

Troutman Pepper Hamilton Sanders LLP
Troutman Pepper Building, 1001 Haxall Point, 15th Floor
Richmond, VA 23219



troutman.com

Timothy L. McHugh
tim.mchugh@troutman.com

May 1, 2024

BY ELECTRONIC FILING

Hon. Bernard J. Logan, Clerk
State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, VA 23219

FILED
MAY 1 2024
10:47 AM
STATE CORPORATION COMMISSION

Re: Application of Virginia Electric and Power Company For Approval Of A Proposed Update To The Rates, Terms, And Conditions Of A Universal Service Fee To Be Paid By Retail Customers To Fund The PIPP – Case No. PUR-2024-00081.

Dear Mr. Logan:

Please find enclosed for electronic filing in the above-captioned proceeding the application for approval of a proposed update to the rates, terms, and conditions of a universal service fee to be paid by retail customers to fund the Percentage of Income Payment Program (“PIPP”) on behalf of Virginia Electric and Power Company (the “Company”). This filing contains the Application, including attachments. Electronic copies of all attachments will also be provided via an e-Room to the Commission’s Division of Public Utility Regulation and the Division of Utility Accounting and Finance.

If you have any questions or need further information, please feel free to contact us.

Sincerely,

Timothy L. McHugh

cc: Service List
Paul E. Pfeffer, Esq.
Lisa R. Crabtree, Esq.
Paige S. Fitzgerald, Esq.
Bonnie S. Gill, Esq.
Joshua Warren Combs, Esq.

24051058

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2024-00081

For approval of a proposed update to the rates,
terms, and conditions of a universal service fee to be
paid by retail customers to fund the PIPP

**VIRGINIA ELECTRIC AND POWER COMPANY'S
PROPOSED UPDATE TO THE RATES, TERMS, AND
CONDITIONS FOR THE UNIVERSAL SERVICE FEE
TO FUND THE PERCENTAGE OF INCOME
PAYMENT PROGRAM**

May 1, 2024

Table of Contents

Executive Summaryi

I. Introduction1

II. Reporting Requirements5

III. Filing Requirement Updates10

IV. Conclusion12

Executive Summary and Request Overview

Virginia Electric and Power Company (“Dominion Energy Virginia” or the “Company”) files this 2024 PIPP Update (“Update”) requesting that the State Corporation Commission of Virginia (“Commission”) approve a reduced Universal Service Fee (“USF”) to fund the Percentage of Income Payment Program (“PIPP” or the “Program”) of \$0.00 per kilowatt-hour (“kWh”) effective November 1, 2024, through October 31, 2025 (the “Rate Year”). Said another way, the Company projects that revenues collected through October 31, 2024, from the currently approved USF will be sufficient to fund the PIPP through the end of the proposed Rate Year. The PIPP will continue to be available to eligible customers during this time.

As further addressed in this Update, the Company also requests that the Commission (i) find that utility administrative expense categories may vary in amount from the projections included in this Update and other PIPP filings; (ii) find that administrative expenses may include unforeseen expenditures outside of the categories projected in this Update and other PIPP filings; and (iii) grant such further additional relief, as the Commission may deem suitable and appropriate, to ensure that the Company receives adequate and timely compensation from the Fund for all reasonable costs of the PIPP. Finally, due to the nascent nature of PIPP and the uncertainty of projected Program costs, the Company requests the ability to file and request—if necessary—an interim update to the USF within the proposed Rate Year. This Executive Summary and Request Overview provides a high-level background of the PIPP and the requests made in the foregoing Update.

By way of background, the PIPP was established as part of the Virginia Clean Economy Act (“VCEA”), originally passed in 2020, as a mechanism designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs,¹ based upon a percentage of their income, for customers of Dominion Energy Virginia and Appalachian Power Company (“APCo”). The General Assembly further addressed the PIPP, its funding, and implementation, as part of the 2021 legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly.

The Commission issued its final order on July 29, 2021 (“July 2021 Order”), in the initial PIPP proceeding, Case No. PUR 2020-00109, directing, among other things, that Dominion Energy Virginia begin collecting the PIPP fee from statutorily designated customers to fund the estimated start-up costs the Department of Social Services (“DSS”) needed to establish the PIPP, calculate a PIPP fee on a per kWh basis to recover \$2.4 million on an annual basis, file tariffs reflecting such fee with the Commission, begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP, and defer its PIPP administrative costs and seek their recovery at a later date. Additionally, the July 2021 Order required the Company to file certain reporting and filing requirements, within 60 days of promulgation of DSS rules or guidelines.

On July 11, 2023, the Company, as required, requested that the Commission approve a proposed update to the rates, terms, and conditions of the non-bypassable USF in Case No. PUR-2023-00105. In the request, the Company explained that it would work with DSS towards a launch of the PIPP application process in November 2023 and proposed an updated Rider PIPP of \$0.000761

¹ Subsequent legislation updated eligibility to be based on income thresholds relative to the federal poverty level.

per kWh to take effect on November 1, 2023, with the program being active and payments beginning December 1, 2023. On October 13, 2023, the Commission issued its Final Order (“October 2023 Order”) on the application, approving the Rider PIPP with a total Virginia jurisdictional revenue requirement of \$62,771,663, to be effective for service rendered during the Rate Year of November 1, 2023, to October 31, 2024, and directing the Company to file an application to update its Rider PIPP on or before May 1, 2024. The Commission further ordered that in future PIPP update proceedings that the Company must continue to comply with the reporting and filing requirements included in the Commission’s 2021 July Order, as well as information specified in the October 2023 Order.

As directed by the October 2023 Order, the Company now submits this Update with the new proposed rate for the upcoming Rate Year. Notably, the DSS first enrolled customers in PIPP in January 2024. Therefore, the Company’s projections and cost estimates reflected herein were developed using limited data and program information. The Company continues to work diligently with the Department of Housing and Community Development (“DHCD”) and the DSS (collectively, “Agencies”) to finalize procedures for administration of the PIPP. The Company also continues to assist the Agencies with required administrative work that is near completion including DSS and Department of Treasury review of final procedures for funding, administration, tracking, and payment.

As previewed above, this Update also includes additional, notable requests. Specifically, the Company requests that the Commission exercise its authority, both general and pursuant to Va. Code § 56-585.6 C, to ensure the Company receives adequate and timely compensation from the Fund for its reasonable PIPP costs, by specifically finding that the Company may seek reimbursement of administrative expenses that vary in amount from the estimates provided in this Update and other PIPP filings. The Company also requests that the Commission find that administrative expenses may include unforeseen expenditures outside of the categories projected in this Update and other PIPP filings. Further, given that the PIPP is only at the early stages of implementation, Dominion Energy Virginia submits this PIPP Update based on the limited data currently available and for the same reasons requests permission to file an interim update if needed within the next twelve months.

In sum, the Company remains committed to being an active partner in the PIPP under the direction of the Commission, the Agencies, and the General Assembly. This Update is made in compliance with Commission Orders and relevant statutes, but with limited historical data and without finalized operating procedures and guidelines between the Company and DSS. Accordingly, this Update requests that the Commission (i) reduce the USF to fund the PIPP to \$0.00 per kWh; (ii) find that administrative expenses may differ in amounts from estimates provided in this Update and other PIPP filings; (iii) find that administrative expenses may include unforeseen expenditures outside of the categories projected in this Update and other PIPP filings; and (iv) grant permission to file an interim update if needed within the next twelve months. In order to implement the updated USF rate on November 1, 2024, the Company respectfully requests the Commission enter an order in this proceeding by October 15, 2024.

I. Introduction

A. Statutory Authority

The VCEA — Chapter 1193, Acts of Assembly — became effective July 1, 2020.

The VCEA establishes, *inter-alia*, a PIPP for the Commonwealth, designed to limit the electric utility payments of persons or households participating in certain, specified public assistance programs to a specified percentage of their income. Eligible participants in the PIPP are customers of Dominion Energy Virginia and APCo.

