

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JULY 12, 2024

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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

APPLICATION OF

APPALACHIAN NATURAL GAS
DISTRIBUTION COMPANY

CASE NO. PUR-2024-00067

For approval to implement SAVE rates
for each customer class for Year 6 of its
SAVE Plan

ORDER FOR NOTICE AND COMMENT

On July 3, 2024, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") completed the filing of an application ("Application")¹ pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy Plan (SAVE) Act, and the State Corporation Commission's ("Commission") Final Order in Case No. PUR-2023-00068 ("2023 SAVE Order").² ANGD's Application seeks approval of a True-up Factor for January 1, 2023, through July 31, 2023, and approval of modifications to the 2022 True-up Factor.³ ANGD requests that the proposed Year 6 Rates for each customer class become effective October 1, 2024.⁴ Pursuant to Code § 56-604 E, the Commission must issue an order approving or denying the proposed SAVE rider adjustment within 90 days of the filing.

¹ On July 3, 2024, ANGD filed a Revised Application in accordance with the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas Utilities, 20 VAC 5-205-5 *et seq.*, with testimony and schedules supporting the Company's revised request. References to Application hereinafter are to this July 3, 2024 filing.

² *Application of Appalachian Natural Gas Distribution Company, For approval to implement SAVE rates for each customer class for Year 5 of its SAVE Plan*, Case No. PUR-2023-00068, 2023 S.C.C. Ann. Rept. 439, Final Order (July 14, 2023).

³ Application at 1.

⁴ *Id.* at 3.

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ANGD states that, under its SAVE Plan, the Company has replaced 14,580 feet of four-inch vintage plastic main with new six-inch high-density polyethylene ("HDPE") mains, and 11,330 feet of two-inch vintage plastic main with new HDPE mains.⁵ ANGD states that the Company has successfully completed the SAVE program investments and is submitting this filing for true-up purposes.⁶

According to the Application and the documents and workpapers submitted by the Company, ANGD experienced an under recovery of \$54,082 for the period of January 1, 2023, through July 31, 2023, which ANGD plans to recover through a SAVE Rider True-up Factor over twelve months beginning in October 2024, as a charge on each bill based on customer class.⁷ ANGD also states that it performed a Virginia Jurisdictional Study in 2023 that resulted in modifications to the SAVE Rider True-up Factor for calendar year 2022.⁸ Modifications based on the results of the Jurisdictional Study showed an over-recovery of \$92,013, which the Company began refunding in August 2023, and will continue refunding through July 2024.⁹ According to Schedule 17 of the Company's Application, residential customers will receive a charge of \$1.72 on each monthly bill, in place of the current credit of \$3.09, if the proposed SAVE Rider is approved.¹⁰

⁵ *Id.*

⁶ *Id.*

⁷ *See id.* at 2; Direct Testimony of John Jessee ("Jessee Direct") at 4 and Exhibit JJ-3.

⁸ Jessee Direct at 5-6.

⁹ *See* Application at 2; Jessee Direct at 5-6 and Exhibit JJ-2.

¹⁰ *See* Jessee Direct at Exhibit JJ-4.

NOW THE COMMISSION, upon consideration of ANGD's Application, is of the opinion and finds that this matter should be docketed; that the Company should provide public notice of its Application; that any interested persons should be afforded an opportunity to file comments or request a hearing on the Company's Application; and that the Staff of the Commission ("Staff") should investigate the Application and file a report containing Staff's findings and recommendations.

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 as Case No. PUR-2024-00067.
- (2) All pleadings 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. 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 Commission's Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and Staff are instructed to work together to agree upon the manner in 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 Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 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 and motions *pro hac vice* that arise during the course of this proceeding. A copy of each filing relating to discovery matters made with the Office of the Clerk in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹¹

(5) On or before August 5, 2024, the Company shall cause a copy of 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 the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY
FOR APPROVAL TO IMPLEMENT SAVE RATES FOR
EACH CUSTOMER CLASS FOR YEAR 6 OF ITS
SAVE PLAN
CASE NO. PUR-2024-00067

On July 3, 2024, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") completed the filing of an application ("Application") pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy Plan (SAVE) Act, and the State Corporation Commission's ("Commission") Final Order in Case No. PUR-2019-00011 ("2023 SAVE Order"). ANGD's Application seeks approval of a True-up Factor for January 1, 2023, through July 31, 2023, and approval of modifications to the 2022 True-up Factor. ANGD requests that the proposed Year 6 Rates for each customer class become effective October 1, 2024. Pursuant to Code § 56-604 E, the Commission must issue an order approving or denying the proposed SAVE rider adjustment within 90 days of the filing.

