

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, MARCH 22, 2023

NOT TO BE FILED
IN THE STATE CORPORATION COMMISSION

2023 MAR 22 P 1:49

PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2023-00022

For revision of rate adjustment clause:
Rider CCR, for the recovery of costs incurred to comply
with § 10.1-1402.03 of the Code of Virginia,
pursuant to Code § 56-585.1 A 5 e

ORDER FOR NOTICE AND HEARING

On February 28, 2023, pursuant to § 56-585.1 A 5 e of the Code of Virginia ("Code") ("Subsection A 5 e"), Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") for an annual update with respect to its coal combustion residuals ("CCR") rate adjustment clause, designated Rider CCR, for the recovery of costs incurred to comply with the requirements of Virginia Senate Bill 1355,¹ codified as Code § 10.1-1402.03.²

On October 26, 2021, by its Order Approving Rate Adjustment Clause in Case No. PUR-2021-00045 ("2021 Order"), the Commission approved the Company's request for approval of Rider CCR, for the recovery of costs associated with certain environmental projects involving CCR removal (collectively, "Projects") at the Company's Bremo Power Station, Chesterfield Power Station, Possum Point Power Station, and Chesapeake Energy Center (collectively, the

¹ 2019 Va. Acts ch. 651.

² Petition at 1. Pursuant to Code § 56-585.1 A 7, the Commission must enter a final order on the Petition not more than eight months of the date of filing of such Petition.

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"Power Stations").³ On October 20, 2022, by its Final Order in Case No. PUR-2022-00033, the Commission approved the first annual update to Rider CCR and directed the Company to "file its next Rider CCR application on or after February 28, 2023."⁴

Dominion states that it is filing this annual update to inform the Commission of the status of the Projects at the Power Stations, and to provide the proposed cost allocation, rate design, and accounting treatment for service rendered during a proposed rate year commencing December 1, 2023 and extending through November 30, 2024 ("Rate Year") as related to proposed Rider CCR.⁵

In this proceeding, Dominion asks the Commission to approve Rider CCR for the Rate Year.⁶ The Company states that the two components of the revenue requirement are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.⁷ The Company requests a Projected Cost Recovery Factor revenue requirement of \$222,922,398, and an Actual Cost True-Up Factor revenue requirement of \$(28,728,418).⁸ Thus, the Company proposes a total

³ *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider CCR, for the recovery of costs incurred to comply with § 10.1-1402.03 of the Code of Virginia, pursuant to Virginia Code § 56-585.1 A 5 e*, Case No. PUR-2021-00045, 2021 S.C.C. Ann. Rept. 428, Order Approving Rate Adjustment Clause (Oct. 26, 2021); Petition at 4.

⁴ *Petition of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider CCR, for the recovery of costs incurred to comply with § 10.1-1402.03 of the Code of Virginia, pursuant to Code § 56-585.1 A 5 e*, Case No. PUR-2022-00033, Doc Con. Cen. No. 221030158, Final Order at 5 (Oct. 20, 2022); Petition at 5.

⁵ Petition at 5.

⁶ *Id.*

⁷ *Id.* at 9.

⁸ *Id.* at 10.

revenue requirement requested for recovery in this Rider CCR proceeding for the Rate Year of \$194,193,980.⁹

Dominion asserts that, consistent with the Company's 2022 Rider CCR proceeding, the Company continues to allocate Rider CCR costs on an energy basis using a Factor 3 non-bypassable allocation methodology, as approved by the Commission in the 2021 Order.¹⁰

If the revised Rider CCR for the Rate Year is approved, the impact on customer bills would depend on the customer's rate schedule and usage. According to Dominion, implementation of its revised Rider CCR on December 1, 2023, would decrease the monthly bill of a residential customer using 1,000 kilowatt hours per month by approximately \$0.58.¹¹

Dominion also requests a waiver, in part, of Rules 20 VAC 5-204-60 ("Rule 60") and 20 VAC 5-204-90 ("Rule 90") of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities ("Rate Case Rules")¹² with respect to paper copies of certain Filing Schedule 46 materials.¹³ Rule 60 states that an application for a rate adjustment clause filed pursuant to Chapter 23 of Title 56 of the Code shall include Schedule 46, "Rate Adjustment Clauses and Prudency Determinations Pursuant to Chapter 23 (§ 56-576 *et. seq.*) of the Code of Virginia." Schedule 46 requires an applicant to provide certain information, including key documents supporting the projected and actual costs recovered through the rate adjustment clause, such as economic analyses, contracts, studies,

⁹ *Id.*

¹⁰ *Id.* at 11.

