from \$6.58 to \$8.53. In addition, the Company proposes changes to its existing tariffs that include the following: (i) withdraw Rate Schedule CS – Curtailable Service, Rate Schedule SG – Standby Generator, and Rider J – Interruptible Electric Water Heating Service Residential Customers; (ii) add clarifying language to certain tariffs to recognize the applicability of demand-based rates in distribution-related riders; (iii) modify the language in existing tariffs to address the applicability of non-bypassable charges; (iv) modify restrictive tariff language from Rate Schedule 24 – Outdoor Lighting Service Solid State Outdoor Lighting; (v) change the term of contract for Rider EDR – Economic Development Rate; (vi) modify certain language in Rate Schedule 10 – Large General Service; (vii) modify the determination of distribution demand tariff language in certain rate schedules; (viii) include standby charges in Rate Schedule 1S applicable to eligible residential customers with installed capacity of more than 15 kilowatts; (ix) modify Rider REC – Renewable Energy Certificate Purchase Program to reflect updated renewable energy certificate sources and pricing; and (x) update Rider D – Tax Effect Recovery to reflect the proposed changes in this proceeding. The Company is also proposing changes to the process whereby contract minimums are established for customer billing purposes and revisions to the Company's Commission-approved Line Extension Plan.

The foregoing is not an exhaustive list of all the proposals contained in the Company's Application. Interested persons are encouraged to review Dominion's Application and supporting documents in full for details about these and other proposals.

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents and thus may adopt rates that differ from those appearing in the Company's Application and supporting documents.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on Dominion's Application. On September 14, 2021, at 10 a.m., the Commission

will hold a telephonic hearing for the purpose of receiving the testimony of public witnesses, with no public witness present in the Commission's courtroom. On or before September 10, 2021, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

On September 20, 2021, at 10 a.m., either in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, or by electronic means, the Commission will convene a hearing to receive testimony and evidence offered by the Company, any respondents, and the Commission's Staff on the Company's Application. Further details on this hearing will be provided by subsequent Commission Order.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Hearing for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company, Elaine S. Ryan, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or eryan@mcguirewoods.com.

On or before September 14, 2021, any interested person may file comments on the Application by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. All comments shall refer to Case No. PUR-2021-00058.

On or before June 23, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00058.

On or before July 30, 2021, each respondent may file with the Clerk of the Commission at scc.virginia.gov/clk/efiling and serve on the Commission Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed two pages. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2021-00058.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The public version of the Company's Application and other documents filed in this case, the Commission's Rules of Practice and the Commission's Order for Notice and Hearing may be viewed at: scc.virginia.gov/pages/Case-Information.

VIRGINIA ELECTRIC AND POWER COMPANY
d/b/a DOMINION ENERGY VIRGINIA

(10) The Company shall serve each official listed in 20 VAC 5-204-10 J 1 as provided by 20 VAC 5-204-10 J 2.

(11) On or before May 28, 2021, the Company shall file proof of the notice and service required by Ordering Paragraphs (9) and (10) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or by filing electronically at scc.virginia.gov/clk/efiling/.

(12) On or before September 14, 2021, any interested person may file comments on the Application by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. All comments shall refer to Case No. PUR-2021-00058.

(13) On or before June 23, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any

organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00058.

(14) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the public version of its Application on the respondent.

(15) On or before July 30, 2021, each respondent may file with the Clerk of the Commission at scc.virginia.gov/clk/efiling and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed two pages. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2021-00058.

(16) On or before August 16, 2021, the Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed two pages. A copy thereof shall be served on counsel to the Company and all respondents.

(17) On or before August 30, 2021, Dominion shall file with the Clerk of the Commission any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed two pages. The Company shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(18) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all

filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(19) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.⁴⁰ Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(20) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

⁴⁰ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2021-00058 in the appropriate box.