¹¹ Such electronic copies shall be sent to: OHEParalegals@scv.virginia.gov.

ANGD states that, under its SAVE Plan, the Company has replaced 14,580 feet of four-inch vintage plastic main with new six-inch high-density polyethylene ("HDPE") mains, and 11,330 feet of two-inch vintage plastic main with new HDPE mains. ANGD states that the Company has successfully completed the SAVE program investments and is submitting this filing for true-up purposes.

According to the Application and the documents and workpapers submitted by the Company, ANGD experienced an under recovery of \$54,082 for the period of January 1, 2023, through July 31, 2023, which ANGD plans to recover through a SAVE Rider True-up Factor over twelve months beginning in October 2024, as a charge on each bill based on customer class. ANGD also states that it performed a Virginia Jurisdictional Study in 2023 that resulted in modifications to the SAVE Rider True-up Factor for calendar year 2022. Modifications based on the results of the Jurisdictional Study showed an over-recovery of \$92,013, which the Company began refunding in August 2023, and will continue refunding through July 2024. According to Schedule 17 of the Company's Application, residential customers will receive a charge of \$1.72 on each monthly bill, in place of the current credit of \$3.09, if the proposed SAVE Rider is approved.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these proposals.

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

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), the Commission has directed that service on parties and Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment

for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Application may be viewed on the Commission's website or obtained, at no charge, by submitting a written request to counsel for the Company: Brian R. Greene, Esquire, and Clarice M. Gardner, Esquire, GreeneHurlocker, PLC, 4908 Monument Avenue, Suite 200, Richmond, Virginia 23230, or Bgreene@greenehurlocker.com; CGardner@GreeneHurlocker.com.

On or before August 26, 2024, 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. 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 such comments shall refer to Case No. PUR-2024-00067.

On or before August 26, 2024, 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. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2024-00067. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before August 26, 2024, any interested person may request that the Commission convene a hearing in this matter by filing a request for hearing electronically via scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the

Clerk of the Commission at the address listed above. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All filings shall refer to Case No. PUR-2024-00067.

A copy of any notices of participation and requests for hearing shall be sent to counsel for the Company.

The Company's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Comment may be viewed at: scc.virginia.gov/pages/Case-Information.

APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

(6) The Company shall serve each official listed in 20 VAC 5-205-10 J of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas Utilities, 20 VAC 5-205-5 *et seq.*, in the manner provided therein.

(7) On or before August 26, 2024, ANGD shall file proof of the service required by Ordering Paragraphs (5) and (6) with the Clerk of the Commission.

(8) On or before August 26, 2024, any interested person may submit comments on the Application 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-2024-00067.

(9) On or before August 26, 2024, 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 above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2024-00067.

(10) On or before August 26, 2024, any interested person or entity may file a request that the Commission convene a hearing on the Company's Application, with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address above. Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No. PUR-2024-00067.

(11) A copy of each request for hearing and notice of participation shall be sent to counsel for the Company: Brian R. Greene, Esquire, and Clarice M. Gardner, Esquire, GreeneHurlocker, PLC, 4908 Monument Avenue, Suite 200, Richmond, Virginia 23230, Bgreene@greenehurlocker.com; CGardner@greenehurlocker.com.

(12) Staff shall investigate the Application, and on or before August 26, 2024, shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations. A copy of the Staff Report shall be sent to counsel for the Company and any respondents.

(13) On or before September 3, 2024, ANGD shall file with the Clerk of the Commission a response to any requests for hearing, comments filed by interested persons, or the Staff Report.

(14) 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.

(15) 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 five (5) 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 Staff.¹² 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.*

(16) This matter is continued.

¹² 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-2024-00067 in the appropriate box.

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.