¹¹ *Id.*

¹² 20 VAC 5-204-5 *et seq.*

¹³ Petition at 13-14.

investigations, results from requests for proposals, and cost/benefit analyses.¹⁴ According to Dominion, the supporting documentation responsive to this requirement is voluminous and not easily reviewed in hard copy (paper) format, and therefore the Company seeks waiver of the requirement to file 12 hard copies of the information.¹⁵ Instead, the Company proposes to: (i) provide the Commission with one hard copy and three electronic copies on compact discs, which were included with the filing, and (ii) provide the documentation to Commission Staff ("Staff") and any future case participants in electronic format.¹⁶

Finally, in conjunction with the filing of its Petition on February 28, 2023, the Company filed the Motion of Virginia Electric and Power Company for Entry of a Protective Order and Additional Protective Treatment ("Motion for Protective Ruling") and a proposed protective order that establishes procedures governing the use of confidential and extraordinarily sensitive information in this proceeding.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; Dominion should provide public notice of its Petition; hearings should be scheduled for the purpose of receiving testimony from public witnesses and evidence on the Petition; interested persons should have an opportunity to file comments on the Petition and to participate as respondents in this proceeding; and Staff should be directed to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon. We also appoint a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's

¹⁴ Rate Case Rule 90, Schedule 46 instructions, § (c) (1) (iii).

¹⁵ Petition at 14.

¹⁶ *Id.*

Motion for Protective Ruling and filing a final report containing the Hearing Examiner's findings and recommendations. Further, for purposes of making the Petition complete and commencing this proceeding, we grant Dominion's request to waive in part the requirements under Rule 60 and Rule 90 of the Rate Case Rules with respect to the filing of certain Schedule 46 materials.

To promote administrative efficiency and timely service of filings upon participants, 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-2023-00022.

(2) All pleadings, briefs, or other documents required to be served 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 and Procedure ("Rules of Practice").¹⁷

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. 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.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the 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 which documents

¹⁷ 5 VAC 5-10-20 *et seq.*

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 Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission. A copy of each filing made with the Commission's Clerk's office in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁸

(5) The Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Petition, as follows:

- (a) A hearing for the receipt of testimony from public witnesses on the Petition shall be convened telephonically at 10 a.m., on August 9, 2023, with no public witness present in the Commission's courtroom.¹⁹
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before August 3, 2023, 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 August 9, 2023, the assigned Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above. This hearing will not be convened, and the parties will be notified of such, if no person signs up to testify as a public witness.

¹⁸ Such electronic copies shall be sent to: Wendy.Starkey@scc.virginia.gov, Kaitlyn.McClure@scc.virginia.gov, and LeaAnn.Robertson@scc.virginia.gov.

¹⁹ The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.

- (e) This public witness hearing will be webcast at:
scc.virginia.gov/pages/Webcasting.

(6) A public evidentiary hearing on the Petition shall be convened at 10 a.m. on August 10, 2023, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence offered by the Company, respondents, and the Staff on the Petition.

(7) An electronic copy of the public version of the Company's Petition 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 from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before April 19, 2023, the Company shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within Virginia:

NOTICE TO THE PUBLIC OF PETITION BY
VIRGINIA ELECTRIC AND POWER COMPANY
FOR REVISION OF A RATE ADJUSTMENT CLAUSE,
DESIGNATED RIDER CCR, FOR THE RATE YEAR
COMMENCING DECEMBER 1, 2023
CASE NO. PUR-2023-00022

- Virginia Electric and Power Company ("Dominion") has filed a Petition with the State Corporation Commission ("Commission") for an annual update with respect to its coal combustion residuals ("CCR") rate adjustment clause, designated Rider CCR, for the recovery of costs incurred to comply with the requirements of Virginia Senate Bill 1355, codified as Code § 10.1-1402.03.
- Dominion requests approval for recovery in Rider CCR of a total revenue requirement of \$194,193,980. According to Dominion, this amount would decrease the bill of a typical residential customer using 1,000 kilowatt hours of electricity per month by \$0.58.
- A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on August 9, 2023, at 10 a.m., for the receipt of public witness testimony.
- An evidentiary hearing will be held on August 10, 2023, at 10 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219.
- Further information about this case is available on the Commission website at: scc.virginia.gov/pages/Case-Information.

On February 28, 2023, pursuant to § 56-585.1 A 5 e of the Code of Virginia ("Code") ("Subsection A 5 e"), Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") for an annual update with respect to its coal combustion residuals ("CCR") rate adjustment clause, designated Rider CCR, for the recovery of costs incurred to comply with the requirements of Virginia Senate Bill 1355, codified as Code § 10.1-1402.03.