Section 56-576 of the Code of Virginia (“Code” or “Va. Code”) defines a PIPP-eligible utility customer as, “*any person or household whose income does not exceed 150 percent of the federal poverty level.*”

Va. Code § 56-585.6 A directs,

A. The Commission shall, after notice and opportunity for hearing, initiate a proceeding to establish the rates, terms, and conditions of a non-bypassable universal service fee to fund the Percentage of Income Payment Program (PIPP). Such universal service fee shall be allocated to retail electric customers of a Phase I and Phase II Utility on the basis of the amount of kilowatt-hours used and be established at such level to adequately address the PIPP’s objectives to (i) reduce the energy burden of eligible participants by limiting electric bill payments directly to no more than six percent of the eligible participant’s annual household income if the household’s heating source is anything other than electricity, and to no more than 10 percent of an eligible participant’s annual household income on electricity costs if the household’s primary heating source is electricity; (ii) reduce the amount of electricity used by the eligible participant’s household through participation in weatherization or energy efficiency programs and energy conservation education programs; and (iii) reduce the amount of energy, regardless of primary heating source, used by the eligible participant’s household through participation in weatherization or energy efficiency programs and energy conservation education programs. The annual total cost of any programs implemented pursuant to clauses (i), (ii), and (iii) shall not exceed costs, including administrative costs, in the aggregate of . . . \$100 million for any Phase II Utility in any rate year in which such program costs are incurred.

Code § 56-585.6 B further directs,

B. The Commission shall determine the reasonable administrative costs for the investor-owned utility to collect the universal service fee and remit such funds to the Percentage of Income Payment Fund established in subsection E, and any other administrative costs the investor-owned utility may incur in complying with the PIPP, and shall determine the proper recovery mechanism for such costs. A Phase I and Phase II Utility shall not be eligible to earn a rate of return on any equity or

costs incurred to comply with the program requirements or implementation. The Commission shall initiate proceedings to provide for an annual true-up of the universal service fee within 60 days of the commencement of the PIPP and on an annual or semiannual basis thereafter. As part of any annual true-up case, each Phase I and Phase II Utility shall report to the Commission any data or forecasting required by the Commission regarding the participation by PIPP participants in utility energy reduction programs.

Va. Code § 56-585.6 C provides, in part,

The Commission shall promulgate any rules necessary to ensure that (i) funds collected from each utility's universal service fee are directed to the Percentage of Income Payment Fund and (ii) utilities receive adequate compensation from the Fund, on a timely basis, for all reasonable costs of the PIPP, including costs associated with bill payment credits for eligible customers.

Va. Code § 56-585.6 D emphasizes, in part,

D. In carrying out the PIPP's objective of electricity usage reductions, PIPP-eligible customers may, to the extent reasonably possible, utilize existing energy efficiency or related programs approved by the Commission for a Phase I and Phase II Utility and existing and available federal, state, local, or nonprofit programs.

B. Commission Orders and Legislative Amendments Addressing Dominion Energy Virginia PIPP

On December 23, 2020, the Commission issued an Order in Case No. PUR-2020-00109 ("December 2020 Order"), establishing, among other things, a USF to be charged by Dominion Energy Virginia in the amount of \$0.001125 per kWh, intended to recover approximately \$93 million annually. In so doing, the Commission approved the Service Fee "with no effective date at this time."² It also ordered that, "[u]pon enactment of legislation setting forth further details on the PIPP and subsequent direction by this Commission, Dominion shall file for review and revision (if necessary) of the PIPP fee, prior to collection of the fee from customers."³

The General Assembly further addressed the PIPP, its funding, and implementation as part of the 2021 legislative session with the passage of Chapter 308 of the 2021 Virginia Acts of Assembly, which became effective on July 1, 2021. Among other things, Chapter 308: (1) establishes the PIPP Fund on the books of the Comptroller;⁴ (2) permits the Commission to promulgate any rules necessary to ensure funds collected from the Company's universal service fees are directed to the PIPP Fund and that the utilities receive adequate compensation from the PIPP Fund for all reasonable PIPP costs, including bill credits for PIPP-eligible customers;⁵ and (3) requires the

² December 2020 Order at Ordering Paragraph (1).

³ December 2020 Order at Ordering Paragraph (12).

⁴ See Va. Code § 56-585.6 E.

⁵ See Va. Code § 56-585.6 C.

Commission to issue an order following the July 1, 2021, effective date to begin the collection of the universal service fee from customers.⁶

On April 21, 2021, the Commission issued an Order on Additional Proceedings in Case No. PUR-2020-00109, which reopened and remanded the case to a Hearing Examiner for further proceedings concerning the PIPP and the universal service fee associated therewith.

The Commission issued an order in that case on July 29, 2021 (“July 2021 Order”),⁷ directing, among other things, that Dominion Energy Virginia begin collecting the USF from statutorily designated customers to fund the estimated start-up costs the DSS needs to establish the PIPP, calculate a USF on a per kWh basis to recover \$2.4 million (system) on an annual basis, file tariffs reflecting such fee with the Commission,⁸ begin making payments to the state treasury to enable DSS to undertake the actions necessary to establish the PIPP, and defer its PIPP administrative costs and seek their recovery at a later date.

Additionally, the July 2021 Order required the Company to submit certain reporting/filing requirements, within 60 days of the DSS’s promulgation of rules or guidance. Specifically, Ordering Paragraphs (6) and (7) of the July 2021 Order⁹ direct the Company to provide a report containing the following information (“Reporting Requirements”) in its PIPP updates:

(i) the number of PIPP participants enrolled in the program (broken down by primary heating source); (ii) total bill credits applied; (iii) average bill credits applied; (iv) Dominion’s administrative costs, including a breakdown and description of major cost categories; (v) DSS’s costs to administer the PIPP (as reported to the Company); (vi) the number of PIPP participants that took part in a utility-sponsored energy efficiency program; (vii) average energy savings for PIPP participants that participated in a utility-sponsored energy efficiency program (once evaluation, measurement and verification data is available); (viii) a list of federal, state, local or non-profit energy efficiency and weatherization programs available to PIPP participants (to the extent known to the Company); (ix) aggregate energy usage of PIPP participants before and after enrollment; and (x) PIPP participants’ arrearage balances, on average and/or in the aggregate.

Ordering Paragraph (8) and pages 7-8 of the July 2021 Order¹⁰ further directed the Company to provide responses to at least the following filing requirements (“Filing Requirements”) in its PIPP updates:

(1) the amount the Company proposes to collect from customers (e.g., the full statutory cap of \$100 million, or a different amount due to expected changes in PIPP participation, utility costs or other factors); (2) when the Company proposes

⁶ See 2021 Va. Acts Chapter 308, Enactment Clause 2.

⁷ July 29, 2021 Order at 6-10 (hereinafter, “July 2021 Order”).

⁸ July 2021 Order at 7. The July 2021 Order mandated that the Company’s PIPP fee shall be effective for service rendered on and after September 1, 2021, and shall remain in place until further order of the Commission.

⁹ July 2021 Order at Ordering Paragraphs (6) and (7).

¹⁰ July 2021 Order at 7-8 and Ordering Paragraph (8).

to start the increased collections (the proposed PIPP rate year); (3) as recommended by the Hearing Examiner, how the Company interprets its statutory cap (i.e., whether the Company interprets the cap as the amount recovered through the PIPP fee in a given rate year, or the amount spent or committed through implementation of the PIPP program in a given rate year). The Company should state how it is tracking this fee and whether the Company is coordinating with DSS in its tracking of PIPP enrollments and expenditures to ensure program costs stay within the statutory cap; and (4) whether any true-up is needed regarding start-up costs/costs collected to date, and any information needed for the Commission to assess the requested true-up.

The Company began charging customers the approved USF of 0.0027 cents per kWh, or \$0.000027, on and after September 1, 2021.

On July 11, 2023, the Company submitted an application requesting that the Commission approve its proposed update to the rates, terms, and conditions of the USF to be paid by retail customers to fund the PIPP in Case No. PUR-2023-00105. The Commission issued the final order in that matter on October 13, 2023 (“October 2023 Order”). The Commission, among other things, adopted a jurisdictional revenue requirement of \$62,771,633 to be effective for service rendered during the rate year of November 1, 2023, to October 31, 2024. The Commission further directed the Company to provide a revenue requirement true-up methodology with calculation and narrative to support such methodology. Additionally, the Commission ordered the Company to comply with new reporting requirements (“Additional Reporting Requirements”) in addition to the Reporting Requirements stated in the July 2021 Order. The Additional Reporting Requirements include:

(i) a percentile comparison of bill credits for PIPP participants in each category of heating source and the total population of PIPP participants; (ii) the Company’s actual operations and maintenance (“O&M”) expenses related to the PIPP and any true-up to actual that may be necessary through a future Rider PIPP; (iii) the PIPP participants’ participation in utility-sponsored energy efficiency programs; (iv) the energy savings of PIPP participants resulting from utility-sponsored energy efficiency programs; (v) the PIPP participants’ aggregate energy usage; and (vi) the average and total arrearage balances for the population of customers who enrolled in the PIPP.

C. Program Administration and 2024 PIPP Update

The Company files this Update and requests approval of proposed changes to the USF prior to the start of the Rate Year on November 1, 2024, in addition to other requests resulting from various issues related to early administration of the PIPP.

The Company respectfully requests that the Commission exercise its authority, both general and pursuant to Va. Code § 56-585.6 C, to ensure the Company receives adequate compensation from

the Fund.¹¹ To date, the Company has not recovered any of the administrative costs incurred since the inception of the PIPP, nor the amounts due based on its issuance of customer subsidies since February 2024. The Company is in active discussions with DSS regarding its recovery of these amounts, which involves negotiation and execution of a Statement of Work outlining the parties' respective responsibilities under the PIPP, as well as guidelines for the preparation of invoices by the Company related to its administrative costs. At this time, the Company requests express authority to seek reimbursement of actual administrative expenses that vary in amount from the estimates provided in this Update and other PIPP filings.¹² The Company further requests express authority to seek reimbursement of actual costs that include unforeseen expenditures outside of the categories projected in this Update and other PIPP filings.

In addition, the Company respectfully requests that it be permitted to file an interim update within the next twelve months, if necessary, to request any adjustments to the rate proposed herein. While planned to launch in December 2023, the PIPP received its first enrollment on January 30, 2024, and customers received their first bill credits in early February 2024. As such, there is limited data available to the Company for use in this Update, resulting in the Company's continued use of projections based on its best estimates of customer enrollment and behavior for the remainder of the current rate year. Additionally, as of this filing, the Company is working with DSS to confirm the present balance of the PIPP Fund, including details regarding costs DSS has withdrawn for program administration and any interest accrued on the account. Further, the enrolled version of the 2024–2026 Virginia Biennium Budget includes a provision increasing the maximum program administrative costs for the Agencies to \$5.5 million annually.¹³ Accordingly, an interim update may be necessary to account for any unanticipated changes in enrollment expectations, administrative costs, or budget adjustments, among other developing variables.

II. Reporting Requirements

Dominion Energy Virginia responds as follows to the directives outlined by the Commission in Ordering Paragraphs (6) and (7) of the July 2021 Order related to certain Reporting Requirements as well as Ordering Paragraphs (4) and (5) of the October 2023 Order related to true-up methodology and Additional Reporting Requirements, to the extent the information is available at the time of the filing.¹⁴ The Company will continue to file these Reporting Requirements with future PIPP Update filings until further order of the Commission.¹⁵

¹¹ Virginia Code § 56-585.6 C, provides, in part, as follows: "The Commission shall promulgate any rules necessary to ensure that (i) funds collected from each utility's universal service fee are directed to the Percentage of Income Payment Fund and (ii) utilities receive adequate compensation from the Fund, on a timely basis, for all reasonable costs of the PIPP, including costs associated with bill payment credits for eligible customers."

¹² All Company PIPP-related expenditures are subject to audit and review. *See* Va. Code § 56-585.6 B.

¹³ *See* 2024 Budget Bill (HB30) (enrolled), available at <https://budget.lis.virginia.gov/get/budget/4954/HB30/> (all websites last visited April 29, 2024).

¹⁴ July 2021 Order at Ordering Paragraphs (6) and (7) ("Dominion's reports shall exclude customer identifying information."); October 2023 Order at Ordering Paragraphs (4) and (5).

¹⁵ July 2021 Order at Ordering Paragraphs (6) and (7).

A. *The number of PIPP participants enrolled in the program (broken down by primary heating source).*¹⁶

The Company received the first PIPP enrollment file from the DSS on January 31, 2024. As of March 31, 2024, approximately 8,600 customers have enrolled in the program.

Table 1 provides the breakdown of enrolled PIPP participants by primary hearing source.

| Primary Heating Source Type | Number of PIPP Participants |
|------------------------------------|------------------------------------|
| Electric | 7,517 participants |
| Natural Gas, No Heating, or Other | 1,083 participants |
| Total | 8,600 participants |

B. *The total bill credits applied.*¹⁸

As of March 31, 2024, \$806,820.38 in bill credits have been awarded to PIPP participants.

The company originally estimated \$66.4 million in the first year, however, this figure will be reduced due to the delayed launch and other factors such as enrollment rates and customer behavior.

C. *The average bill credits applied.*¹⁹

The average bill credit applied is \$170.04. This monthly credit amount represents the credit towards the current month's electric bill and 1/12th of a PIPP customer's arrears balance.

D. *Percentile comparison of bill credits for PIPP participants in each category of heating source and the total population of PIPP participants.*²⁰

As of March 31, 2024, 3,618 unique customers, or 42% of 8,600 enrolled customers, received a bill credit.²¹ Of the 3,618 unique customers billed between January 21, 2024 and March 31, 2024, 4,036 bills were for customers heating with electricity and 602 bills were for customers heating with gas or another source. Per Program requirements, bill credits were applied to qualifying customer accounts. The Company applied 89.5% of bill credits, approximately \$710,000, to

¹⁶ Required by the July 2021 Order at Ordering Paragraph (6).

¹⁷ From DSS PIPP enrollment file.

¹⁸ Required by the July 2021 Order at Ordering Paragraph (6).

¹⁹ Required by the July 2021 Order at Ordering Paragraph (6).

²⁰ Required by the October 2023 Order at Ordering Paragraph (4).

²¹ Notably, however, this figure is reduced as all enrolled customers did not bill by March 31, 2024.

customers with electric heat, and 11.5% of bill credits, approximately \$92,000, to customers with gas or other heat sources, as show in **Figure 1, infra.**