On October 26, 2021, by its Order Approving Rate Adjustment Clause in Case No. PUR-2021-00045 ("2021 Order"), the Commission approved the Company's Petition for a rate adjustment clause, designated Rider CCR, pursuant to Subsection

A 5 e for the recovery of costs associated with certain environmental projects involving CCR removal (collectively, "Projects") at the Company's Brevo Power Station, Chesterfield Power Station, Possum Point Power Station, and Chesapeake Energy Center (collectively, the "Power Stations"). On October 20, 2022, by its Final Order in Case No. PUR-2022-00033, the Commission approved the first annual update to Rider CCR and directed the Company to "file its next Rider CCR application on or after February 28, 2023."

Dominion states that it is filing this annual update to inform the Commission of the status of the Projects at the Power Stations, and to provide the proposed cost allocation, rate design, and accounting treatment for service rendered during a proposed rate year commencing December 1, 2023 and extending through November 30, 2024 ("Rate Year") as related to proposed Rider CCR.

In this proceeding, Dominion asks the Commission to approve Rider CCR for the Rate Year. The Company states that the two components of the revenue requirement are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor. The Company requests a Projected Cost Recovery Factor revenue requirement of \$222,922,398, and an Actual Cost True-Up Factor revenue requirement of \$(28,728,418). Thus, the Company proposes a total revenue requirement requested for recovery in this Rider CCR proceeding for the Rate Year beginning of \$194,193,980.

Dominion asserts that, consistent with the Company's 2022 Rider CCR proceeding, the Company continues to allocate Rider CCR costs on an energy basis using a Factor 3 non-bypassable allocation methodology, as approved by the Commission in the 2021 Order.

If the revised Rider CCR for the Rate Year is approved, the impact on customer bills would depend on the customer's rate schedule and usage. According to Dominion, implementation of its revised Rider CCR on December 1, 2023, would decrease the monthly bill of a residential customer using 1,000 kilowatt hours per month by approximately \$0.58.

Interested persons are encouraged to review Dominion's Petition 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 Petition and supporting documents and thus may adopt rates that differ from those appearing in the Company's Petition and supporting documents.

To promote administrative efficiency and timely service of filings upon participants, the Commission has directed the electronic filing of testimony and pleadings, unless they contain confidential information, and has required electronic service on parties to this proceeding.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public hearings on Dominion's Petition. On August 9, 2023, at 10 a.m., the Hearing Examiner will hold a telephonic hearing, with no witness present in the Commission's courtroom, for the purpose of receiving the testimony of public witnesses. On or before August 3, 2023, 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 August 10, 2023, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Petition from the Company, any respondents, and the Commission's Staff.

Electronic copies of the public version of the Petition 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 from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before August 3, 2023, any interested person may submit comments on the Petition electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2023-00022.

On or before May 31, 2023, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. A copy of the notice of participation as a respondent also must be sent to counsel for 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-2023-00022.

On or before June 28, 2023, each respondent may file electronically with the Clerk of the Commission at scc.virginia.gov/clk/efiling 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 one page. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. All testimony and exhibits shall be served on the Commission's Staff, the Company, and all other respondents simultaneous with its filing. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified by the Commission's Order for Notice and Hearing, 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-2023-00022.

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

VIRGINIA ELECTRIC AND POWER COMPANY

(9) 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.

(10) On or before May 10, 2023, the Company shall file proof of the notice and service required by Ordering Paragraphs (8) and (9), including the name, title, address and electronic mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission by filing electronically at scc.virginia.gov/clk/efiling/.

(11) On or before August 3, 2023, any interested person may submit written comments on the Petition by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2023-00022.

(12) On or before May 31, 2023, 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. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address

listed in Ordering Paragraph (11). Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to Rule 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-2023-00022.

(13) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the public version of the Petition on the respondent, unless it has already been provided to the respondent.

(14) On or before June 28, 2023, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (11). Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Company and all other respondents simultaneous with its filing. In all filings, the respondent 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-2023-00022.

(15) On or before July 12, 2023, the Staff shall investigate the Petition and file with the Clerk of the Commission its testimony and exhibits concerning the Petition, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Company and all respondents.

(16) On or before July 26, 2023, 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 one page. The Company shall serve a copy of the rebuttal testimony and exhibits on the Staff and all respondents.

(17) 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.

(18) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories 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.²⁰ Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) Dominion's request to waive in part the requirements under Rule 60 and Rule 90 of the Rate Case Rules with respect to the filing of certain Schedule 46 materials is granted as described herein.

(20) This matter is continued.

Commissioner Patricia L. West participated in this matter.

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.

²⁰ The assigned Staff attorney is identified on the Commission's website: scc.virginia.gov/Case-Information, by clicking "Docket Search," and clicking "Search by Case Information," and entering the case number, PUR-2023-00022, in the appropriate box.