Figure 1

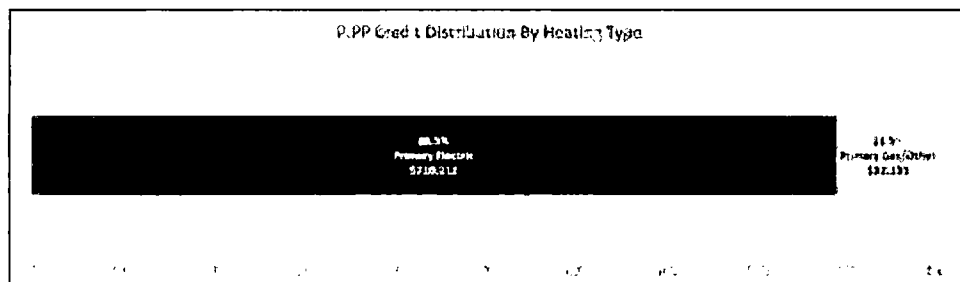
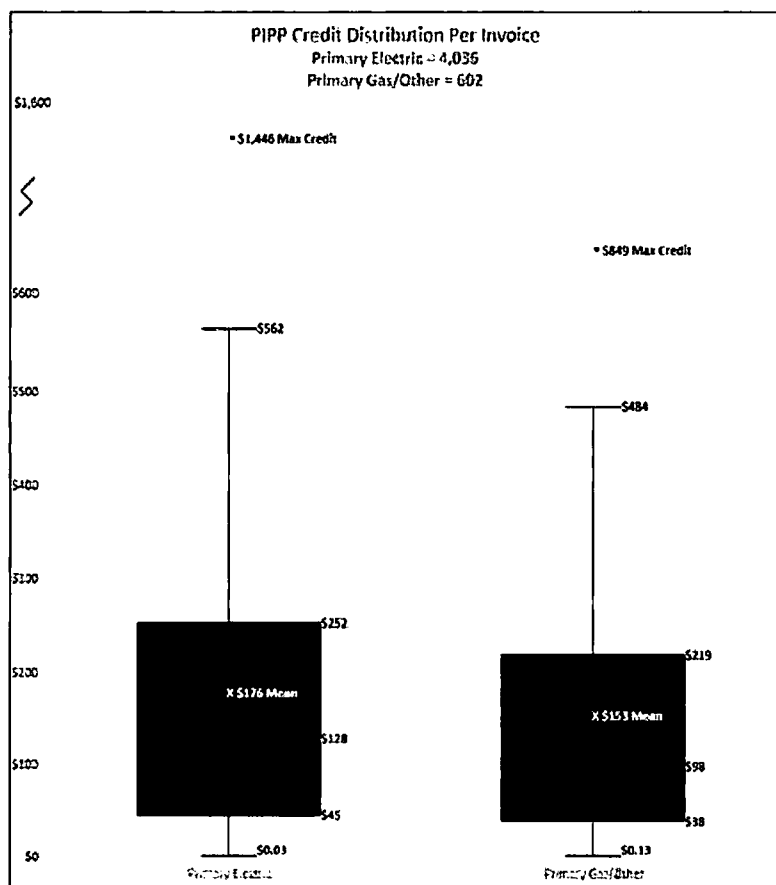


Figure 2, infra, represents the distribution of total credits generated per bill by primary heating type through quartiles represented in a box and whiskers plot. Statistical maximum outliers are represented above the upper quartile and represent 3.6% of the bills for primary electric heat and 4.7% of bills for primary gas or other heating sources and do not reflect typical credits granted to customers.

Figure 2



E. The Company's administrative costs, including a breakdown and description of major cost categories, including the Company's actual operations and maintenance ("O&M") expenses related to the PIPP.²²

The Company has invoiced \$541,144.35 in administrative expenses from December 2023 to March 2024. Currently these amounts exclude costs for lettering/postage and call center expenses. These expenses will be included in future invoices to DSS increasing the amount of the monthly invoice.

Note: "Deferred Admin & Interest," as shown in **Table 2, infra**, increased in 2024, as it includes expenses through November 2023 with additional labor, supply, and workshop expenses used to launch the program.

| Administrative Invoicing | Dec-23 | Jan-24 | Feb-24 | Mar-24 |
|---|-----------------|------------------|-------------------|------------------|
| Deferred Admin & Interest Excludes CIS | \$33,600 | \$40,700 | \$40,700 | \$40,700 |
| Actual Incurred Admin Expenses Excludes CIS | \$33,000 | \$115,100 | \$66,700 | \$94,300 |
| Interest | \$4,500 | \$4,500 | \$4,500 | \$4,500 |
| CIS Amortized | | \$19,500 | \$19,500 | \$19,500 |
| Total | \$71,100 | \$179,700 | \$ 131,400 | \$159,000 |

For the Rate Year November 1, 2024 – October 31, 2025, Dominion Energy anticipates the following administrative expenses: (1) amortization of customer information systems ("CIS") programming costs; (2) projected O&M costs for November 1, 2024 through October 31, 2025; and (3) financing costs associated with rate base. These projections are provided in **Table 3, infra**.

| Major Cost Categories | Cost Breakdown | Description of Categories |
|-------------------------------------|-----------------------|---|
| CIS Programming | \$334,205 | This reflects annual amortization of a total capitalized cost of the \$5 million amortized over 15 years. This total is approximately \$1.5 million more than presented in the last proceeding due to continued system build July 2023 to March 2024. |
| Estimated O&M for the upcoming year | \$979,810 | This cost includes the estimated expenses for Nov 1, 2024 through October 31, 2025, for Dominion |

²² Required by the July 2021 Order at Ordering Paragraph (6) and the October 2023 Order at Ordering Paragraph (4). Ordering Paragraph (4) of the October 2023 Order also requires the Company to provide information related to "any true-up to actual that may be necessary through a future Rider PIPP." The Company will address true-up and the related methodology for calculating the true-up in Section III.D of this application.

| | | |
|-----------------|--------------------|---|
| | | Energy Virginia labor and materials to administer the PIPP. |
| Financing Costs | \$188,801 | This cost includes financing costs (only inclusive of cost of debt) associated with the rate base and deferred O&M costs. |
| Total | \$1,502,816 | |

F. The Department of Social Services' costs to administer the PIPP (as reported to the Company).²³

The DSS reports that it has spent \$1.3 million for administration of the PIPP. The Company currently lacks clarity as to the time periods associated with these expenditures and will be working with DSS to receive more granular information.

Historically, the DSS has requested administrative costs totaling \$3,000,000 per year for its own administrative costs, of which the Company assumed its share to be 80% or \$2.4 million. The current budget bill²⁴ provides DSS \$5,500,000 per year for administrative costs, of which the Company is assuming its share to be 80% or \$4,400,000, the amount included in the Company's rate projections. This increase in the Agencies' administrative costs would be effective on and after July 1, 2024, if approved.

G. The number of PIPP participants that took part in a utility-sponsored energy efficiency program.²⁵

The Company analyzed the account numbers and premises addresses of the 8,600 PIPP participants that were enrolled in the Program as of the end of March 2024 and provides the following information regarding participation in a utility-sponsored energy efficiency program:

- 959 customers have participated in a Company DSM program (including the Company's income and age qualified weatherization programs)
- 252 continuing accounts have had weatherization improvements provided through the Company's Income & Age Qualifying weatherization programs. A continuing account represents a customer account that is associated with the same service address as it had at the time of program participation.
- Of the 252 continuing accounts, 103 of those participated in the Company's EnergyShare weatherization program.

In addition, there are 609 premises in the approximate 8600 PIPP participants that have received weatherization work through a Company program. This figure represents homes where weatherization work was completed but the PIPP participant was not the customer of record when participation in the energy efficiency program occurred.

²³ Required by the July 2021 Order at Ordering Paragraph (6).

²⁴ See 2024 Budget Bill (HB30) (enrolled), available at <https://budget.lis.virginia.gov/get/budget/4954/HB30/>.

²⁵ Required by the July 2021 Order at Ordering Paragraph (6) and the October 2023 Order at Ordering Paragraph (4).

H. The average energy savings for PIPP participants that participated in a utility-sponsored energy efficiency program (once evaluation, measurement and verification data is available).²⁶

Not yet applicable. Given the PIPP has only recently launched, the Company lacks sufficient information to provide meaningful data. The Company will coordinate with Commission Staff regarding the content and presentation of this data in future PIPP updates.

Note: The Company’s evaluation, measurement and verification (“EM&V”) vendor currently tracks information for the utility-sponsored low-income programs and will track savings for PIPP participants enrolled in its energy efficiency programs as the necessary EM&V data becomes available.

I. A list of federal, state, local or non-profit energy efficiency and weatherization programs available to PIPP participants (to the extent known to the Company).²⁷

Dominion Energy Virginia is aware of two state/federally funded programs that may be available to PIPP participants: (1) the U.S. Department of Energy (“DOE”) Weatherization Assistance Program (“WAP”); and (2) the LIHEAP. Virginia Energy Sense, which operates under the guidance of the Commission, also provides a list of possible incentives and rebates for which PIPP participants may qualify: <https://www.virginiaenergysense.org/incentives-and-rebates/>.

J. The aggregate energy usage of PIPP participants before and after enrollment.²⁸

Not yet applicable. The data necessary to provide this information would not be available to the Company until after the first full year of the PIPP Program’s implementation. Further, please see the Company’s response to **Subsection H**, detailed above.

K. The PIPP participants’ arrearage balances, on average and in the aggregate.²⁹

For the 8,600 customers enrolled and active on PIPP as of March 31, 2024, the total arrears carried by these customers at enrollment is approximately \$4.87 million at the time of the customer’s enrollment. The average arrearage balance is approximately \$566 per customer.

III. Filing Requirement Updates

Dominion Energy Virginia responds as follows to the directives set forth in Ordering Paragraph (8) and pages 7-8 of its July 2021 Order regarding Filing Requirements and Ordering Paragraph (4) of the October 2023 Order needed to review the Company’s PIPP updates and adjust rates accordingly.³⁰

²⁶ Required by the July 2021 Order at Ordering Paragraph (6) and the October 2023 Order at Ordering Paragraph (4).

²⁷ Required by the July 2021 Order at Ordering Paragraph (6).

²⁸ Required by the July 2021 Order at Ordering Paragraph (6) and the October 2023 Order at Ordering Paragraph (4).

²⁹ Required by the July 2021 Order at Ordering Paragraph (6) and the October 2023 Order at Ordering Paragraph (4).

³⁰ July 2021 Order at 7-8 and Ordering Paragraph (8); October 2023 Order at Ordering Paragraph (4).

A. *The amount the Company proposes to collect from customers (e.g., the full statutory cap of \$100 million, or a different amount due to expected changes in PIPP participation, utility costs or other factors).*³¹

Dominion Energy Virginia proposes to collect \$0.00 (System) from its customers in the Commonwealth to fund the PIPP over the Rate Year. The Virginia Jurisdictional amount to fund the PIPP is \$0.00. Please see **Attachment 1** for a breakdown of the estimated PIPP costs on a revenue requirement basis.

As reflected in Attachment 1, the projected revenues associated with the currently-approved USF are estimated to be sufficient to fully fund the PIPP through the end of Rate Year ending October 31, 2025. Indeed, using current estimates and assumptions, the Company calculates a Virginia Jurisdictional revenue requirement of \$(1,624,708) for the Rate Year. The Company acknowledges that a projected over-collection would ordinarily result in the calculation of a rate designed to credit that amount to customer bills over the Rate Year. However, the Company submits that the mechanics of the USF collections and remittances make the application of such a credit infeasible. All USF revenues are transferred from the Company to the PIPP Treasury Fund on a monthly basis and, therefore, are not within the Company's control. A credit to customers would require a remittance from the PIPP Treasury Fund to the Company, which would then apply those funds to customer bills. The Company has not explored with the Agencies, Treasury, and other state regulators whether such a process would be legally permissible. Given the relatively nominal projected over-collection, the Company submits that instead implementing a \$0.00 revenue requirement for the Rate Year is reasonable in these circumstances.

The current PIPP USF is \$0.000732 per kWh. The Company requests in this filing that the Commission approve an updated USF of \$0.00 per kWh effective November 1, 2024. Because the Company is requesting a zero rate for the Rate Year, a calculation of the USF is not provided with this Update. The Company notes that, for a typical residential customer using 1,000 kWh per month, this would result in a decrease of approximately \$0.73 per month.

The updated tariff sheet reflecting the requested USF and terms and conditions associated with the proposed rate is provided as **Attachment 2**.

With this filing and to assist with the convenience and ease of Commission Staff's review, Dominion Energy Virginia contemporaneously provided Commission Staff with access to a designated electronic platform (*i.e.*, eRoom) for this 2024 PIPP Update Filing in order for Commission Staff to review workpapers supporting the revenue requirement calculations.

B. *When the Company proposes to start the decreased collections (the proposed PIPP rate year).*³²

Dominion Energy Virginia's proposed Rate Year is November 1, 2024 through October 31, 2025. The Company proposes a rate effective date of the updated USF of November 1, 2024. In order

³¹ Required by the July 2021 Order at page 7.

³² Required by the July 2021 Order at page 7.

to implement this change in rates, the Company respectfully requests a Commission Order in this proceeding by October 15, 2024.

C. How the Company interprets its statutory cap (i.e., whether the Company interprets the cap as the amount recovered through the PIPP fee in a given rate year, or the amount spent or committed through implementation of the PIPP program in a given rate year). The Company should state how it is tracking this fee and whether the Company is coordinating with the Department of Social Services in its tracking of PIPP enrollments and expenditures to ensure program costs stay within the statutory cap.³³

The Company restates the interpretation provided in its 2023 PIPP Update and interprets the statutory cap as the maximum amount that can be billed to the PIPP Treasury Fund in a given year.

To track the amount of funds the Company collects from its customers to send to the PIPP Treasury Fund on a monthly basis, each month, Dominion Energy Virginia is required to wire billed PIPP USF amounts to the State Treasury. The Company wires the funds by the 15th of each month.

With respect to tracking reimbursements, the Company sends the DSS a Monthly PIPP Recovery Invoice, which provides the DSS a breakdown of, for example, the following categories:

- bill subsidies from the previous month;
- the Company's actual administrative O&M costs from the previous month;
- 1/12th of CIS Programming amortization; and
- 1/12th actual, deferred O&M costs.

Said another way, each month, the Company submits its monthly costs to the state treasury for reimbursement of such costs from the PIPP Fund. As noted above, however, Company asks that the Commission provide the Company express authority to seek reimbursement of actual administrative expenses that vary in amount from the estimates provided in this Update and other PIPP filings. The Company also requests that the Commission provide the Company express authority to seek reimbursement of unforeseen administrative expenditures outside of the categories projected in this Update and other PIPP filings. All Company PIPP-related expenditures are subject to Commission audit and review. *See* Va. Code § 56-585.6 B.

With respect to PIPP enrollments, Dominion Energy Virginia coordinates monthly reporting with DSS to track PIPP activities, which includes the number of PIPP enrollments/unenrollments.

The Company understands that DSS will be tracking total PIPP expenditures, though the Company will be involved in the process via the monthly reporting coordination noted above.

D. Whether any true-up is needed regarding start-up costs/costs collected to date, the proposed revenue requirement true-up methodology, and a detailed calculation and narrative to support such methodology.³⁴

³³ Required by the July 2021 Order at page 7-8.

³⁴ Required by the July 2021 Order at page 8 and the October 2023 Order at Ordering Paragraph (4).

Attachment 1 includes the Company's consolidated PIPP True-up and Revenue Requirement form. The form calculates the over- or under-collection of prior period PIPP costs incurred through calendar year 2023 as compared to the PIPP fund balance as of December 31, 2023. It then estimates the current remittance period over or under-collection of PIPP costs for the time period January 1, 2024 through October 31, 2024, by calculating actual and projected program costs offset by actual and projected remittances to the fund. Finally, projected costs during the Rate Year (November 1, 2024 through October 31, 2025) are estimated to determine the Projected Remittance Period Revenue Requirement. The sum of these three steps produces a Total Revenue Requirement upon which the Virginia Jurisdictional allocation factor is applied.

IV. Conclusion

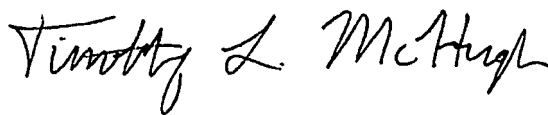
Dominion Energy Virginia provides this 2024 PIPP Update pursuant to the Commission's directives as set forth in the July 2021 Order and the October 2023 Order. The Company remains committed to being an active partner in the PIPP under the direction of the Commission, the implementing state agencies, and the General Assembly. As part of this Update, the Company requests that the Commission exercise its authority, both general and pursuant to Va. Code § 56-585.6 C, to (1) expressly find that the Company may seek reimbursement of administrative expenses that vary in amount from the estimates provided in this Update and other PIPP filings; and (2) expressly find that administrative expenses may include unforeseen expenditures outside of the categories projected in this Update and other PIPP filings. This Update is provided with limited data, given the PIPP's early stage of implementation, underscoring the Company's request to file an interim update if needed within the next twelve months.

WHEREFORE, for the foregoing reasons, Dominion Energy Virginia respectfully requests that: the Commission:

- (i) approve the Company's 2024 PIPP Update;
- (ii) authorize the Company to seek reimbursement of actual administrative expenses that vary in amount from the estimates provided in this Update and other PIPP filings;
- (iii) authorize the Company to seek reimbursement of actual administrative expenses to cover unforeseen expenditures outside of the categories projected in this Update and other PIPP filings;
- (iv) reserve for the Company the option to file an interim update within the next 12 months; and
- (v) grant any further or other relief as is necessary or appropriate.

Respectfully submitted,

VIRGINIA ELECTRIC AND POWER COMPANY



By: _____
Counsel

Paul E. Pfeffer
Lisa R. Crabtree
Dominion Energy Services, Inc.
120 Tredegar Street
Richmond, Virginia 23219
(804) 787-5607 (PEP telephone)
(804) 819-2612 (LRC telephone)
(804) 819-2183 (facsimile)
paul.e.pfeffer@dominionenergy.com
lisa.r.crabtree@dominionenergy.com

Timothy L. McHugh
Paige S. Fitzgerald
Bonnie S. Gill
Troutman Pepper Hamilton Sanders LLP
1001 Haxall Point
Richmond, VA 23219
(804) 697-1365 (TLM)
(804) 697-1404 (PSF)
(804) 697-1210 (BSG)
tim.mchugh@troutman.com
paige.fitzgerald@troutman.com
bonnie.gill@troutman.com

Counsel for Virginia Electric and Power Company

May 1, 2024

Attachment 1

Rider PIPP True-Up Mechanism Form

Virginia Electric and Power Company
 Rider PIPP True-up Mechanism Form
 For Rider PIPP to be effective November 1, 2024

| Line No. | Description | Calculation of the True-up (1) | Projected Revenue Requirement to be Billed and Remitted (2) | Total Rider PIPP Revenue Requirement (1)+(2)=(3) |
|---|---|--------------------------------|---|--|
| True-up for the Prior Calendar Year Ending 2023 | | | | |
| 1 | Prior Period Actual PIPP Costs for Calendar Year Ending December 31, 2023 : | | | |
| 2 | Customer Bill Subsidies | \$ - | | |
| 3 | State Agency Administrative Cost | 2,400,000 | | |
| 4 | DEV Administrative Costs | 337,850 | | |
| 5 | Cumulative Balance of Prior Period Deferred Costs | 125,424 | | |
| 6 | Financing Costs on Deferred PIPP Costs | 69,259 | | |
| 7 | Total Prior Period PIPP Costs (Line 2+3+4+5+6) | 2,932,533 | | |
| 8 | Less: Reimbursements from PIPP Fund | 2,400,000 | | |
| 9 | (Over)/Under Collections of Prior Period PIPP Costs (Line 7-8) | 532,533 | | |
| 10 | Less: PIPP Fund Balance - December 31, 2023 | 4,479,242 | | |
| 11 | Plus: Three-month Reserve Requirement | 7,407,540 | | |
| 12 | Cumulative (Over)/Under Collections of Prior Period PIPP Costs (Line 9-10+11) | \$ 3,460,832 | | \$ 3,460,832 |
| Current Period Beginning Jan 1, 2024 and Ending October 31, 2024 | | | | |
| 13 | Customer Bill Subsidies | \$ 13,251,240 | | |
| 14 | State Agency Administrative Cost | 2,666,667 | | |
| 15 | DEV Administrative Costs | 1,010,966 | | |
| 16 | Financing Costs on Deferred PIPP Costs | 130,188 | | |
| 17 | Total Current Remittance Period Revenue Requirement (Line 13+14+15+16) | 17,059,061 | | |
| Current Period Remittances to PIPP Fund: | | | | |
| 18 | Billed Revenue Transferred to PIPP Fund | (A) (16,309,032) | (B) (41,572,525) | |
| 19 | Interest Income on PIPP Fund | (A) - | (B) - | |
| 20 | Total Current Remittance Period Remittances and Interest Income (Line 18+19) | \$ (16,309,032) | \$ (41,572,525) | |
| 21 | Estimated Current Remittance Period (Over)/Under Collection (Line 17+20) | | | \$ (40,822,496) |
| Projected Rate Year Beginning November 1, 2024 and Ending October 31, 2025 | | | | |
| 22 | Customer Bill Subsidies | | \$ 29,630,160 | |
| 23 | State Agency Administrative Cost | | 4,400,000 | |
| 24 | DEV Administrative Costs | | 1,314,015 | |
| 25 | Projected Financing Costs | | 188,801 | |
| 26 | Projected Remittance Period Revenue Requirement (Line 22+23+24+25) | | \$ 35,532,976 | 35,532,976 |
| 27 | Total Revenue Requirement (Line 12+21+26) | | | (1,828,689) |
| 28 | Virginia Jurisdictional Allocation Factor | | | 88.8455% |
| 29 | Virginia Jurisdictional Revenue Requirement (Line 27x28) | | | \$ (1,624,708) |

Notes:
 (A) Amounts are based on actual billed revenue for January through March 2024.
 (B) Includes estimated remittance amounts for April through October 2024.

Virginia Electric and Power Company
PIPP Revenue Requirement
For the Rate Year November 1, 2024 to October 31, 2025

Line
No.

| | | |
|---|---|----------------------|
| 1 | Rate Base | \$ 8,980,779 |
| 2 | Cost of Debt | <u>2.102%</u> |
| 3 | Revenue Requirement - Financing Costs | <u>188,801</u> |
| | <u>Operating Expenses</u> | |
| 4 | Customer Bill Subsidies | 29,630,160 |
| 5 | State Agency Administrative Cost | 7,600,000 |
| 6 | PIPP Projected O&M Costs | 979,810 |
| 7 | Amortization of CIS Programming Costs | <u>334,205</u> |
| 8 | Revenue Requirement - Operating Expenses | 38,544,175 |
| 9 | Total Revenue Requirement | <u>\$ 38,732,976</u> |

Virginia Electric and Power Company
 PIP Rate Base
 For The Period October 2024 to October 2025

| Line No. | October-24 | November-24 | December-24 | January-25 | February-25 | March-25 | April-25 | May-25 | June-25 | July-25 | August-25 | September-25 | October-25 |
|----------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1 | \$ 3,524,695 | \$ 3,524,695 | \$ 3,505,113 | \$ 3,485,531 | \$ 3,465,950 | \$ 3,446,368 | \$ 3,426,786 | \$ 3,407,205 | \$ 3,387,623 | \$ 3,368,041 | \$ 3,348,460 | \$ 3,328,878 | \$ 3,309,297 |
| 2 | \$ 11,110,997 | \$ 10,185,081 | \$ 9,259,164 | \$ 8,333,248 | \$ 7,407,331 | \$ 6,481,415 | \$ 5,555,498 | \$ 4,629,582 | \$ 3,703,666 | \$ 2,777,749 | \$ 1,851,833 | \$ 925,916 | \$ - |
| 3 | \$ 14,635,691 | \$ 13,709,775 | \$ 12,764,277 | \$ 11,818,779 | \$ 10,873,281 | \$ 9,927,783 | \$ 8,982,285 | \$ 8,036,787 | \$ 7,091,289 | \$ 6,145,791 | \$ 5,200,293 | \$ 4,254,795 | \$ 3,309,297 |
| 4 | | | | | | | | | | | | | \$ 8,980,779 |

13-Month Average

Virginia Electric and Power Company
 PIPP Amortization
 For the Period November 1, 2024 to October 31, 2025

| Line No. | System | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | System Total |
|----------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|
| 1 | CIS Programming Costs Amortization (System) | 27,850 | 27,850 | 27,850 | 27,850 | 27,850 | 27,850 | 27,850 | 27,850 | 27,850 | 27,850 | 27,850 | 27,850 | 334,205 |
| 2 | Total Rate Year Amortization | | | | | | | | | | | | | \$ 334,205 |

Virginia Electric and Power Company
 PIP Deferred Costs
 For The Period January 2022 to December 2023

| Line No. | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 |
|----------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1 | 6,783 | 7,987 | 4,345 | 1,510 | 14,822 | 10,248 | 8,111 | 19,144 | 10,248 | 14,948 | 15,755 | 11,523 |
| 2 | 6,783 | 7,987 | 4,345 | 1,510 | 14,822 | 10,248 | 8,111 | 19,144 | 10,248 | 14,948 | 15,755 | 11,523 |
| 3 | 6,783 | 14,770 | 19,115 | 20,625 | 35,447 | 45,695 | 53,806 | 72,950 | 83,198 | 98,146 | 113,901 | 125,424 |
| 4 | 5,050 | 10,996 | 14,230 | 15,354 | 26,389 | 34,018 | 40,056 | 54,309 | 61,937 | 73,065 | 84,795 | 93,373 |
| 5 | 2,525 | 8,023 | 12,613 | 14,792 | 20,872 | 30,204 | 37,037 | 47,182 | 58,123 | 67,501 | 78,930 | 89,084 |
| 6 | | | | | | | | | | | | |
| 7 | | | | | 363,296 | 363,296 | 363,296 | 363,296 | 363,296 | 363,296 | 363,296 | 363,296 |
| 8 | | | | | 181,648 | 363,296 | 363,296 | 363,296 | 363,296 | 363,296 | 363,296 | 363,296 |
| 9 | 0.17% | 0.17% | 0.17% | 0.17% | 0.17% | 0.17% | 0.17% | 0.17% | 0.17% | 0.17% | 0.17% | 0.17% |
| 10 | 4 | 13 | 21 | 25 | 35 | 51 | 62 | 79 | 97 | 113 | 132 | 149 |
| 11 | - | - | - | - | 304 | 609 | 609 | 609 | 1,233 | 1,857 | 1,857 | 2,481 |
| 12 | 4 | 13 | 21 | 25 | 339 | 660 | 671 | 688 | 1,330 | 1,970 | 1,989 | 2,630 |

Virginia Electric and Power Company
 PIPP Deferred Costs
 For The Period January 2022 to October 2023

| Line No. | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | 10,985 | 12,416 | 14,674 | 10,281 | 13,909 | 18,862 | 28,948 | 53,256 | 49,360 | 32,167 | 33,145 | 33,004 |
| 2 | | | | | | | | | | | | 26,843 |
| 3 | 10,985 | 12,416 | 14,674 | 10,281 | 13,909 | 18,862 | 28,948 | 53,256 | 49,360 | 32,167 | 33,145 | 59,846 |
| 4 | 136,409 | 148,825 | 163,499 | 173,780 | 187,690 | 206,552 | 235,499 | 288,756 | 338,116 | 370,283 | 403,428 | 463,274 |
| 5 | 101,551 | 110,794 | 121,718 | 129,372 | 139,727 | 153,769 | 175,320 | 214,967 | 251,714 | 275,660 | 300,336 | 344,889 |
| 6 | 97,462 | 106,173 | 116,256 | 125,545 | 134,550 | 146,748 | 164,544 | 195,143 | 233,340 | 263,687 | 287,998 | 322,612 |
| 7 | 1,852,214 | 1,852,214 | 1,852,214 | 2,615,285 | 2,615,285 | 2,615,285 | 2,615,285 | 2,678,284 | 3,214,652 | 3,214,652 | 3,597,005 | 3,577,022 |
| 8 | 1,852,214 | 1,852,214 | 1,852,214 | 2,233,749 | 2,615,285 | 2,615,285 | 2,615,285 | 2,646,784 | 2,946,468 | 3,214,652 | 3,405,829 | 3,587,013 |
| 9 | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% |
| 10 | 171 | 186 | 204 | 220 | 236 | 257 | 288 | 342 | 409 | 462 | 505 | 565 |
| 11 | 3,245 | 3,245 | 3,245 | 3,913 | 4,582 | 4,582 | 4,582 | 4,637 | 5,162 | 5,632 | 5,967 | 6,284 |
| 12 | 3,416 | 3,431 | 3,449 | 4,133 | 4,817 | 4,839 | 4,870 | 4,979 | 5,571 | 6,094 | 6,471 | 6,849 |

| Line No. | | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 |
|----------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| 1 | Administrative Expenses | 115,097 | 66,730 | 94,334 | 79,534 | 58,152 | 60,082 | 62,399 | 65,179 | 68,514 | 72,517 |
| 2 | Amortization of CIS Programming Costs | 26,843 | 26,843 | 26,843 | 26,843 | 26,843 | 26,843 | 26,843 | 26,843 | 26,843 | 26,843 |
| | Customer Bill Subsidies | | 2,774,446 | 529,374 | 856,761 | 1,231,997 | 1,341,590 | 1,833,660 | 2,082,621 | 2,272,140 | 2,805,651 |
| 3 | Total O&M (System) | 141,940 | 3,710,119 | 650,551 | 963,137 | 1,316,992 | 1,428,515 | 1,942,902 | 2,174,642 | 2,367,497 | 2,905,011 |
| 4 | Regulatory Asset Balance | 605,214 | 976,234 | 1,626,785 | 2,589,922 | 3,906,914 | 5,335,429 | 7,278,330 | 9,452,973 | 11,820,470 | 14,725,480 |
| 5 | Regulatory Asset Balance (Net of ADIT) | 450,557 | 726,766 | 1,211,074 | 1,928,091 | 2,908,537 | 3,972,008 | 5,418,419 | 7,037,351 | 8,799,855 | 10,962,517 |
| 6 | Average Regulatory Asset Balance (Net of ADIT) | 397,723 | 588,662 | 968,920 | 1,569,583 | 2,418,314 | 3,440,273 | 4,695,213 | 6,227,885 | 7,918,603 | 9,881,186 |
| 7 | Deferred Rate Base | 3,711,296 | 3,690,563 | 3,669,829 | 3,649,096 | 3,628,362 | 3,607,629 | 3,586,895 | 3,566,162 | 3,545,428 | 3,524,695 |
| 8 | Average Deferred Rate Base | 3,644,159 | 3,700,929 | 3,680,196 | 3,659,462 | 3,638,729 | 3,617,995 | 3,597,262 | 3,576,528 | 3,555,795 | 3,535,061 |
| 9 | Cost of Debt | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% | 0.18% |
| 10 | Financing Costs on Deferred O&M Costs | 697 | 1,031 | 1,697 | 2,750 | 4,237 | 6,027 | 8,226 | 10,911 | 13,873 | 17,311 |
| 11 | Financing Costs on Deferred Rate Base | 6,384 | 6,484 | 6,447 | 6,411 | 6,375 | 6,338 | 6,302 | 6,266 | 6,229 | 6,193 |
| 12 | Total Deferred Financing Costs | 7,081 | 7,515 | 8,145 | 9,161 | 10,611 | 12,365 | 14,528 | 17,176 | 20,102 | 23,504 |
| | | | | | | | | | | | 71,385 |
| | | | | | | | | | | | 128,062 |

Virginia Electric and Power Company
 PIP Deferred Rate Base
 For The Period December 2021 to October 2024

| Line No. | December-21 | January-22 | February-22 | March-22 | April-22 | May-22 | June-22 | July-22 | August-22 | September-22 | October-22 | November-22 | December-22 |
|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 |
| 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 |
| 4 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 | \$ 1,852,214 |
| 5 | \$ 3,577,022 | \$ 3,711,296 | \$ 3,690,563 | \$ 3,669,829 | \$ 3,649,096 | \$ 3,628,362 | \$ 3,607,629 | \$ 3,586,895 | \$ 3,566,162 | \$ 3,545,428 | \$ 3,524,695 | \$ 3,503,961 | \$ 3,483,228 |
| 6 | \$ 3,577,022 | \$ 3,711,296 | \$ 3,690,563 | \$ 3,669,829 | \$ 3,649,096 | \$ 3,628,362 | \$ 3,607,629 | \$ 3,586,895 | \$ 3,566,162 | \$ 3,545,428 | \$ 3,524,695 | \$ 3,503,961 | \$ 3,483,228 |

VIRGINIA ELECTRIC AND POWER COMPANY
Actual Cost of Capital and Capital Structure
As of December 31, 2022

| Line No. | Description | Amount | Percent | Annual Cost | Embedded Cost | Weighted Cost | Pre-Tax Weighted Cost |
|----------|-----------------------------------|--------------------------|-----------------|-------------------|---------------|---------------|-----------------------|
| 1 | Total long-term debt | \$ 15,487,755,032 | 45.109% | \$ 638,645,388 | 4.124% | 1.860% | |
| 2 | Short-term debt | <u>1,279,561,972</u> | <u>3.727%</u> | <u>51,932,425</u> | <u>4.059%</u> | <u>0.151%</u> | |
| 3 | Total debt | 16,767,317,003 | 48.835% | 690,577,812 | 4.119% | 2.011% | 2.011% |
| 4 | Total preferred stock | - | <u>0.000%</u> | - | <u>0.000%</u> | <u>0.000%</u> | |
| 5 | Common stock | 5,737,401,834 | 16.710% | | 9.350% | 1.562% | |
| 6 | Other paid-in capital | 1,112,875,312 | 3.241% | | 9.350% | 0.303% | |
| 7 | Retained earnings | 10,385,609,059 | 30.248% | | 9.350% | 2.828% | |
| 8 | AOCI | 8,888,767 | 0.026% | | 9.350% | 0.002% | |
| 8 | Adjustments | <u>36,637,066</u> | <u>0.107%</u> | | <u>9.350%</u> | <u>0.010%</u> | |
| 9 | Total common equity | 17,281,412,037 | 50.333% | | 9.350% | 4.706% | 6.320% |
| | Job development tax credits | | | | | | |
| 10 | Allocation: debt | 135,012,993 | 0.393% | | 4.124% | 0.016% | 0.016% |
| 11 | Allocation: preferred stock | - | 0.000% | | 0.000% | 0.000% | |
| 12 | Allocation: equity | <u>150,649,023</u> | <u>0.439%</u> | | <u>9.350%</u> | <u>0.041%</u> | <u>0.055%</u> |
| 13 | Total Job development tax credits | 285,662,017 | 0.832% | | 6.880% | 0.057% | 0.071% |
| 14 | Total Capital | \$ <u>34,334,391,057</u> | <u>100.000%</u> | | | <u>6.775%</u> | 8.403% |

VIRGINIA ELECTRIC AND POWER COMPANY

Actual Cost of Capital and Capital Structure

As of December 31, 2023

| Line No. | Description | Amount | Percent | Annual Cost | Embedded Cost | Weighted Cost | Pre-Tax Weighted Cost |
|-----------------------------|-----------------------------------|--------------------------|-----------------|--------------------|---------------|---------------|-----------------------|
| 1 | Total long-term debt | \$ 17,252,739,921 | 41.402% | \$ 739,841,884 | 4.288% | 1.775% | |
| 2 | Short-term debt | <u>2,458,869,113</u> | 5.901% | <u>136,201,600</u> | 5.539% | 0.327% | |
| 3 | Total debt | 19,711,609,034 | 47.303% | 876,043,484 | 9.827% | 2.102% | 2.10228% |
| 4 | Total preferred stock | - | 0.000% | - | 0.000% | 0.000% | |
| 5 | Common stock | 8,987,374,225 | 21.567% | | 9.350% | 2.017% | |
| 6 | Other paid-in capital | 1,112,875,312 | 2.671% | | 9.350% | 0.250% | |
| 7 | Retained earnings | 11,540,963,124 | 27.695% | | 9.350% | 2.590% | |
| 8 | AOCI | 16,408,002 | 0.039% | | 9.350% | 0.004% | |
| 9 | Adjustments | <u>8,729,140</u> | <u>0.021%</u> | | <u>9.350%</u> | <u>0.002%</u> | |
| 10 | Total common equity (excl AOCI) | 21,666,349,802 | 51.994% | | 9.350% | 4.861% | 6.52868% |
| Job development tax credits | | | | | | | |
| 11 | Allocation: debt | 129,941,322 | 0.312% | | 4.288% | 0.013% | 0.01337% |
| 12 | Allocation: preferred stock | - | 0.000% | | 0.000% | 0.000% | |
| 13 | Allocation: equity | <u>163,183,017</u> | <u>0.392%</u> | | <u>9.350%</u> | <u>0.037%</u> | <u>0.04917%</u> |
| 14 | Total Job development tax credits | 293,124,339 | 0.703% | | 7.106% | 0.050% | 0.06254% |
| 15 | Total Capital | \$ <u>41,671,083,175</u> | <u>100.000%</u> | | | <u>7.014%</u> | <u>8.69350%</u> |

VIRGINIA ELECTRIC AND POWER COMPANY
Actual Cost of Capital and Capital Structure
As of December 31, 2023

| Line No. | Description | Amount | Percent | Annual Cost | Embedded Cost | Weighted Cost | Pre-Tax Weighted Cost |
|----------|-----------------------------------|--------------------------|-----------------|--------------------|---------------|---------------|-----------------------|
| 1 | Total long-term debt | \$ 17,252,739,921 | 41.402% | \$ 739,841,884 | 4.288% | 1.775% | |
| 2 | Short-term debt | <u>2,458,869,113</u> | <u>5.901%</u> | <u>136,201,600</u> | <u>5.539%</u> | <u>0.327%</u> | |
| 3 | Total debt | 19,711,609,034 | 47.303% | 876,043,484 | 9.827% | 2.102% | 2.10228% |
| 4 | Total preferred stock | - | <u>0.000%</u> | - | <u>0.000%</u> | <u>0.000%</u> | |
| 5 | Common stock | 8,987,374,225 | 21.567% | | 9.700% | 2.092% | |
| 6 | Other paid-in capital | 1,112,875,312 | 2.671% | | 9.700% | 0.259% | |
| 7 | Retained earnings | 11,540,963,124 | 27.695% | | 9.700% | 2.686% | |
| 8 | AOCI | 16,408,002 | 0.039% | | 9.700% | 0.004% | |
| 9 | Adjustments | <u>8,729,140</u> | <u>0.021%</u> | | <u>9.700%</u> | <u>0.002%</u> | |
| 10 | Total common equity (excl AOCI) | 21,666,349,802 | 51.994% | | 9.700% | 5.043% | 6.77307% |
| | Job development tax credits | | | | | | |
| 11 | Allocation: debt | 129,941,322 | 0.312% | | 4.288% | 0.013% | 0.01337% |
| 12 | Allocation: preferred stock | - | 0.000% | | 0.000% | 0.000% | |
| 13 | Allocation: equity | <u>163,183,017</u> | <u>0.392%</u> | | <u>9.700%</u> | <u>0.038%</u> | <u>0.05101%</u> |
| 14 | Total Job development tax credits | 293,124,339 | 0.703% | | 7.301% | 0.051% | 0.06438% |
| 15 | Total Capital | \$ <u>41,671,083,175</u> | <u>100.000%</u> | | | <u>7.197%</u> | 8.93973% |

Attachment 2

Proposed Rider PIPP Tariff

RIDER PIPP

UNIVERSAL SERVICE FEE

In accordance with the Code of Virginia § 56-585.6, a non-bypassable Percentage of Income Payment Program (PIPP) universal service fee represented as Rider PIPP, will be applied to all kilowatt-hours consumed under the following Virginia Electric and Power Company's Filed Rate Schedules. The charge for service under Virginia Electric and Power Company's Filed Rate Schedules 1, 1G, 1P, 1S, 1T, 1W, DP-R, 1EV, EV, 5, 5C, 5P, 6, GS-1, DP-1, GS-2, DP-2, GS-2T, GS-3, GS-4, MBR, SCR, 6TS, 7, 8, 10, 24, 25, 27, 28, 29, as well as any special rates, contracts or incentives, approved by the State Corporation Commission pursuant to Virginia Code § 56-235.2 shall be increased by 0.0000 cents per kilowatt-hour.

Customers who elect to purchase Electricity Supply Service from a Competitive Service Provider are not exempt from Rider PIPP.